Panel Decision for dispute CAC-ADREU-007033

Case number	CAC-ADREU-007033
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Domain names	leebaron.eu

Case administrator

Lada Válková (Case admin)

Complainant

Organization	Lee Baron Fashions Ltd.

Respondent

Organization	Lee Baron Denmark

INSERT INFORMATION ABOUT OTHER LEGAL PROCEEDINGS THE PANEL IS AWARE OF WHICH ARE PENDING OR DECIDED AND WHICH RELATE TO THE DISPUTED DOMAIN NAME

None as far as the .eu domain name is concerned but the parties have informed the Panel of the decision on the leebaron.se domain name dispute and of the pending leebaron.dk domain name dispute.

FACTUAL BACKGROUND

The Complainant is a tailoring business which was founded in 1962 in Hong Kong by Peter Lee and Jimmy Baron, and has operated under the trademark LEE BARON since then.

Complainant has used the trademark LEE BARON for its tailoring business in Denmark and Sweden for more than 20 years, and has through this use acquired rights to the said trademark according to Article 3(1)(2) of the Danish Trademark Law.

The Respondent is a Danish citizen who owns the Danish company "Lee Baron IVS".

The Disputed domain name was registered on 5 November 2009.

A. COMPLAINANT

1) The domain name is identical or confusingly similar to a name in respect of which a right is recognized or established by the national law of a Member State and/or Community law, Article 21(1) of Regulation and ADR rule 11(d)(1)(i):

The Complainant has applied for registration of the figurative mark LEE BARON as Community Trademark, but due to an opposition the mark has not been registered yet. Currently, the parties conduct settlement negotiations.

Complainant claims and submits evidence it has however used the trademark LEE BARON both as wordmark and as logo for its tailoring business in Denmark and Sweden for more than 20 years. The Complainant has thus acquired trademark rights to LEE BARON in Denmark by in accordance with Article 3(1)(2) of the Danish Trademark Law. Unregistered trademarks are recognized as a right under Article 10(1) of Regulation 874/2004 of 28 April 2004 laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration.

The Complainant alleges that the disputed domain name leebaron.eu is identical to the trademark LEE BARON which the Complainant has established trademark rights to through use. The domain name leebaron.eu fully incorporates the Complainant's trademark and then merely adds the top level domain .eu.

2) Respondent has no rights or legitimate interest in the domain name, Article 21(1)(a) of the Regulation and ADR rule 11(d)(ii)

On 5 November 2009 The Complainant registered the domain name leebaron.eu. For purposes of marketing and administration, the Respondent became responsible for the domain names leebaron.dk, leebaron.se and the disputed domain name leebaron.eu as well as for the social media accounts.

In 2014, the Complainant informed the Respondent that the future of the Complainant´s activities in Denmark and Sweden was about to be ceased. The parties discussed whether the Respondent could continue to sell tailor-made clothes in Denmark without association with Lee Baron and the Complainant made it clear that the Complainant could not accept that the Respondent used the Lee Baron name for its coming activities.

The Complainant also requested from the Respondent the transfer of the domain names leebaron.dk, leebaron.se and leebaron.eu to the Complainant but the Respondent did not transfer the aforementioned domain names. This request was repeated in a letter to Respondent in March 2015, but in its Response letter from April 2015 the Respondent refused to transfer the domain names, inter alia by referring to their intention to purchase and resell clothes from Lee Baron.

The Complainant has uphold their requests for transfer of the domain names, and the Complainant thus submits that the Respondent does not have any rights or legitimate interests in the disputed domain name.

3) The domain name has been registered or is being used in bad faith, Article 21(1)(b) of the Regulation and ADR rules Article 11(d)(1)(iii)

The Complainant asserts that the Respondent has used the disputed domain name in bad faith on the above-mentioned factual grounds and for the following reasons.

Since the Respondent started his own competing business, the use of the domain name leebaron.eu to redirect to the Respondents own website indicates bad faith use and harms the reputation of the Lee Baron name,

As of today, the domain name in dispute leebaron.eu is not actively used which may also be proof of bad faith use since it prevents the Complainant from offering its goods and services from the important .eu website.

