Entscheidung der Schiedskommission for dispute CAC-ADREU-000119

Case number	**CAC-ADREU-000119**
Time of filing	**2006-03-15 09:12:14**
Domain names	**nagel.eu**

Case administrator

Name	**Tereza Bartošková**

Complainant

Organization / Name	**Nagel Verwaltung & Logistik GmbH**

Respondent

Organization / Name	**EURid**

SACHLAGE

1. History of the Request for Registration

1.1 On 13 December 2005, 13:10:12, the Complainant filed a request for the registration of the domain name “nagel.eu” within part one of the phased registration period.

1.2 On 19 December 2005 the Respondent received documentary evidence for a Prior Right regarding the designation “NAGEL” consisting of copies of the German trademarks DE 302 59 242 “Nagel” (word mark) and DE 302 59 239 “nagel” (figurative mark), both registered for Ernst Nagel Beteiligungen GmbH & Co. KG, Ulm, Germany, as published in the German Trademark Journal.

1.3 The Cover Letter, submitted with the request for registration dated 13 December 2005 and titled “Nachweis zur Domain nagel.eu”, reads in the last paragraph:

“Die Ernst Nagel Beteiligungen GmbH & Co. KG, sowie die Nagel Verwaltung & Logistik GmbH sind Firmen der Nagel Gruppe.”

[The Ernst Nagel Beteiligungen GmbH & Co. KG and the Nagel Verwaltung & Logistik GmbH are companies belonging to the Nagel Group.]

Other documents with respect to a licence agreement between the registered owner of the trademarks and the Complainant had not been submitted.

1.4 With decision of 21 January 2006 the Respondent rejected the request for registration on the grounds that the documentary evidence presented by the Complainant did not substantiate the Prior Right claimed in the request for registration.

1.5 The request for registration submitted by the Complainant is the only pending Application from part one of the phased

registration proceedings. However, at the moment there are seven pending Applications from part two of the phased registration proceedings.

2. History of the ADR Proceeding

2.1 On 24 February 2006 the Complainant filed a Complaint in German and selected “German” as the language of the arbitration.

2.2 Enclosed with the Complaint was a document titled “Lizenzerklärung für eine eingetragene Marke (gestaffelte .eu Registrierung) (Ergänzung zum Nachweis)” (“the Licence Declaration”), which is the German version of the form “Licence Declaration for a Registered Trade Mark (.eu Phased Registration) (To be added to the Documentary Evidence)” as published by the Respondent in Annex 2 to the “.eu Registration Policy and Terms and Conditions for Domain Name Applications made during the Phased Registration Period (“Sunrise Rules”)” (“the Sunrise Rules”). In the Licence Declaration, Ernst Nagel Beteiligungen GmbH & Co. KG, Ulm, Germany confirms that it granted a licence for the German trademark no. DE 302 59 242 to the Complainant. The date of signature of the Licence Declaration is for both parties to the declaration 24 February 2006.

2.3 With communication dated 28 February 2006 the Czech Arbitration Court (“CAC”) notified the Complainant that the fixed fee according to Paragraph A6(a) of the “.eu Alternative Dispute Resolution Rules” (“the ADR Rules”) had not been paid. With communication dated 2 March 2006 CAC corrected its notification and informed the Complainant that a payment of 1984.71 Euros had been received, and, therefore, 5.29 Euros were missing. With communication of 7 March 2006 the Complainant contended – undisputed by CAC – that the full amount of 1990.00 Euros was debited from the bank account of the Complainant’s representative and that CAC’s bank deducted the amount of 5.29 Euros as processing fees. Hence, the Complainant asked CAC how to proceed. With communication dated 8 March 2006, CAC informed the Complainant that the next step was in the sole responsibility of the Complainant. With communication dated 15 March 2006, CAC issued the Acknowledgement of Receipt of Complaint and assigned 15 March 2006 as the Time of Filing.

2.4 With communication dated 22 March 2006 CAC informed the Complainant that a Complaint with the Registry as the Respondent must be filed in English language. With communication dated 24 March 2006 the Complainant contended that the language of the arbitration shall be German since the request for registration had been filed in German. With communication dated 27 March 2006 CAC referred to the “.eu Domain Name Registration Terms and Conditions” (“the Terms and Conditions”) providing for English as the language for all ADR Proceedings with EURid as the Respondent as well as to Art. 3(d) of European Commission Regulation No. 874/2004 (“Regulation 874/2004”) which requires the Applicant to accept and abide the terms and conditions for registration, including the policy on the extra-judicial-settlement of conflicts.

