Panel Decision for dispute CAC-ADREU-006929

Case number	CAC-ADREU-006929
Time of filing	2015-06-19 11:28:31
Domain names	SMTCL

Case administrator

Lada Válková (Case admin)

Complainant

Organization

Respondent

Organization	Metalkid 2008

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 pending legal proceeding which relates to the disputed domain name.

FACTUAL BACKGROUND

Identification of rights

Complainant is a German company which is a subsidiary of SHENYANG MACHINE TOOL (GROUP) CO. LTD. (SYMG).

SYMG (Shenyang Machine Tool Group) is a Chinese company which is the owner of the German word and device trademark SMTCL No 302008010408, filed on February 16, 2008 and registered on May 30, 2008 in class 7 to designate machine tools.

Complainant relies on the domain name <smtcl.com> created on August 4, 1999 in the name of SYMG.

Complainant explains that SMTCL DEUTSCHLAND GmbH has been registered with the trade registry on August 8, 2010, that SMTCL is its company and trade name and that SMTCL DEUTSCHLAND GmbH is the licensee of the German trademark SMTCL 302008010408. It produces an extract from the trade registry concerning the creation of SMTCL DEUTSCHLAND GmbH.

SMTCL DEUTSCHLAND GmbH has authorized Complainant to enforce its trade name rights on SMTCL and to request the transfer of the disputed domain name to the Complainant's benefit, in a letter dated February 19, 2014. A copy of this letter is produced.

The disputed domain name <smtcl.eu> was created on April 20, 2010.

Factual Background

Complainant was created in 1857. During the German Democratic period, it belonged to the State. It was privatized after the "Wende" and went bankrupt. That is when SYMG bought the German company.

Complainant alleges that the holding SYMG is the third biggest machine tool manufacturer in the world. Its subsidiaries are SMTCL China, SMTCL DEUTSCHLAND GmbH and Complainant, the German company SCHIESS TECH GmbH

Respondent operates wholesale of machine tools in Romania. He worked for Complainant until 2010.

Respondent organization on the Whois data of the domain name <stmcl.eu> is METALKID.

Respondent is also the registrant of <symg.eu> and on the Whois thereof, Respondent mentions the email contact address info@metalkid.ro. Respondent uses this domain name <metalkid.ro> to give access to a page on which METALKID is described as an industrial supplier, member of ALFA METAL MACHINERY GROUP.

Complainant relies on Respondent's LinkedIn profile, on which Respondent explains that he is an employee (programmer) of ALFA METAL MACHINERY, in Romania.

It explains that ALFA METAL MACHINERY GROUP is a big sales and service company for high precision machine tools in Eastern Europe, especially in the metal cutting industry and metal mass production business. Therefore it "seems to be a competitor of Complainant".

The disputed domain name resolves to a webpage, the content of which aims at discrediting SMTCL products:

"We, several SMTCL machine tool importers, agent and/or distributors, from West and East Europe have been forced to stop the sales of SMTCL products till further notice.

Due to several severe quality issues of the SMTCL products, major infringements on the CE norm, non-providing spare parts under warranty terms and non-willing to offer solutions for the existing problems by the European SMTCL head office, we are unable further to stand behind these products.

For all delivered products, we will provide all service as best possible under today's conditions. We hope this is only a temporary action we have to execute, till SMTCL Europe solves all pending issues.

We do regret the inconvenience caused to our valued customers."

A. COMPLAINANT

1. Confusing similarity. EC N° 874/2004 Art. 21 (1)

Complainant claims that smtcl.eu is identical to the trademark and the trade name SMTCL.

2. Absence of rights to or Legitimate Interests. EC N° 874/2004 Art. 21 (1)(a)

Complainant produces a document showing that, in November 2010, Respondent was working for SMTCL Romania.

He relies to Linkedin to assert that Respondent is now working for ALFA METAL MACHINERY GROUP, which "seems to be a competitor".

If Respondent worked for Complainant, he is not any more a SMTCL machine tool importer or agent or distributor of the Complainant.

For these reasons, Complainant contends that Respondent has no right or legitimate interest to use the trademark SMTCL as a domain name.

