Panel Decision for dispute CAC-ADREU-000253

Case number	**CAC-ADREU-000253**
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Domain names	**schoeller.eu**

Case administrator

Name	**Tereza Bartošková**

Complainant

Organization / Name	**Ernst Schoeller GmbH + Co. KG**

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

None that the Panelist is aware of

FACTUAL BACKGROUND

This Complaint arises out of the interpretation and application of Commission Regulation (EC) No 874/2004 of 28 April 2004 (“Regulation 874/2004”) and the .eu Registration Policy and Term and Conditions for Domain Name Applications made during the Phased Registration Period (hereinafter “the Sunrise Rules”).

Art. 10 (1) of said Regulation 874/2004 provides that holders of prior rights recognised or established by national or Community law shall be eligible to apply to register domain names during a period of phased registration before general registration of .eu domain starts, and that prior rights shall be understood to include, inter alia, registered national and community trademarks.

Art. 12(3) of said Regulation 874/2004 provides that the request to register a domain name based on a prior right shall include a reference to the legal basis in national or Community law for the right to the name, as well as other relevant information, such as trademark registration number.

Art. 3 of said Regulation 874/2004 provides that the request for a domain name shall include inter alia the name and the address of the requesting party and further that any material inaccuracy in the name shall constitute a breach of terms of registration.

Recital 12 of said Regulation 874/2004 sets out the purpose of the phased registration period in the following terms:

“In order to safeguard prior rights recognised by Community or national law, a procedure for phased registration should be put in place. Phased registration should take place in two phases, with the aim of ensuring that holders of prior rights have appropriate opportunities to register the names on which they hold prior rights. The Registry should ensure that validation of the rights is performed by appointed validation agents. On the basis of evidence provided by the applicants, validation agents should assess the right which is claimed for a particular name. Allocation of that name should then take place on a first-come, first-served basis if there are two or more applicants for a domain name, each having a prior right.”

The Sunrise Rules govern all applications during the phased registration period (vide Object and Scope).

Section 3.1 (1) of the Sunrise Rules states that an application is only considered complete when the Applicant provides the Registry, via a registrar, with at least the following information, inter alia the full name of the Applicant.

Section 11 (1) of the Sunrise Rules provides that "[d]uring the first phase of the Phased Registration Period, only Domain Names that correspond to (i) registered Community or national trade marks or (ii) geographical indications or designations of origin, may be applied for by the holder ...of the Prior Right concerned…"

Section 13 (1) (ii) of the Sunrise Rules provides that "[w]here the Prior Right claimed by an Applicant is a registered trademark, the trade mark must be registered by a trade mark office in one of the member states, the Benelux Trade Marks Office or the Office for Harmonisation in the Internal Market (OHIM), or it must be internationally registered and protection must have been obtained in at least one of the member states of the European Union."

Section 11 (3) the Sunrise Rules, the Applicant for a domain name must be the owner or licensee of the claimed Prior Right.

The Complainant is a limited commercial partnership engaged in textile manufacturing, duly incorporated in Germany within the European Community and is the registered owner of the European Community Trademark 001044734 “SCHÖLLER” which has been registered on February 17, 2003 at the Office of Harmonization in the Internal Market (OHIM) in Alicante.

On 7 December 2005, the Applicant applied to register the domain name <schoeller.eu> during Phase I of the phased registration period.

In support of its application under the Sunrise Rules, the Complainant relied inter alia on said Community Trademark 001044734 “SCHÖLLER as establishing its Prior Right. The Complainant's ownership of said trade mark registration is not in dispute and the Complainant has submitted documentary evidence of said registration in the form of a copy of the original Trade Mark certificate in its possession. What is disputed is whether the documentary evidence submitted clearly evidences that the Applicant and the Trade Mark owner are one and the same, since the name in the Application is missing the word “Waeschenfabriken” and also that the street address in the Application and that in the Documentary Evidence are different, although the town is the same.

The Complainant submits that the domain name and the trade mark on which it claims a Prior Right are absolutely identical (with the exception of the standard rendition of the German character o with umlaut into “oe”). This is obvious and is not disputed by the Respondent.

