Panel Decision for dispute CAC-ADREU-007419

Case number	CAC-ADREU-007419
Time of filing	2017-05-18 16:08:40
Domain names	paperlesspost.eu

Case administrator

Aneta Jelenová (Case admin)

Complainant

Organization	Paperless Ltd

Respondent

Organization	EventKingdom GmbH

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

The Panel is not aware of any other legal proceedings that are pending or decided and which relate to the disputed domain name.

FACTUAL BACKGROUND

1. The Complaint has been filed on behalf of two Complaints, i.e. Paperless Inc., incorporated in the USA and Paperless Ltd. established as a Limited company in England and Wales. It results from the documents provided by the Complainants, whose content is undisputed, that all shares of Paperless Ltd. are held by Paperless Inc. and that the two Company Directors of Paperless Ltd. are the CEO and the COO of Paperless Inc. respectively.

2. It further results from the undisputed evidence submitted that the Complainants provide online and printed stationery, including greetings, invitations, birth announcements, wedding suites and custom stationery from its website www.paperlesspost.com. The Complainant's website allows its members to create their own online and/or paper stationery via customizable designs.

3. The first Complainant is the registered owner of the following trademark registrations:

- US-trademark (word mark) PAPERLESS POST filed on 10 February 2009 for services in classes 35, 38 and 42, later superseded by the entry of the identical mark on the principal register (Registration No 4803137) with the earliest first use recorded as 20 November 2008

- EU-trademark (figurative) P PAPERLESS POST (No 008744054) filed on 9 December 2009 and registered on 11 June 2010 for services in classes 35, 38 and 42

- Austrian trademark (figurative) paperless.at, filed on 27 October 2004 and registered on 4 May 2005 (No 224572) for goods and services in classes 9, 37 and 42

4. It is undisputed amongst the parties that the Respondent is a direct competitor of the Complainant and offers goods and services that compete with the Complainant via its website www.eventkingdom.com to which the disputed domain name redirects since its registration.

5. According to EURid's verification, the disputed domain name has been registered on 15 March 2011. The Respondent has also registered the domain names paperlesspost.at, paperlesspost.ch, paperlesspost.de during 2011 and paperlesspost.fr and paperlesspost.it during 2014.

6. On 8 July 2014 the Complainant's representative sent an email to the Respondent setting out the infringement with a view of seeking

an amicable settlement. On 25 July 2014 Respondent's CEO responded disputing the Complainant's trade mark rights to the terms "PAPERLESS POST" while suggesting that they were amenable to "discuss alternative options on the phone". During January 2016 one of the Complainant's founders met with the Respondent's CEO and in a follow-up email the Complainants offered the Respondent to purchase some of the above "paperlesspost"-domain names for EUR 5.000. In a further email sent to the Complainant, the Respondent's CEO stated "I am open to selling the domains to you, but we need to discuss an amount more in the direction of 100,000 EUR".

7. On 19 April 2017 the Complainants submitted an unsolicited non-standard communication.

8. On 21 April 2017 the Czech Arbitration Court appointed the Panelist. This appointment has been challenged by the Complainants on the same day. The Complainants brought forward that the Panelist is not from a neutral country but from the Respondent's country being a German practitioner and national. Furthermore, Germany is a civil law country and as such, common law rights are not recognised therefore a Panelist with experience in both civil and common law would be best suited to adjudicate such a matter. The Panelist disagreed with the challenge. On 28 April 2017 the Czech Arbitration Court ruled that the Challenge made is groundless confirmed the Panelist's appointment.

9. Subsequently, on 12 May 2017 also the Respondent submitted an unsolicited non-standard Communication commenting on the Complainants' non-standard communication dated 19 April 2017 and asking the Panel not to consider the latter. Finally, the Complainants replied with a second unsolicited non-standard communication dated 12 May 2017.

A. COMPLAINANT

1. The Complainants seek a decision transferring the disputed domain name to the second Complainant or in the alternative revocation of the disputed domain name.

2. All rights accruing to the first Complainant also accrue to the second Complainant.

3. The disputed domain name is identical to the Complainant's word and common law mark and confusingly similar to its figurative mark as the word element is predominant, and can be clearly separated from the device element.

4. The Complainants' main website is paperlesspost.com through which global trades conducted and therefore relevant to the UK and EU markets. The first Complainant commenced use of the PAPERLESS POST trade mark on 20 November 2008 and registered the domain paperlesspost.com on 8 September 2007.