B. RESPONDENT

In the Response the Respondent refers to the fact that the disputed domain name is owned by him and that he also owns the Danish company "Lee Baron IVS". Based on this the Respondent believes that the complaint should be rejected.

The Respondent draws attention to the fact that there is a dispute between the parties and that the Complainant has not honoured the agreement of ceasing their activities in Scandinavia and letting the Respondent and his business partners continue their business.

Finally the Respondent asks that to be "compensated for the effort and investment we have put in to the value of the domain" if the ADR panel decides to rule to the Complainants favour.

DISCUSSION AND FINDINGS

Firstly, the Panel would like to deal with procedural issues raised during the proceedings. In nonstandard communication dated 29 September 2015 the Complainant requested to change the remedies sought. In particular, the Complainant requested to revoke the disputed domain name. For the Complainant does not satisfy the general eligibility criteria for registration set out in Article 4(2)(b) of Regulation (EC) No 733/2002 and in accordance with article B 7 (a) and B 11 (b) of the ADR Rules the Panel approves this change.

Furthermore, the Respondent submitted a supplemental filling on 6 October 2015 and the Complainant replied to this Respondent´s submission on 9 October 2015 via nonstandard communication. Pursuant to paragraph B 8 of the ADR Rules it is sole discretion of a Panel to admit further statements or documents from either of the Parties. In that regard, supplemental fillings can be accepted only under specific circumstances (i.e. evidence could not possibly have been presented earlier, principle of fairness is at stake etc.). The Panel has accepted both supplemental filings but has found that supplemental filling submitted by the Respondent and the response to this filling by the Complainant is of no relevance to this proceeding.

According to article 21(1) of Commission Regulation (EC) No 874/2004 and paragraph B 11 (d) of the ADR Rules a registered domain

name shall be subject to revocation provided that each of the three following elements are satisfied:

(A) The domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights that are recognised or established by national a and/or Community law; and
(B) Respondent has no rights or legitimate interests in respect of the domain name; and
(C) The domain name has been registered or is being used in bad faith.

A. Identical or Confusingly Similar to a trademark in which the Complainant has rights

Unregistered trademarks are recognized as a right under Article 10(1) of Regulation 874/2004

In its Complaint, the Complainant submitted evidence that according to Danish Trademark Law it has rights in unregistered trademark LEE BARON. In particular, the Complainant submitted translation of relevant provision of Danish Trademark Law (i.e. Article 3(1)(2) of the Danish Trademark Law) which stipulates:

"A trade mark right may be established either
1) by registration of a trademark in accordance with the rules of this Act for the goods or services comprised by the registration or
2) by commencement of use of a trade mark in this country for the goods or services for which the trademark has commenced to be used and for which it is continuously used."

There are no specific statutory requirements regarding the intensity or duration of the use, but based on the level of use that Danish courts have accepted as sufficient use the Panel is satisfied that the submitted material demonstrates that the Complainant has established rights to the trademark LEE BARON in Denmark in accordance with the above cited provision.

The contested domain name contains the Complainant's distinctive and protected trademark LEE BARON in its entirety.For sake of completeness, the Panel asserts that the top-level suffix in the domain name (i.e. the ".eu") must be disregarded under the identity and confusing similarity tests as it is a necessary technical requirement of registration. Therefore, the disputed domain name and the Complainant's trademark are confusingly similar.

Consequently, the Panel finds that the disputed domain name is identical to a trademark in which the Complainant established to have rights.

B. Rights or Legitimate Interests

The Complainant alleges that the Respondent has no rights or legitimate interests in the domain name.

The Respondent has not disputed the information but forward by the Complainant and the Panel therefore finds that it has been proven that the Respondent worked as an agent and seller for the Complainant from 2009 until 2014 and that the disputed domain name was registered on behalf of the Complainant to be used for promotion of the goods tailored by Complainant under the brand name LEE BARON.