The automated application system provided to applicants, including the Complainant, by the registrar imposed a limitation of 30 characters on the field in which applicants were permitted to enter their respective names. It is a fact known to most practitioners in the .eu field which was also raised in other cases and obliquely though not explicitly in this case but is not in contention.

In the application for the domain name <schoeller.eu> received from the Complainant by the Respondent, the name of the Complainant was, ostensibly due to the technical limitations of the automated system, abbreviated to " Ernst Schoeller Gmbh & Co " rather than the full name "Ernst Schoeller Waeschenfabriken GmbH & Co KG" which would have required 45 characters.

The Respondent refused to register the domain name <schoeller.eu> in the name of the Complaint during the Sunrise Period on the grounds that the documentary evidence furnished did not substantiate that the applicant for the domain name is the holder of the Prior Right on the domain name. This lack of substantiation was allegedly compounded by the abbreviated form of the applicant’s name as given in the Application.

A. COMPLAINANT

The Complainant provides lengthy and detailed argumentation as to how its application complies with all regulations to be granted a domain name and this especially with respect to Art. 10 (1) of Regulation 874/2004, Art. 11 of Regulation 874/2004, Art. 12(3) of Regulation 874/2004, Art. 3 of Regulation 874/2004, as well as Section 3.1 (1), Section 11 (1), Section 11 (3) and Section 13 (1) (ii) of the Sunrise Rules.

The Complainant submits that the abbreviation in its name was due to “technical reasons”. This is ostensibly on account of the automated system being deficient in that the limitation on the number of characters in the field provided for the name of an applicant, resulted in the Complainant’s full name being abbreviated because it was too long by 15 characters (in point of fact, the length of the word omitted, “Waeschenfabriken”) .

The Complainant submits that even though its name was abbreviated in the Application, it was easily recognizable as a common abbreviation and that by no means could EURid come to the conclusion that the Complainant is not the owner of the trade mark presented to EURid. Furthermore, the Complainant later submitted that its address in the Application for registration of the <schoeller.eu> domain name is different to its address in the documentary evidence provided by the Complainant on account of an actual change of address.

The Complainant requests the Panel to decide that its Application was in accordance with the .eu Regulations, and that the Respondent's decision to reject the Application was not in accordance with the .eu Regulations. For these reasons, in accordance with Section B 11 (c) of the ADR Rules the Complainant requests the annulment of the disputed decision taken by the registry and, in accordance with Section B 11 (c) of the ADR Rules, the Complainant further requests the attribution of the domain name schoeller.eu to the Complainant

B. RESPONDENT

The Respondent submits that application received by the Registry referred to the Applicant as being " Ernst Schoeller Gmbh & Co KG". The documentary evidence on the other hand referred to the owner of the Community Trade Mark being the Prior Right as being "Ernst Schoeller Waeschenfabriken GmbH & Co KG ".

The Respondent further submits that the documentary evidence in the form ot certificate of trade mark registration mentions as owner of the registered trademark the Ernst Schöller Wäschefabriken GmbH + Co, established at Hechingerstrasse, Albstadt, while the name of the applicant for the domain name is Ernst Schöller GmbH + Co established at Sonnenstrasse, Albstadt and that "The documentary evidence does not evidence that the applicant for registration of the domain name is the reported owner of the registered trademark."

Therefore the Respondent, upon notification of the findings by the validation agent that the documentary evidence did not substantiate that the applicant for the domain name is the holder of the Prior Right on the domain name rejected the application.

Specifically addressing the statements and allegations made in the Complaint, the
Respondent submits as follows:

"The Complainant claims that the name Ernst Schoeller GmbH + Co. KG used in the application for the registration of the domain name, is a short reference to Ernst Schöller Wäschefabriken GmbH + Co and is commonly used by the Complainant for commercial transactions. By no means could the Registry come to the conclusion that the Complainant is not the owner of the trademark.

However, the Sunrise Rules provide that the documentary evidence must clearly evidence that the applicant is the reported owner of the registered trademark. The differences in the names and the addresses of the applicant for the domain name and the owner of the trademark did not allow the validation agent nor the Registry to reasonably conclude that they are clearly one and the same.

Therefore, all other arguments are not relevant."