5. The Complainants state in particular that the Respondent is not making a legitimate and non-commercial or fair use of the disputed domain name. It is, on the contrary, making a commercial use if customers are directed to the complainant's website by entering the company name of the paperlesspost. The Respondent has made no use of the disputed domain name in connection with the offering of goods or services or has made demonstrable preparation to do so but has merely redirected the disputed domain name to its own website in order to divert, attract and profit from Internet users seeking the Complainants' website.

6. The Respondent has no recorded trade mark rights for PAPERLESS POST. The Complainants have no association with the Respondent and have never authorised or licensed the Respondent to use its trade mark. The Respondent registered the disputed domain name and others as a deliberate pre-emptive measure to prevent and/or frustrate the Complainants from entering the EU market and from using the trade mark in that region. The use of the disputed domain name is intended by the Respondent to create a likelihood of confusion in the minds of the public as to an association between the Respondent and the Complainants.

7. In the Complainants' view the terms PAPERLESS POST are not descriptive of the services in question but are the antithesis of each other in that POST or traditional mail is not paperless. It is also not a term used as a synonym for the word "email". Any argument that PAPERLESS POST is generic or descriptive is contrived.

8. The Complainants ascertain that the Respondent registered the disputed domain name primarily for the purpose of selling, renting, or otherwise transferring it to the Complainants as is evidenced by the proposal to sell the domain name in the region of € 100,000 while rejecting more than reasonable settlement offer of € 5000.

B. RESPONDENT

1. The Respondent requests the Complaint to be fully rejected.

2. In the Respondent's view the disputed domain name is not identical or confusingly similar to a name in respect of which a right is

recognized or established by national and/or Community law.

3. Neither the US trademark PAPERLESS POST nor the company name of the first Complainant registered in the United States of America qualify as a “right” under the Regulation.

4. Furthermore, the Respondent claims that the registered figurative EU-trademark registration (no. 011155711) “P PAPERLESS POST” and the national Austrian trademark registration (no. 224572) “paperless.at” have not genuinely been used after the expiration of the respective five-year grace period. In addition, no European trademark office would register a mere word mark “paperless post” due to its descriptive meaning for the services at issue. In this context the Respondent refers to several failed trademark applications for services in classes 35, 36 and 38 rejected by the German Patent and Trademark Office and the EUIPO for lack of distinctive character, i.e. national German application no. 3020140213850 (“Paperless”, verbal), EUTM applications no. 011756814 (“PAPERLESS”, verbal), no. 012365318 (“PAPERLESS”, stylized) and no. 012522827 (“paperless.org”, verbal).

5. The Respondent further alleges that the figurative trademarks are as such unable to confer any rights in relation to the verbal elements "paperless post".

6. The Respondent further disputes the existence of unregistered rights. In the Respondent’s view, the Complainants did neither demonstrate nor prove for which specific country of the EU they claim such unregistered rights. In this contest the Respondent particularly rebukes the absence of any evidence for some of the allegations and the fact that some other allegations are only referring to the US but not to the EU. In addition, the Respondent points out that some of the figures presented by the Complainants in support are contradictory, such as the alleged number of visits on www.paperlesspost.com indicated in the complaint as being 27 million and just a few lines later as being 12,96 million.

7. As to the confusing similarity test, the Respondent ascertains that the terms “PAPERLESS POST” are nothing but a descriptive word combination. The German public is aware that the expression "paperless" describes electronic communication and digital postal services. In addition, the Respondent refers to a decision issued by the General Court (case no. T-102/14, dated 13 May 2015) where the Court allegedly qualified the term „POST“ as a generic term which is understood everywhere in Europe as an indication of a postal service provider.

8. The Respondent claims to have a legitimate interest in the disputed domain name based on its alleged generic meaning as a synonym for electronic/digital post describing, therefore, both the Complainant’s and the Respondent’s services. In the Respondent’s view a legitimate interest is given because the domain name in question is generic and there are no further circumstances available showing a conduct in bad faith or being not in line with fair competition.

9. In addition, the Respondent claims not to have registered or used the disputed domain name in bad faith. According to the Respondent, it was the Complainant who first made an offer to purchase the disputed domain name.

10. Finally, the Respondent contests that the second Complainant is authorized to act on behalf of the first Complainant in respect of all matters within the EU and for the purposes of the complaint.