2.5 On 28 March 2006 the Complainant submitted an Amended Complaint in English language, requesting the cancellation of the decision of the Respondent dated 21 January 2006 and to “acknowledge the registration demand of the appellant with seniority of 13 December 2005”. Enclosed with the Amended Complaint of 28 March 2006 was a copy of the Licence Declaration identical to the one enclosed with the Complaint. On 29 March 2006 the hard copies of the Amended Complaint were received and CAC issued the Notification of Complaint with 29 March 2006 as the Date of Commencement of the Proceedings.

A. BESCHWERDEFÜHRER

3. The Complainant contends that the Prior Right was sufficiently substantiated in compliance with the Sunrise Rules. The existence of the Prior Right was substantiated with the submission of the publication of the trademarks in the German Trademark Journal. As the trademark owner and the Complainant are both part of the “Nagel Group”, the Complainant was entitled to the use of the trademarks, a fact which the Complainant pointed out to in the Cover Letter of 13 December 2005. Finally, the existence of a licence agreement was sufficiently substantiated with the submission of the Licence Agreement dated 24 February 2006.

B. BESCHWERDEGEGNER

4.1 With Response of 11 May 2006 the Respondent requests the Complaint to be rejected.

4.3 With respect to the formal requirements of the ADR.eu proceedings, the Respondent contends that the Complaint is made in German and, therefore, is not admissible.

4.4 As to the substantial issues, the Respondent contends that the documentary evidence submitted with letter dated 13 December 2005 showed that the Applicant and the registered owner of the trademark were not identical. Furthermore, the Licence Agreement was not submitted in due time, and is, therefore, not admissible.

WÜRDIGUNG UND BEFUNDE

In consideration of the Factual Background and the Parties' Contentions stated above, I come to the following conclusions:

5. Language of the ADR Proceeding

The language of the arbitration is determined by the arbitral agreement. Article 3(d) of the Regulation 874/2004 requires that the request for registration includes an undertaking by the Applicant that he abides the terms and conditions for registration, including the policy on the extra-judicial-settlement of conflicts. Section 16 of the Terms and Conditions contains an arbitration clause. The second sentence of Section 16 No. 3 of the Terms and Conditions states that any Alternative Dispute Resolution proceedings initiated against the Registry (EURid) shall be conducted in English language. Consequently, the Complainant is bound by the arbitral agreement in Section 16 No. 3 of the Terms and Conditions to conduct the ADR Proceedings against the Respondent in English.

6. Timely Initiation of the ADR Proceeding

6.1 According to Section 26 paragraph 1 of the Sunrise Rules, the Applicant may initiate ADR Proceedings against a decision of the Registry within forty calendar days following that decision ("Sunrise Appeal Period"). In my understanding, Section 26 of the Sunrise Rules must be read that the Applicant may initiate ADR Proceedings only within forty days following the contended decision with the consequence that the Complainant loses his remedy in case the Complaint is not filed within the Sunrise Appeal Period and that the contended decision then becomes final.

6.2 The request for registration submitted by the Complainant was rejected with decision of the Respondent of 21 January 2006. Consequently, the Sunrise Appeal Period ended on 2 March 2006. Although the Complaint was submitted on 24 February 2006, CAC assigned 15 March 2006 as the Time of Filing and 29 March 2006 as the Date of Commencement of the ADR Proceeding. This raises the question of whether or not the ADR Proceeding was initiated timely within the Sunrise Appeal Period.

6.3 In order to do so, it must be determined when the ADR Proceeding is "initiated". The ADR Rules and the Supplemental ADR Rules do not contain provisions clearly setting out the requirements that have to be met in order to consider an ADR Proceeding initiated. According to Paragraph B1(a) of the ADR Rules, an ADR Proceeding may be initiated by submitting a Complaint in accordance with the Procedural Rules (my emphasis), meaning the ADR Rules, Supplemental ADR Rules and the EC Regulations. The necessary requirements set out by the Procedural Rules which have to be met in order to consider an ADR Proceeding being initiated, can, however, not be deduced from Paragraph B1(a) of the ADR Rules. In the present case, it has to be determined in particular whether or not the complete initial fee must be received by the ADR Provider and whether or not the Complaint must be submitted in the language of the arbitration before an ADR Proceeding is "initiated".