3. Registration or use in bad faith EC N° 874/2004 Art. 21 (1)(b)

a. Registration in bad faith

Complainant asserts that Respondent has notably registered the other domain names <smtcl.de>, <smtcl.in>, <smtcl.it>. It further explains that it shows that Respondent's strategy is to obstruct the rightful trade name owner.

b. Use in bad faith

Complainant argues that Respondent uses the domain name in bad faith.

Complainant relies on two documents, Respondent's Linkedin profile showing that Respondent is working at ALFA METAL MACHINERY, and a screenshot of the website www.metalkid.ro explaining that METALKID is an industrial supplier and identifying the members of ALFA METAL MACHINERY GROUP.

Complainant claims that the false allegations published on the website www.smtcl.eu constitute unfair competition and cause an irreparable damage to the SMTCL group.

Using the disputed domain name <smtcl.eu> to give access to these false allegations aims at targeting SMTCL's clients.

Complainant contends that such use constitutes unfair competition and bad faith use.

B. RESPONDENT

The Respondent did not reply to the Complaint.

DISCUSSION AND FINDINGS

Respondent did not file a Response.

Therefore, pursuant to Paragraph B (10) "Default" of the ADR Rules:

"(a) In the event that a Party does not comply with any of the time periods established by these ADR Rules or the Panel, the Panel shall proceed to a decision on the Complaint and may consider this failure to comply as grounds to accept the claims of the other Party.

(b) Unless provided differently in these ADR Rules, if a Party does not comply with any provision of, or requirement under, these ADR Rules, the Supplemental ADR Rules or any request from the Panel, the Panel shall draw such inferences therefrom as it considers appropriate".

According to ADR Rules Paragraph B11 "Basis of the decision":

" A Panel shall decide a Complaint on the basis of the statements and documents submitted and in accordance with the Procedural Rules".

Pursuant to ADR Rules paragraph 11 (d) "Basis for decision":

"(d) The Panel shall issue a decision granting the remedies requested under the Procedural Rules in the event that the Complainant proves

(1) in ADR Proceedings where the Respondent is the holder of a .eu domain name registration in respect of which the Complaint was initiated that:

(i) 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 and; either

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

(iii) The domain name has been registered or is being used in bad faith".

A. the domain name is identical or confusingly similar to a name of which a right is recognized or established by the national law of a Member State and/or Community law

Complainant relies on an authorization given by SMTCL DEUTSCHLAND GmbH to enforce its trade name rights on SMTCL and to request the transfer of the disputed domain name to the Complainant's benefit, in a letter dated February 19, 2014.

Complainant is a German company and German Law allows that a right owner agrees with a third party that this latter shall enforce its rights. It is called "gewillkürte Prozessstandschaft".

Although this document has been communicated in German, without any translation into the language of the proceeding, the Panel is able to understand it.

Therefore, the Panel is of the opinion that Complainant is able to enforce SMTCL DEUTSCHLAND GmbH's rights on its company name, trade name and also its rights as a trademark licensee, which are rights established by German national Law.

Concerning the SMTCL trademark licence, the Panel relies on a decision that granted the transfer in a case where the trademark licence has been invoked but not produced (CAC 05376 <monster.eu>).

In this case, the Panel decided that the application is properly made by the Complainant as licensee, even though it has not supplied a written licence agreement or supplied written confirmation from the trade mark holder that a licence is in place.

In the Panel's opinion whether or not a party operates under the benefit of a licence granted by the trade mark holder is, partly, a question of fact. In this regard, the Complainant has stated that it carries on business under the trade marks by virtue of a licence granted by the trade mark holder. Also, the Complainant has stated that that it is a wholly owned subsidiary of the trade mark holder. Statements made by a complainant in its Complaint can constitute evidence of the particular fact averred, and neither piece of evidence is challenged by the Respondent.

Moreover, the Panel is satisfied that when a group of companies comprises or includes both the parent trade mark holder and a wholly-owned subsidiary licensee an inference can be drawn that the latter is properly licensed to enforce the former's trade mark rights. This can fairly be concluded by reason of the fact of ownership and that, for the purposes of the EU Treaty, and competition law particularly, the group would be considered as a single unit.