DISCUSSION AND FINDINGS

A. General

According to Article 22 (11) of the Commission Regulation (EC) No 874/2004 (“the Regulation”) an ADR procedure may be initiated by any party where the registration is speculative or abusive within the meaning of Article 21. In the present case, the only question is therefore, whether the registration is speculative or abusive within the meaning of Article 21. According to this disposition and Paragraph B 11 (d) (1) of the ADR.eu Alternative Dispute Resolution Rules (the “ADR Rules”) the Complainant bears the burden of proving the following:

(a) the disputed domain name is identical with 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; and either

(b) the domain name has been registered by the Respondent without rights or legitimate interest in the name; or

(c) the domain name has been registered or is being used in bad faith.
The Panel has reviewed and considered the Complainant and the Response, together with the respective annexed supporting documents, in detail.

B. Procedural aspects

1. The Panel first notes that complaints can successfully be filed by related co-complainants due to practical reasons (see the references at point I.13. in the Overview of CAC Panel Views on Selected Questions of the Alternative Dispute Resolution for .EU Domain Name Disputes, 2nd Edition - ”CAC .EU Overview 2.0”).

2. The Panel further notes that the Complainant provided an excerpt from the Austrian Trademark register in German language but not in the language of the proceeding (English). The Panel accepts this document without requesting a translation for the following reasons: Firstly, German is the language of the country where the Respondent has its place of business so that the Respondent and its counsel have sufficient knowledge of German language and therefore had the possibility to understand the content of this document. Secondly, the Panel is not hindered to accept the evidence (A 3 (c) ADR-Rules) since this rule only allows, but not requires the Panel to disregard such evidence.

3. Finally, the Panel refuses to admit the three supplemental filings respectively submitted by the Complainants (on 19 April 2017 and on 12 May 2017) and by the Respondent (on 12 May 2017). According to Paragraph B 8 of the Rules, it is the Panels’ sole discretion whether or not supplemental filings are to be admitted. In the case at hand, the submissions did not contain any piece of evidence that could not possibly have been presented earlier. Furthermore, none of the parties gave any reasons or exceptional circumstances to justify the delay and explaining why the Panel should accept these supplemental filings.

C. Relevant Rights

1. Pursuant to Article 21 (1) of the Regulation, a Complainant must first of all establish rights and secondly establish that the disputed domain name is identical or confusingly similar to these rights.

2. The first Complainant has proved to be the registered owner of the following three trademarks:

- US-trademark (word mark) PAPERLESS POST filed on 10 February 2009 for services in classes 35, 38 and 42, later superseded by the entry of the identical mark on the principal register (Registration No 4803137) with the earliest first use recorded as 20 November 2008

- EU-trademark (figurative) P PAPERLESS POST (No 008744054) filed on 9 December 2009 and registered on 11 June 2010 for services in classes 35, 38 and 42

- Austrian trademark (figurative) paperless.at, filed on 27 October 2004 and registered on 4 May 2005 (No 224572) for goods and services in classes 9, 37 and 42

3. The Panel joins the Respondent’s view following which a U.S. federally registered trademark cannot be considered a name in respect of which a right is recognised or established by national and/or Community law, within the meaning of Article 21 (1) of the Regulation (see CAC ADR.eu case no 04478 - PICMG Europe, Eelco van der Wal vs. Barbara Baldwin). It is true that Article 21 (1) of the Regulation mentions rights “recognised or established by national and/or Community law” but does not specify if these national rights are limited to those established under the national law of EU-Member States or if they also extend to rights established under the national law of non-EU-Member-States. However, the examples of relevant rights listed in Art. 10 (1) of the Regulation, to which Article 21 (1) of the Regulation explicitly refers, need to be “protected under national law in the Member-State[s]”. The Panel notes that according to the wording of Articles 10 (1) and 21 (1) of the Regulation the list of rights mentioned therein is not exhaustive. However, this Panel holds that while remaining open to the application of other rights, the rights referred to in Articles 10 (1) and 21 (1) of the Regulation have to be rights protected under community law and/or national law of a EU-Member-State.

4. In the light of the above, only the EU-trademark “P PAPERLESS POST” (No 008744054, figurative) and the Austrian trademark “paperless.at” (No 224572, figurative) can be a valid basis for this ADR procedure.

5. The Respondent correctly underlines that these two trademarks are figurative trademarks. Therefore, the question arises, whether and under which conditions such figurative trademarks may grant protection with respect to the individual term “paperlesspost” forming the second level domain of the disputed domain name <paperlesspost.eu>. The Respondent has argued that such terms are descriptive, and that the terms themselves would not have been registered as trademarks because of their alleged descriptive character.

