Panel Decision for dispute CAC-ADREU-000012

Case number	**CAC-ADREU-000012**
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Domain names	**eurostar.eu**

Case administrator

Name	**Tereza Bartošková**

Complainant

Organization / Name	**Eurostar (U.K.) Limited**

Respondent

Organization / Name	**EURid**

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 disputed domain name was the subject of proceedings in France before Monsieur de Baecque, President of the Tribunal de Commerce de Paris (case number 2005087382), who rendered a decision on 10 January 2006.

FACTUAL BACKGROUND

The Complainant, together with Société Nationale des Chemins de Fer Français ("SNCF") and Société Nationale des Chemins de Fer Belges ("SNCB"), operates the well-known cross channel rail link connecting the UK with France and Belgium under the name EUROSTAR. The Eurostar rail link has been operating continuously since it opened to the public on 14 November 1994 and is now the leading carrier from London to Brussels and Paris. In addition, it has the largest share of the rail/air market on those routes with 71% of the London-Paris rail/air market and 62% of the London-Brussels rail/air market with an average of 25 trains running each day. To date, the Eurostar rail service has carried more than 68 million passengers.

The Complainant, jointly with SNCF and SNCB (the Complainant, SNCF and SNCB together referred to as the "Networks"), is the registered proprietor of approximately 65 registered trademarks for the word EUROSTAR and approximately 200 registered trademarks for the EUROSTAR logo incorporating the word EUROSTAR worldwide, including the European Union.

The agreement between the Networks setting out the nature of the joint ownership of all EUROSTAR trademarks is dated 30 July 1997. The Complainant's application for the disputed domain name was made on behalf of the Networks.

The party who registered the disputed domain name, Eurostar Diamond Traders NV ("EDT") is a Belgian company which specializes in the selection, cutting and sale of diamonds and precious jewelry. The first of two applications by EDT for the disputed domain name was received a few minutes before the application by the Complainant on the first day of the Sunrise period.

The Respondent, EURid, decided to register the disputed domain name for EDT on 23 January 2006.

A. COMPLAINANT

The Complainant contends the following:

1. Application in bad faith

The Complainant refers to an agreement between the Networks and EDT dated 14 September 2004, settling various opposition proceedings brought by the Networks against certain of EDT's trade mark applications on the basis of agreed terms on which each party's respective trade marks could be allowed to coexist (the "Coexistence Agreement"). According to the Complainant, the registration

and use of the disputed domain name by EDT is in breach of this agreement, since the definition of the EUROSTAR DIAMOND trade mark which EDT is permitted to use does not include any representation of the word EUROSTAR alone without any other distinguishing features such as additional words or figurative elements; and the disputed domain name is liable to cause confusion and dilute the Networks' EUROSTAR trade marks contrary to various provisions of the agreement.

On this basis, the Complainant contends that EDT knowingly made a false statement that its request for the domain name registration was made in good faith and does not infringe any rights of a third party, because it was aware at the time that it applied to register the domain name that it was not entitled to do so under the terms of the Coexistence Agreement and that its use of the domain name would infringe the Complainant's trade marks in the UK and in other EU member states where it has registrations for the word EUROSTAR.

Accordingly, the Registry's decision to register the domain name to EDT, being based on a materially inaccurate statement amounting to a breach of the terms of registration, conflicts with Article 3(c) of the Public Policy Rules (Regulation 874/2004).

2. Inadequate prior rights

The Complainant also maintains that EDT does not have a prior right in the name EUROSTAR alone. It has registered trademark rights in names which contain the word EUROSTAR in combination with other words and/or devices, such as: EUROSTAR DIAMOND TRADERS FACETING THE FUTURE; EUROSTAR, A PARAGON OF QUALITY; and a figurative version of the word EUROSTAR together with a diamond device. The Complainant is not aware that EDT has any registered national or Community trademarks for the word EUROSTAR alone, without any other distinguishing matter.

Furthermore, the rights of EDT in respect of its use and registration of the EUROSTAR name are limited by contract with the Complainant as stated earlier. As set out above, EDT is not entitled to use the word EUROSTAR alone without any other distinguishing matter such as additional words or figurative elements. It is for this reason that EDT does not have any trademark registrations for the word EUROSTAR alone.