The disputed domain name is composed with the word element SMTCL, that composes the word and device SMTCL German licensed trademark, the company name SMTCL DEUTSCHLAND GmbH and the trade name SMTCL.

Therefore it is identical or confusingly similar to the name in respect of which a right is established and can be enforced by Complainant, acting as a duly authorized third party.

The first requirement of Article 21(1) of the Commission Regulation (EC) 874/2004 and of Paragraph B11(d)(1)(i) of the ADR Rules is therefore met.

B. Respondent registered the domain name without rights or legitimate interests in the name.

As Complainant explains, Respondent “worked for Complainant until 2010”.
The disputed domain name was registered on April 10, 2010. Complainant does not explain if Respondent was still working with him at that time

The Complaint is poorly drafted and there is no information either on the respective obligations of the parties as long as they were working together or on the breach of the contract.

Complainant relies on further registrations by Respondent of <smtcl.de>, <smtcl.in> and <smtcl.it> without producing any evidence thereof.

The Panel has to decide whether the disputed domain name was registered without rights or legitimate interest.

The poor quality of the Complaint regarding the circumstances of the registration does not give the Panel sufficient information to be able to say what the relationship of the parties was at the time of registration. The Panel is not prepared to speculate as to what the circumstances might have been, particularly when the Complainant itself could have made matters clearer. The Panel is therefore of the opinion that Complainant has not proved that the disputed domain name was registered by Respondent on April 20, 2010, without rights or legitimate interest in the meaning of Article 21(1)(a) of the Regulation (EC) 874/2004 and of paragraph B11(d)(1)(ii) of the ADR Rules.

C. The disputed domain name has been registered or is being used in bad faith.

For the same reasons as here above explained, the Panel is of the opinion that there is no clear evidence that the domain name was registered in bad faith, in the meaning of Article 21(1)(b) of the Regulation (EC) 874/2004 and of paragraph B11(d)(1)(iii) of the ADR Rules.

Although being unsuccessful with proving that the disputed domain name was registered without rights or legitimate interest and was registered in bad faith, Complainant may succeed in requesting the transfer of the disputed domain name on the sole basis of its bad faith use.

Complainant produces evidence that Respondent works for a competitor and that the disputed domain name resolves to a webpage, the content of which severely criticizes the SMTCL products. Using a domain name composed with the trademark (without adornment) designating the criticized products and companies clearly aims at targeting the internet users who are looking for information on the SMTCL products.

The purpose of this strategy is clearly to damage SMTCL's products and trademark reputation. Respondent did not respond to the Complaint to try to explain this behaviour.

Therefore, the Panel finds that Complainant has made a prima facie case that the disputed domain name is being used in bad faith.

Accordingly, the Complainant has successfully established that the disputed domain name has been used in bad faith, in the meaning of Article 21(1)(b) of the Regulation (EC) 874/2004 and of Paragraph B11(d)(1)(iii) of the ADR Rules.

DECISION

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

the domain name SMTCL be transferred to the Complainant

PANELISTS

Name	Thomas Johann Hoeren

DATE OF PANEL DECISION 2015-06-18

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

I. Disputed domain name: <smtcl.eu>

II. Country of the Complainant: Germany, country of the Respondent: Romania

III. Date of registration of the domain name: April 20, 2010

IV. Rights relied on by the Complainant (Art. 21 (1) Regulation (EC) No 874/2004) on which the Panel based its decision:
1. word and device trademark SMTCL No 302008010408, filed on February 16th 2008 and registered on May 30, 2008 in class 7 to designate machine tools.

2. business identifier: SMTCL
3. company name: SMTCL

V. Response submitted: No

VI. Domain name/s is identical and confusingly similar to the protected right/s of the Complainant

VII. Rights or legitimate interests of the Respondent (Art. 21 (2) Regulation (EC) No 874/2004):
1. No
2. Why: No clear evidence is provided by Complainant

VIII. Bad faith of the Respondent (Art. 21 (3) Regulation (EC) No 874/2004):
1. Yes, bad faith use
2. Why: No clear evidence of bad faith registration is provided by Complainant. Bad faith use to damage SMTCL's products and trademark reputation

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