6. However, the Respondent errs when it concludes that figurative trademarks are as such unable to confer any rights with respect to the individual terms "paperlesspost". Several panels have rather ruled that a figurative trademark/service mark can as such constitute

relevant “rights” within the meaning of Article 21 (1) of the Regulation, if a word can be clearly separated and distinguished from the other elements. Subsequently, it has to be determined in the decision on “Identity or confusing similarity” if such figurative marks establish relevant rights to a specific domain name (see CAC .EU Overview 2.0 at point II.4. for further references). In both marks to be examined, the verbal elements can actually be clearly separated and distinguished from the other elements, i.e. “P PAPERLESS POST” (EU-trademark No 008744054) and “paperless.at” (Austrian national trademark No 224572).

7. Finally, the Respondent brings forward that both EU-trademark “P PAPERLESS POST” (No 008744054) and Austrian trademark “paperless.at” (No 224572) have not been genuinely used in the last years (after the expiration of the grace period) so that they cannot be a valid basis for these proceedings. In this regard the Panel notes that according to the Regulation all rights “recognised or established” under the national or Community law constitute a sufficient basis for a successful ADR.eu complaint. In contrast, the Regulation does not contain further requirements such as the requirement of genuine use. Consequently, a registered trademark is clearly recognised and established by law as long as no final and binding decision ordering the cancellation or revocation (e.g. for non-use) has been issued by the competent authorities or courts. It results from the undisputed evidence provided that the above marks are currently registered and active.

D. Confusing Similarity

1. Pursuant to Article 21 (1) of the Regulation, the Complainant must now establish that the disputed domain name is identical or confusingly similar to the above trademarks “P PAPERLESS POST” (EU-trademark No 008744054) and “paperless.at” (Austrian trademark No 224572).

2. Amongst the Panels it is the consensus view that for assessing identity or confusing similarity the.eu suffix has to be disregarded (see CAC .EU Overview 2.0 at point III.1. for further references), since it is a technical necessity for the purpose of registering a domain name. Therefore, in the case at hand the test of confusing similarity consists of a comparison between the disputed domain name’s second level domain <paperlesspost> and the two trademarks for which a right is established by national and Community law.

3. It is clear that the two figurative trademarks “P PAPERLESS POST” (EU-trademark No 008744054) and “paperless.at” (Austrian trademark No 224572) can as such not be identical to the disputed domain name since they both contain figurative elements which can technically not be reflected in a domain name. However, it is acknowledged amongst previous Panels that domain names can be confusingly similar to figurative/combined trademarks under specific circumstances. Accordingly, a domain name is confusingly similar to the trademark if the word element is predominant, and can be clearly separated from the device element (see CAC .EU Overview 2.0 at point III.8. for further references). The Panel holds that in both marks at issue, the verbal elements “P PAPERLESS POST” and “paperless.at” can clearly be separated from the respective figurative elements and are also predominant compared to the figurative elements due to their relative size within the sign. The Panel is further of the opinion that the second level domain <paperlesspost> of the disputed domain name is confusingly similar to the verbal element at least of EU-trademark No 008744054 “P PAPERLESS POST”, since both fully overlap with the exception of the “P” contained in the device element of EU-trademark No 008744054.

4. However, Panels have also stated that a domain name is not confusingly similar to the trademark if the word element is purely descriptive or a combination of descriptive terms (see CAC .EU Overview 2.0 at point III.8. for further references). In this regard the Respondent ascertains that the terms “paperless post” are merely descriptive for the services at issue offered by both parties. The Panel notes that a word mark “paperless post” has duly been registered in the United States also for the relevant services in class 38 (“Transmission of […] electronic mail […]”) and the present ADR.eu-proceedings might probably not the appropriate forum to address this complex issue. In any case, this Panel does not need to decide on the alleged descriptive character of the terms “paperless post” for the relevant services provided by the parties, since EU-trademark No 008744054 “P PAPERLESS POST” is registered at least for some services for which the Panel does not see any descriptive meaning, e.g “computer software rental” in class 42. No other conclusion can be drawn from any of the failed trademark applications rejected by the German Patent and Trademark Office (application no. 3020140213850 “Paperless”, verbal) and the EUIPO (applications no. 011756814 “PAPERLESS”, verbal; no. 012365318 “PAPERLESS”, stylized and no. 012522827 “paperless.org”, verbal) for lack of distinctive character, since it results from the documents provided on those applications that none of them concerned the combination “paperless post” for services in class 42.

5. In the light of the above, the Panel finds that the disputed domain name is confusingly similar to a name in respect of which a right is recognized or established by Community law. The Complainants are therefore deemed to have satisfied the element set forth in Article 21 (1) of the Regulation.