6.4 Both, the "Time of Filing" and "Date of Commencement of an ADR Proceeding" require, according to their definitions, that the appropriate fee must have been received by the Provider. Furthermore, Paragraph B1(d) of the ADR Rules states that the Provider will acknowledge the Complaint from the Complainant, subject to the receipt of the fees due. Finally, according to the second sentence of Paragraph B6(a) of the ADR Rules the ADR Provider is not obliged to take any action on the Complaint until he has received the initial fee. In the common understanding, the term "initiated" is defined as "cause a process or an action to begin". Considering the aforementioned provisions, it would be fair to assume the ADR Proceeding

only begins once the complete initial fee has been received by the Provider and that, therefore, the initiation of the ADR Proceeding requires that the complete initial fee is received within the Sunrise Appeal Period.

6.5 However, the Frequently Asked Questions (FAQ) published by CAC on the www.adreu.eurid.eu webpage contain the following statement:

“Q10: Do I understand it correctly that if the deadline for initiation of an ADR dispute is, for example, 6 February 2006, then I will meet that deadline simply by filing my case through the on-line platform at any point in time up until midnight 6 February 2006 of my time. I would then be able to follow up afterwards with the hard copy and fee.

A: Yes, this is correct. In accordance with Paragraph A2(e)(1) of the ADR Rules, communications sent via the Internet is deemed to be received on the date the communication was transmitted, provided that the date of transmission is verifiable.”

It remains doubtful whether or not the Provider of ADR Proceedings is competent to determine the time and the requirements of the initiation of an ADR Proceeding or whether or not such a decision is reserved to the Policy Maker of the ADR Rules or – in absence of clear provisions in the rules – to the decision of the Panel. However, it must be kept in mind that the failure to initiate the ADR Proceeding within the Sunrise Appeal Period results in the Complainant’s loss of the only remedy available against the decision of the Registry. Therefore, a rejection of a Complaint on the grounds that it was not initiated timely requires that the Complainant is able to clearly determine in advance what actions have to be taken in order to meet the deadline set by the Sunrise Rules. Hence, in cases of doubt, within all the available possibilities the one that is most favourable for the Complainant must be regarded as the initiation of the ADR Proceedings. Therefore, I come to the conclusion that a Complainant can rely on the publication of Question No. 10 of the FAQ, stipulating that it is sufficient to file the Complaint via the online-platform in order to initiate an ADR Proceeding within the Sunrise Appeal Period and that the correct fees and the hard copies can be submitted at a later stage. In other words: whereas there exists no clear definition of the “initiation” of an ADR Proceeding in the ADR Rules; and whereas the FAQ contain an interpretation favourable for the Complainant, I consider myself estopped from defining a less favourable time for the initiation of the ADR Proceedings since it would be unfair to punish the Complainant with the loss of his remedy only because he relied on the FAQ. This finding takes into consideration that the Sunrise Rules are standard terms and conditions and, therefore, a mutual agreement. However, the clauses of the Sunrise Rules were solely drafted by the Respondent and were not negotiable. Consequently, the Respondent could have taken care of the problem and have defined the initiation of the ADR Proceedings more precisely. Therefore, in cases of doubt, the decision must be in favour of the Complainant and not in favour of the Registry.

6.6 Furthermore, it has to be determined whether or not a Complaint filed in a language other than the language of the ADR Proceeding can be regarded as a timely initiation of the ADR Proceeding when an Amended Complaint in the language of the ADR Proceeding is only filed after the expiration of Sunrise Appeal Period. The “Time of Filing” and the “Date of Commencement of an ADR Proceeding” both require a “properly filed” Complaint. However, as stated above, the initiation of an ADR Proceeding only requires the reception of the communication according to Paragraph A2(e) of the ADR Rules, a provision which does not set out formal or substantial requirements to the Complaint. This leads me to the conclusion that a Complaint is initiated within the Sunrise Appeal Period when it is filed in one of the official EU languages (cf. the first sentence of Paragraph A3(a) ADR Rules), even if this language is not the language of the ADR Proceeding in question. Therefore, I come to the conclusion that the fact that a Complaint in English was only submitted by the Complainant after the Sunrise Appeal Period does not present an obstacle to the timely initiation of the ADR Proceeding.