DISCUSSION AND FINDINGS

The Panelist determines as follows:

The Panelist accepts the Complainant's claim that it is the owner of the OHIM CTM registration SCHÖLLER rendered as Schoeller in non-German spelling. The Panelist further accepts that, due to an actual change of address, the address on the Documentary Evidence submitted is the old address of the Complainant while the address on the application for the domain name "Schoeller" is the new address of the Complainant. These material facts are not disputed by the Respondent.

The Panelist further accepts all arguments presented by the Complainant with respect to its compliance with Art. 10 (1) of Regulation 874/2004, Art. 11 of Regulation 874/2004, Art. 12(3) of Regulation 874/2004, Art. 3 of Regulation 874/2004, as well as Section 3.1 (1), Section 11 (1), Section 11 (3) and Section 13 (1) (ii) of the Sunrise Rules, which arguments are not contested by the Respondent.

The Respondent attempts to have the arguments raised by the Complainant dismissed as as irrelevant on the grounds that "the Sunrise Rules provide that the documentary evidence must clearly evidence that the applicant is the reported owner of the registered trademark. The differences in the names and the addresses of the applicant for the domain name and the owner of the trademark did not allow the validation agent nor the Registry to reasonably conclude that they are clearly one and the same."

Thus the Respondent did not address the bulk of the arguments raised by the Complainant but restricted itself to three main points:
1. That the name of the applicant was slightly shorter than that of the name of the reported owner of the registered trademark
2. That the street address (but not the town) of the applicant for the domain name was different to that of the owner of the trade mark
3. That these differences did not allow the validation agent nor the Registry to reasonably conclude that the applicant and the trademark owner to be one and the same.

The Panelist finds the Respondents Response to the complaint to be shallow, inadequate and unreasonable.

Firstly, it would appear that neither the Validation Agent nor the Registry took into account the possibility that the Complainant correctly inserted its name insofar as the automated system permitted. It would appear that the technical limitation of 30 characters for the name in the Respondent's automated system would not have made it possible to include the qualification Waeschenfabriken, since this would have gone over the permitted limit by 15 characters. It would be an unreasonable expectation on the part of either the Validation Agent or the Registry to expect to see a name longer than the system then allowed, so the abbreviated form "Ernst Schoeller Gmbh & Co" should have been acceptable especially since it is highly doubtful that, under the circumstances, such abbreviation would cause a mistake of identity.

Secondly, while it is true that the street address indicated in the Documentary Evidence and the one in the application are different, no evidence was advanced by the Respondent to indicate that the Validation Agent, on whose findings it relied, had carried out due diligence in this case. When faced with such a situation, the Validation Agent, in terms of section 21 (3) of the Sunshine Rules, had the discretion to " conduct its own investigations into the circumstances of the Application, the Prior Right claimed and the Documentary Evidence produced." Given the difference of nearly 3 years in date between the Documentary Evidence and the application for domain name registration, it was perfectly possible that some change of address could be the simple reason for the discrepancy. It would have been the work of a few minutes for the Validation Agent to test the issue of identity: the town in both the application and the Documentary Evidence was the same and it was just the street address that was different. A quick Internet search (in seconds through telephone directory, Google etc.) would have consistently thrown up the applicant's name as being the Ernst Schoeller Waeschenfabriken GmbH & Co at Sonnenstrasse 100 in Albstadt (a smallish town of 47,000 inhabitants). All it would have taken to ensure that there is no mistake of identity would have been a short e-mail to the applicant requiring further documentary evidence (such as a certificate of change of address released by the Company Registration authorities in Germany) to prove that despite the different street addresses, the applicant was one and that same as the holder of the prior right. No evidence of such reasonable and minimal attempt on behalf of the Validation Agent nor of failure of the Applicant to respond to such request has been advanced by the Respondent.

While the same section 21 (3) of the Sunrise Rules grants the Validation Agent "sole discretion" to carry out such investigations, it is a fundamental principle of justice that, when granted such discretion, the Validation Agent is not exempted from the requirement to act reasonably. Indeed, it may be argued that the extent of the discretion granted to the Validation Agent implies a higher standard of care and reasonableness. In the circumstances of the case, the Validation Agent could have easily cleared up any doubts by seeking and obtaining further proof of identity despite change of address and a slightly abbreviated name. It would be unreasonable for the Validation Agent not to have expended the minimum of effort required to clear any small doubt. For it is clearly the intention of the .eu Sunrise Rules that the role of the Validation Agent should go far beyond that of a mere clerical function, otherwise it would not have endowed this office with such wide and important investigative powers. Just because there was not an immediate and perfect match between the Documentary Evidence and the street address in the domain name application is not sufficient excuse to reject the application for a domain name out of hand. Even the most humble of clerks would have had the common sense to check out the small discrepancy in a suitable manner but there is no evidence to suggest that the Validation Agent applied the diligence of the humble clerk or the reasonable man.