Accordingly, EDT is not entitled to apply to register the domain name in the First Phased Registration Period because registration of the requested domain name is not made on the basis of a Prior Right which consists in the registration of the complete name for which the Prior Right exists (Articles 10(2) and 12(2) of the Public Policy Rules, Section 19(1) of the Sunrise Rules). Therefore, the Registry's decision conflicts with the Public Policy Rules and the Sunrise Rules.

B. RESPONDENT

The Respondent (which is the Registry, not EDT) contends the following to the statements and allegations made in the Complaint:

1. Eurostar Diamond Traders NV does not have a prior right in the name EUROSTAR alone; it has a right in a figurative version of the word together with a diamond device.

Section 19.2 of the .eu Registration Policy, referred to as the "Sunrise Rules", published in accordance with article 12.1 of the Public Policy Rules states:

"A prior right claimed to a name included in figurative or composite signs (signs including words, devices, pictures, logos etc…) will only be accepted if:
(i) the sign exclusively contains a name, or
(ii) the word element is predominant and can be clearly separated or distinguished from the device element

provided that

(a) all alphanumeric characters (including hyphens, if any) included in the sign are contained in the domain name applied for, in the same order as that they appear in the sign, and
(b) the general impression of the word is apparent, without any reasonable possibility of misreading the characters of which the sign consists or the order in which those characters appear."

The prior right to the domain name EUROSTAR is a figurative trademark consisting of the word with a diamond device in which the word EUROSTAR is predominant and can be clearly separated or distinguished from the diamond device. The alphanumeric characters included in the sign are all contained in the domain name in the same order as they appear in the sign, and the impression of the word is

apparent without any possibility of misreading.

Therefore, the Registry has found that Eurostar Diamond Traders NV has a prior right in the domain name EUROSTAR alone.

2. The rights of Eurostar Diamond Traders NV in respect of the use and registration of the EUROSTAR name are limited by a contract made with the complainant on 14 September 2004.

According to article 14 of the Public Policy Rules, the authority of the Registry is limited to the registration of a domain name on a first-come-first-serve basis, if it finds that the applicant has demonstrated a prior right in accordance with the procedure set out in the said article.

The Registry has found that Eurostar Diamond Traders NV has demonstrated such a prior right which consists of a registered community trademark.

Whether the applicant had made a contract with a third party that limits the use of that trademark is not relevant; the Registry has no authority to assess the value or the opposability of such a contract made between third parties.

3. The fact that Eurostar Diamond Traders NV knowingly applied to register the domain name in spite of the contract made is evidence that it applied in bad faith.

According to article 14 of the Public Policy Rules, the authority of the Registry during the phased registration is limited to the finding whether or not the applicant has demonstrated a prior right in accordance with the procedure set out in the same article and does not include whether or not an application is made in good faith.

And, according to article 22.11 of the Regulation, during the same phase the authority of the ADR panel is limited to the decision whether or not a decision taken by the Registry conflicts with Regulations 733/2002 or 874/2004.

This being understood, the Registry considers that the submission of a contract made between Eurostar Diamond Traders NV and the complainant on 14 September 2004 limiting the use of the trademark does not evidence that the application of 7 December 2005 was made in bad faith. Other contracts could have been made in this period of time.

DISCUSSION AND FINDINGS

The Complainant challenged the Registry's decision to register the disputed domain name for EDT. The principle obligations of the Registry regarding its decisions to register .eu domain names during phased registration are regulated by Art. 14 of the Public Policy Rules, and especially by the last paragraph of Article 14 which states that the Registry shall register the domain name on a first-come-first-serve basis if it finds that the applicant has demonstrated a prior right in accordance with the procedure set out in the Article 14.

In order to examine whether or not the Registry acted contrary to these duties, it is necessary to mention what is understood as a prior right. As mentioned by the Registry in its Response, Section 19.2 of the .eu Registration Policy, referred to as the Sunrise Rules, published in accordance with Article 12.1 of the Public Policy Rules states:

"A prior right claimed to a name included in figurative or composite signs (signs including words, devices, pictures, logos etc…) will only be accepted if
(i) the sign exclusively contains a name, or
(ii) the word element is predominant and can be clearly separated or distinguished from the device element

provided that

(a) all alphanumeric characters (including hyphens, if any) included in the sign are contained in the domain name applied for, in the same order as that they appear in the sign, and
(b) the general impression of the word is apparent, without any reasonable possibility of misreading the characters of which the sign consists or the order in which those characters appear."