6.7 Hence, the present ADR Proceeding was initiated with the submission of the Complaint via the online-platform on 24 February 2006 and, therefore, timely within the Sunrise Appeal Period.

7. Admissibility of the Complainant’s Contentions

7.1 The Respondent contends that the Complaint is made in German, and, therefore, not admissible. This is correct as far as the original Complaint, submitted on 24 February 2006 is concerned. However, on 28 March 2006 the Complainant filed an Amended Complaint in accordance with the second sentence of Paragraph B2(b) ADR Rules made in English. Consequently, all contentions made in the original Complaint submitted 24 February 2006 cannot be admitted; all contentions made in the

Amended Complaint submitted 28 March 2006 are admissible.

7.2 The Licence Declaration enclosed with the Amended Complaint is also admissible, despite the fact that it is made in German. Paragraph B1(d) of the Supplemental ADR Rules states that all relevant parts of the Complaint, including annexes and schedules, submitted in languages other than the language of the ADR Proceeding must (my emphasis) be accompanied by a translation into the language of the ADR Proceeding, otherwise they shall not be taken into account by the Panel. However, according to the second sentence of Paragraph A1(a) of the Supplemental ADR Rules, the supplementary rules may not derogate from the ADR Rules. The second sentence of Paragraph A3(c) of the ADR Rules states that the Panel may (my emphasis) disregard documents submitted in languages other than the language of the ADR Proceeding without requesting their translation, leaving the admission of the document to the discretion of the Panel. Exercising my discretion, I will consider the enclosure with the Amended Complaint since I am fully capable of understanding its content.

7.3 It can be read from Paragraph A3(d) of the ADR Rules that the Respondent could have requested for an English translation of the Licence Agreement. Such a request has not been made with the Response. Even if such a request would have been made it would have to be denied. The Licence Agreement is the official German translation of the "Licence Declaration" issued by the Respondent as Annex 2 to the Sunrise Rules. According to Chapter IV, Section 8, No. 4 of the Sunrise Rules, the Complainant would have had to file the Licence Declaration in German as the Cover Letter for the request for registration was made in German. Therefore, the Registry is – based on general principles of equity, good faith or procedural fairness - estopped to object to the admission of a document in the ADR Proceeding that it would have had to accept as an allowable submission in the registration proceedings in accordance with the Sunrise Rules.

8. Conflicts of the contested EURid decision with the EC-Regulations

8.1 Notwithstanding the fact that the Complaint is regarded to be filed timely and the contentions and written submissions of the Complainant are – to the extent stated above - admissible, the Complaint must be denied for substantial reasons. The Complainant could not sufficiently substantiate Prior Rights within the Sunrise Period. Consequently, the contested decision of the Respondent of 21 January 2006 does not conflict with the EC-Regulations.

8.2 Article 22 No. 10, second paragraph of the Regulation 874/2004 provides that in the case of a procedure against the Registry, the ADR panel shall decide whether or not a decision taken by the Registry conflicts with the Regulation 874/2004 or the Regulation (EC) No. 733/2002 (Regulation 733/2002). This is reiterated in Section 26 No. 2 of the Sunrise Rules, stating that it is the sole object and purpose of an ADR Proceeding against the Registry to verify whether or not the relevant decision by the Registry conflicts with the Regulations (defined as Regulations 874/2004 and 733/2002). The same principle is also stated in Section 16 No. 2, second paragraph of the Terms and Conditions providing for ADR Proceeding in case of a conflict with the Regulations (defined as Regulations 874/2004 and 733/2002). Lastly, the ADR Rules state in Paragraph B11(d)(2) that the remedies requested can only be granted if the Complainant proves that the decision taken by the Registry conflicts with the European Union Regulations (defined as Regulations 874/2004 and 733/2002 and any further regulation that would replace, amend or complete such rules and principles).