Thirdly, the Respondent's claim that "The differences in the names and the addresses of the applicant for the domain name and the owner of the trademark did not allow the validation agent nor the Registry to reasonably conclude that they are clearly one and the same." (emphasis added) is a statement that borders on the ludicrous. In order to see what could be "reasonably concluded" in the face of any doubts raised by the differences noted above, the Panelist tested the extent of effort required in such a case: by simply keying in the two words "Ernst Schoeller" (the shortest form of the name on the application) in an industry-standard search engine like Google, the very first result thrown up by Google in 0.12 seconds was Ernst Schoeller Waeschenfabriken (the same full name on the documentary evidence) while pressing Kontakt led to the page http://www.schoeller-waesche.com/kontakt.php which clearly gave Ernst Schoeller Waeschenfabriken GmbH & Co at Sonnenstrasse 100, the address on the application form on the domain name. Thus, in seventeen keystrokes and in less than 30 seconds, the Panelist obtained enough of a match between the Documentary Evidence and the application form to reasonably conclude that the holder of the prior right and the applicant were clearly very probably one and the same legal person. A quick scan (less than two minutes) of the other results of the Google search revealed no other Ernst Schoeller Waeschenfabriken GmbH & Co in Albstadt. The same results with the on-line telephone directory. So the only small step left to convert the clear high probability into absolute certainty would have been to send a short e-mail to the applicant requesting further documentary evidence (such as a certificate of change of address released by the Company Registration authorities in Germany) to prove that despite the different street addresses and the missing word "Waeschenfabriken", the applicant was one and that same as the holder of the prior right. It would have only been reasonable to even start considering the possible rejection of the application if the Applicant failed to provide such evidence on request. Now, the Panelist did not carry out some routine or even mega-investigation as the Validation Agent was entitled to do in terms of Article 21 (3) but the simplest of procedures that could be reasonably be followed for the avoidance of doubt. Yet the results permitted the Panelist to reasonably conclude that the Applicant and the holder of the Prior Rights were clearly one

and the same.

The possibility of such additional evidence being provided was clearly contemplated in the Sunrise Rules in Art 20 (3) which states that:
If, for any reasons other than as are referred to in Section 20(1) and 20(2) hereof, the Documentary Evidence provided does not clearly indicate the name of the Applicant as being the holder of the Prior Right claimed (e.g. because the Applicant has become subject to a name change, a merger, the Prior Right has become subject to a de iure transfer, etc.), the Applicant must submit official documents substantiating that it is the same person as or the legal successor to the person indicated in the Documentary Evidence as being the holder of the Prior Right. It is a moot point as to whether this section places the onus on the Applicant to submit official documents at the time of the filing of the application or whether these official documents may be requested/supplied at a later date. In the circumstances of this case it can be reasonably argued that the Applicant had NOT become subject to a name change, a merger, a de iure transfer etc. nor had there been any case of transfer or licensing of Trade Mark conferring Prior Right and there would not have been, to a bona fide applicant who was using the name it had used since 1930, any immediately apparent reason for submitting additional documentation at the time of filing of application. In order to facilitate matters for everybody concerned and to avoid the recurrence of such cases in future, the Registry would be well advised to create an information note for future applicants which clearly indicates a requirement for official documentation where changes of address have occurred.

The Registry is duty bound to observe the spirit and the letter of the Regulations. The purpose of the phased registration period as set out in Recital 12 of the Regulation is “to safeguard prior rights recognised by Community or national law.” It follows that the holders of prior rights should therefore be accorded the minimum of respect by the Registry rather than have applications for domain names being rejected without due diligence being applied.