The Registry accepted that EDT had a prior right to the disputed domain name since it is the proprietor of a figurative trademark consisting of the word EUROSTAR with a diamond device in which the word EUROSTAR is predominant and can be clearly separated or distinguished from the diamond device. The alphanumeric characters included in the sign are all contained in the domain name in the

same order as they appear in the sign, and the impression of the word is apparent without any possibility of misreading.

The Panel agrees with this assessment and therefore it agrees that EDT has a prior right in the domain name EUROSTAR alone in accordance with the Public Policy Rules.

The additional important question is whether or not the validation agent or the Registry are also obliged, before the decision on the registration of the domain name, to examine whether or not the application has been made in good faith.

Article 3 (c) of the Public Policy Rules states that each request for domain name registration shall include also “an affirmation by electronic means from the requesting party that to its knowledge the request for domain name registration is made in good faith and does not infringe any rights of a third party”. Article 3 of the Public Policy Rules then states that any material inaccuracy in the elements set out in the Article 3, including in paragraph (c), shall constitute a breach of the terms of registration.

The Public Policy Rules contain specific obligations of the Registry with respect to the breach of the terms of registration in Article 20. Article 20 provides that the Registry may (emphasis added) revoke domain names without submitting the dispute to ADR, on various grounds that include the holder’s breach of the terms of registration under Article 3. Article 20 also specifies that the Registry shall lay down a procedure in accordance with which it will decide about the revocation of domain names on these grounds, which “shall include a notice to the domain name holder and shall afford him an opportunity to take appropriate measures”. This requirement is evidently intended to ensure a minimum procedural protection of the domain name holder.

The Panel considers that this procedure should not be circumvented by treating a potential (emphasis added) breach of the terms of registration under article 3 of the Public Policy Rules as a decision of the Registry conflicting with them which may be challenged under their article 22(1)(b). Such an interpretation would conflict with the wording of article 22(1)(b), the purpose of article 20 and the structure of the Public Policy Rules.

If the Complainant had asked the Registry to revoke the disputed domain name under the procedure contained in Article 20, it might have been incumbent on the Registry to examine whether there was a material inaccuracy in EDT’s affirmation that the request for registration was made in good faith and did not infringe any third party rights. However, since the Registry has not been asked to take and has not taken any such decision, this issue does not arise.

The Registry simply and, in the Panel’s view correctly, upon notification of the findings by the validation agent that prior rights exist regarding the domain name that is first in line, has found that EDT has demonstrated a prior right in accordance with the procedure set out in article 14 of the Public Policy Rules, has accepted its application, and has registered the domain name on the first come, first served basis.

As the Registry correctly points out in its Response, it has no way of knowing whether the Coexistence Agreement is still valid, or has been superseded by some other agreement or court judgment.

Similarly, this Panel cannot, under the applicable procedural rules, join EDT to this proceeding. Thus, the Panel cannot ascertain whether or not the Coexistence Agreement is still in force and is to be interpreted and applied as the Complainant contends. Nor can the Panel determine the rights of EDT fairly and in accordance with fundamental principles of law without affording it the opportunity of being heard.

These considerations emphasize the importance of adhering to the procedure provided by article 20 for addressing any breach of the terms of registration pursuant to article 3 of the Public Policy Rules.

DECISION

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

the Complaint is Denied.

PANELISTS

Name	**Jonathan Turner**

DATE OF PANEL DECISION 2006-05-12

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The ADR Proceeding related to a Complaint challenging the decision of the Registry to register the disputed domain name. The Complaint was based on two grounds:

1. Inadequate prior rights; and
2. Application in bad faith

With respect to the adequacy of prior rights of the holder of the disputed domain name the Panel agreed with the assessment of the Registry that the domain name holder demonstrated its prior right in accordance with Section 19.2 of the Sunrise Rules. The domain name holder is the proprietor of a figurative trademark consisting of the word EUROSTAR with a diamond device in which the word EUROSTAR is predominant and can be clearly separated or distinguished from the diamond device. The alphanumeric characters included in the sign are all contained in the domain name in the same order as they appear in the sign, and the impression of the word is apparent without any possibility of misreading.

With respect to a question whether or not the validation agent or the Registry are also obliged, before the decision on the registration of the domain name, to examine whether or not the application has been made in good faith, the Panel concluded that the Registry is not obliged to make such an assessment; any such examination should be conducted in accordance with the specific procedure provided under Article 20 which was not invoked in this case.

The Panel dismissed the Complaint.