8.3 Article 14, Section 4 of the Regulation 874/2004 states that every Applicant shall submit documentary evidence that shows that he or she is the holder of the Prior Right (my emphasis). Contrary to the Complainant's contention, it is not sufficient to prove that the Prior Right exists but it must, additionally, be substantiated that the Applicant is the holder of the right. In case that the registered owner of the submitted trademark is not identical to the Applicant, the Applicant has to produce documentary evidence that the registered owner either granted a licence to the Applicant or assigned the trademark to the Applicant.

8.4 The reference in the Cover Letter of the request for registration stating that the Ernst Nagel Beteiligungen GmbH & Cp. KG and the Nagel Verwaltung & Logistik GmbH are companies belonging to the Nagel Group cannot be seen as documentary evidence of a licence granted to the Applicant. Article 14, Section 1 of the Regulation 874/2004 requires that all claims for Prior Rights must be verifiable by documentary evidence which demonstrates the right under the law by virtue of which it exists (my emphasis). The cited reference in the Applicant's Cover Letter does not even expressly claim that a licence was

granted to the Complainant let alone that such a licence could have been verified by the Registry or the Validation Agent. Hence, the cited referral is not sufficient to demonstrate the alleged licence.

8.5 The Licence Declaration dated 24 February 2006 is documentary evidence in compliance with all rules and regulations cited in the paragraphs above since it uses the form enclosed as Annex 2 to the Sunrise Rules. However, the Licence Declaration was not submitted timely. According to Article 14, Section 4 of the Regulation 874/2004, the documentary evidence must be received by the validation agent within forty days from the submission of the application for the domain name, otherwise the application for the domain name shall be rejected (my emphasis), not leaving the decision to the discretion of the Registry. Hence, it is sufficient to state that the forty day period set out in Article 14, Section 4 of the Regulation 874/2004 is “strict law” in the meaning that it does not allow exceptions in favour of an Applicant. Every derogation from the forty day period would affect the legitimate expectancy of the next Applicant in the queue for the domain name in question and, therefore, conflict with the “first-come-first-served” principle set out in Reasoning No. 11 and Article 14, Sections 2, 9 and 10 of the Regulation 874/2004 (a principle that during the phased registration can be more properly described as “first-come-and-substantiate-first-served”). Forty days after the Complainant’s request for registration dated 13 December 2005, hence on 21 January 2006, the Licence Declaration was not even signed, not to mention received by the Validation Agent. Consequently, the Licence Declaration dated 24 February 2006 cannot be admitted as evidence substantiating a Prior Right.

ENTSCHEIDUNG

9. 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	**Uli Foerstl**

DATUM DER ENTSCHEIDUNG DER SCHIEDSKOMMISSION 2006-06-02

Summary

EINE ENGLISCHSPRACHIGE KURZFASSUNG DIESER ENTSCHEIDUNG IST ALS ANLAGE 1 BEIGEFÜGT

The Complainant contested a decision of the Registry to reject the request to register the domain name. The Complaint had to be denied because a Prior Right was not substantiated within the Sunrise Period.

The Applicant and the registered owner of the submitted trademark were not identical. The Applicant referred in the Cover Letter to the owner of the trademark and the Applicant as belonging to the same group of companies. The Registry decided not to register the domain name on the grounds of insufficient substantiation of a Prior Right.

The Complaint was made in German; an Amended Complaint in English was submitted only after the Sunrise Appeal Period expired. The complete amount of the initial fee was received by the Provider only after the Sunrise Appeal Period had expired. A licence declaration using the German translation of the form in Annex 2 of the Sunrise Rules, signed on the same date as the Complaint, was enclosed with the Complaint and the Amended Complaint.

The ADR Proceeding was initiated timely. The only requirement for the initiation is the submission of a Complaint as long as it is made in an official EU language. The reception of the Complaint in the language of the ADR Proceeding or the reception of the complete initial fee by the ADR Provider within the Sunrise Appeal Period is not required.

The Complainant did not prove the timely substantiation of a Prior Right. Since the Complainant was not the owner of the alleged right, he would have had to submit documentary evidence that he was a licensee. A simple referral in the Cover Letter of the request for registration cannot be considered documentary evidence. The licence agreement enclosed with the Complaint was submitted too late to be considered. A licence agreement must be submitted within the Sunrise Period; otherwise the Application must be rejected.