In the view of this Panel, it is a recognized principle of European trademark law that an agent or reseller that is engaged in the legitimate sale and distribution of trademarked goods does not per se have any rights to register the said trademark as its trademark, business name or domain name without explicit consent of the trademark owner, cf. the principles of Article 6 of the Paris Convention.

In this case the initial consent to register and hold the disputed domain name has been explicitly withdrawn.

Even if the Respondent was to be engaged in legitimate albeit unauthorized sales of Complainants products, as was the expressed intention in the Respondents reply to the Complainant´s cease and desist type letter of March 2015, the Respondent´s legitimate interests and rights to use the trademark for promoting these goods, does not establish such rights or legitimate interest for the purpose of these proceedings that may legitimize registration of the disputed domain name. The Panel explicitly notes that the principle of exhaustion under European trademark law cannot legitimate the registration and use of the disputed domain names either.

The Respondent has registered the company name LEE BARON DANMARK IVS. According to the provided information this registration

took place on 22 April 2014. Since the establishment itself does not predate the Complainant´s trademark rights and since the Complainant has raised objections against the Respondent´s use of LEE BARON as company name, the registration of the company name does not constitute a right or legitimate interest for the Respondent.

The Panel therefore finds that the Respondent has no rights or legitimate interests in the disputed domain name.

C. Registered or Used in Bad Faith

As mentioned above the Respondent has not rebutted the substantiated allegations put forward by the Complainant.

Based on this information the Panel finds that the disputed domain name was initially registered in good faith. It was also used in good faith for a number of years namely for the promotion of the Complainant´s goods and services.

However, shortly after the de facto termination of the cooperation between the parties the Respondent started using the domain name to redirect internet users to the Respondent´s own website from which he offered competing goods and services to those of the Complainant. This use, which was clearly bad faith use, has ceased and the domain name is now inactive in the sense that there is no active website using the domain name as URL.

This passive holding not only prevents the Complainant from offering its goods and services from the .eu website but may also lead users that are looking for information on the Complainant to believe that the Complainant is no longer conducting business within the EU.

Taking all the facts of the present case into consideration the Panel finds that the disputed domain name is being used in bad faith.

In conclusion, considering all the facts and evidence, the Panel finds that all the requirements of paragraph 21 (1) of the PPR and of paragraph B 11(d) of the ADR Rules are met.

As to the Respondent´s request for compensation the Panel notes that such requests falls outside the scope of these proceedings.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that

the domain name LEEBARON be revoked

PANELISTS

Name	**Knud Wallberg**

DATE OF PANEL DECISION 2015-10-18

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

I. Disputed domain name: leebaron.eu

II. Country of the Complainant: Hong Kong, country of the Respondent: Denmark

III. Date of registration of the domain name: 05 November 2009

IV. Rights relied on by the Complainant (Art. 21 (1) Regulation (EC) No 874/2004) on which the Panel based its decision:
7. unregistered trademark: LEE BARON

V. Response submitted: Yes

VI. Domain name is identical to the protected right of the Complainant

VII. Rights or legitimate interests of the Respondent (Art. 21 (2) Regulation (EC) No 874/2004):

1. No
2. Why: The Respondent acted as the Complainant´s agent when the domain name was registered, but refused to transfer or cancel the domain name when the cooperation between the parties was terminated.

VIII. Bad faith of the Respondent (Art. 21 (3) Regulation (EC) No 874/2004):
1. No
2. Why:

IX. Other substantial facts the Panel considers relevant: The fact that the Respondent registered a company name that incorporates the trademark after the termination of the parties cooperation and against which the Complainant objects does not constitute a right or legitimate interest in the disputed domain name.

X. Dispute Result: Revocation of the disputed domain name

XI. Procedural factors the Panel considers relevant: Since the Complainant resides outside of the EU the domain name cannot be transferred to the Complainant. The Complainant amended the originally filed Complaint accordingly.

XII. Is Complainant eligible? No