E. Bad faith

1. The Panel is satisfied that the Respondent registered and used the disputed domain name in bad faith pursuant to Article 21 (1) (b) of

the Regulation. Article 21 (3) of the Regulation contains a non-exhaustive list of circumstances which, if found by the Panel to be proved, shall demonstrate the Respondent's bad faith.

2. It is undisputed amongst the parties that the Respondent registered beyond the disputed domain name <paperlesspost.eu> five further domain names consisting of the term "paperlesspost" under different Country Code Top Level Domains, i.e. .at (Austria), .ch (Switzerland), .de (Germany), .fr (France) and .it (Italy). Some of those domain names are redirected to the Respondent's main website where it offers its services which are directly competing with the Complainants. The Panel takes this behaviour as constituting a pattern of conduct in the sense of Article 21 (3) (b) (i) of the Regulation, since the Respondent has registered a series of other domain names which all directly relate to the Complainant's trademarks and services (CAC .EU Overview 2.0 at point IV.2. for further references).

3. Furthermore, it results from the undisputed correspondence between the parties that the Respondent rejected the Complainants' proposal to purchase some of the domain names "paperlesspost" for 5.000 EUR mentioning that it is necessary to discuss an amount "more in the direction of 100.000 EUR", which goes far beyond the costs for registration and maintenance of the domain names. The Panel considers this as a proposal to sell the domain names for a sum in the range of 100.000 EUR. An offer to sell is not necessarily proof of bad faith, since there is nothing per se wrong in selling domain names. However, it can be an indication of bad faith in combination with other circumstances of bad faith (see CAC .EU Overview 2.0 at point V.6. for further references). In the light of the Respondent's pattern of conduct, the Panel does not consider the amount of 100.000 EUR as a good faith effort to reach a compromise in good faith settlement discussions but rather as a bad faith effort to extort and therefore as evidence of bad faith (cf. WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition, at paragraph 3.6). In addition, UDRP-Panels have taken such sums as clear evidence that Respondent registered or acquired the disputed domain name primarily for the purpose of selling, renting, or otherwise transferring it to the Complainant for valuable consideration in excess of Respondent's documented out-of-pocket costs directly related to the disputed domain name (cf. Banque Pictet & Cie SA v. Claus Linder, WIPO Case No. D2016-1081; Bayerische Motoren Werke AG v. Claus Linder, WIPO Case No. D2016-1109).

4. The Complainants are therefore deemed to also have satisfied the element set forth in Article 21 (1) (b) of the Regulation.

F. Eligibility

1. The Complainants have requested the transfer of the domain name to the second Complainant. The requested transfer of the disputed domain name to a Complainant can only be granted in case the Complainant is eligible to register .eu domain names according to Article 22 (11) of the Regulation and Article 4 (2 (b) of Regulation (EC) No. 733/2002 (see also Paragraph B.11(b) ADR Rules). If the general eligibility criteria are not met, the remedy that the Panel may otherwise grant will be restricted to revocation of the disputed domain name.

2. It is undisputed amongst the parties that the second Complainant is a company registered and based in England and Wales. It further results from the documents provided by the Complainants, whose content is undisputed, that all shares of the second Complainant are held by the first Complainant and that the two Company Directors of second Complainant are the CEO and the COO of first Complainant.

3. Nevertheless, the Respondent contested that the second Complainant is authorized to act on behalf of the first Complainant in respect of matters within the EU and for the purposes of the complaint.

4. It is acknowledged amongst Panels that assertions are to be proved on the balance of probabilities. This means that the asserted facts must be more likely to be true than to be false element (see CAC .EU Overview 2.0 at point I.18. for further references). In the case at hand, it is indeed most likely that the second Complainant whose shares are entirely held by the first Complainant and whose directors are the CEO and the COO of the first Complainant is entitled to act on behalf of the first Complainant.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that the domain name PAPERLESSPOST.EU be transferred to the Second Complainant.

PANELISTS

Name	**Dr. Tobias Malte Müller, Mag. iur.**

DATE OF PANEL DECISION 2017-05-12

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

I. Disputed domain name: paperlesspost.eu

II. Country of the Complainant: USA and UK, country of the Respondent: Germany

III. Date of registration of the domain name: 15 March 2011

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

- combined/figurative trademark registered in EU, reg. No. 008744054, for the term "P PAPERLESS POST", filed on 9 December 2009, registered on 11 June 2010 in respect of services in classes 35, 38 and 42

V. Response submitted: Yes

VI. Domain name is confusingly similar 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:

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

IX. Other substantial facts the Panel considers relevant:

X. Dispute Result: Transfer of the disputed domain name

XI. Procedural factors the Panel considers relevant:

XII. Is Complainant eligible? Yes