The Panelist is also concerned with the apparent total reliance of the Registry on the findings of the Validation Agent. The respondent stated “Therefore the Registry, upon notification of the finding by the validation agent that the documentary evidence does not substantiate a prior right on the domain name, has rejected the application.” The fact that there exists a Validation Agent does not absolve the Registry of the obligation to ensure that Applicants get fair treatment. Indeed in Section 10 (2) of the Sunrise Rules one reads that Validation Agents are subcontractors of the Registry, which is the only party to decide whether or not a Domain Name is registered in the name of an Applicant. The final responsibility therefore rests with the Registry and, when faced with a situation where the Validation Agent’s findings may result in the rejection of an otherwise straightforward and bona fide application, it was the Registry’s duty to check with the Validation Agent whether due diligence had been carried out, in this case to clear up any possible doubt created by the discrepancy in the street addresses or the slightly abbreviated name.

The Respondent does not dispute that the Complainant is the owner of the OHIM registration for the trade mark SCHÖLLER (rendered as SCHOELLER where German special characters are not available). Neither does the Respondent dispute that the Complainant was the first applicant for the <schoeller.eu> domain name. There is no question of there being any bad faith or error on the part of the Applicant. The difficulties were caused solely by a slightly abbreviated name caused by technical limitations in the system and by a difference in the street address, though not the town, in the Documentary Evidence provided.

The facts of the case demonstrate that the Complainant was the applicant during the phased registration period and that the Complainant is the owner of the Prior Right on which the application is based. The intended purpose of the phased registration period as set out in Recital 12 of said Regulation 874/2004 was “to safeguard prior rights recognised by Community or national law”.

In the circumstances this Panelist is satisfied that on the particular facts of this case the Complainant complied with both the Regulation and the Sunrise Rules insofar as it was possible and immediately apparent so to do.

In the circumstances the decision of Respondent should be annulled and the Complainant's requests granted.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panelist orders that the EURID's decision be annulled and the domain name <schoeller.eu> be registered in the name of Ernst Schoeller Waeschefabriken GmbH & Co. KG also known as Ernst Schoeller GmbH & Co. KG.

The above order by the Panelist regarding registration of the domain name <schoeller.eu> is explicitly given since the complainant has

sought a direction pursuant to Section 27 of the Sunrise Rules that the Respondent's decision be revoked and the panel allocate the Domain Name to the Complainant. In point of fact, Section 27 (1) of the Sunrise Rules states:

> If the ADR Proceeding concerns a decision by the Registry not to register a Domain Name and the Panel or Panelist appointed by the Provider concludes that that decision conflicts with the Regulations, then, upon communication of the decision by the Provider, the Registry will register the Domain Name in the name of the Applicant and will immediately activate the Domain Name.

There existing no prohibition of the panelist's powers to give such direction, nor any uncertainty as to the Registry's obligation to so register and activate the Domain name pursuant to communication of this decision, the Panelist formally further orders immediate activation of the Domain Name subsequent to registration.

PANELISTS

Name	**Cannataci & Associates**

DATE OF PANEL DECISION 2006-05-29

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The complainant challenged the rejection of its domain name application by the registry. Although the complainant was the first applicant for the domain name <schoeller.eu> and submitted the proof of a community trademark registration in time, the registry rejected the application.

The name on the application contained one word less than the name on the trade mark registration certificate while the address on the trade mark certificate was within the same town but not in the same street as that given on the application; the registry therefore followed the findings of the Validation Agent and took the view that the complainant did not prove its prior right. However, the registry did not advance any proof that the validation agent, on whose findings it relied for rejection, had made reasonable efforts to, in terms of section 21 (3) of the Sunshine Rules, " conduct its own investigations into the circumstances of the Application, the Prior Right claimed and the Documentary Evidence produced." While the same section 21 (3) grants the Validation Agent "sole discretion" to carry out such investigations, the Panelist is of the opinion that it is a fundamental principle of justice that, when granted such discretion, the Validation Agent is not exempted from the requirement to act reasonably. In the circumstances of the case, the Validation Agent could have easily cleared up any small doubts by seeking and obtaining further proof of identity despite change of address or a slightly abbreviated name. It would be unreasonable for the Validation Agent not to have expended the minimum of effort to clear this doubt.

The Panelist therefore annulled the registry's decision, as the proof of prior right was valid, produced in good time and is sufficient for an applicant to become the holder of a .eu domain name. The Panelist therefore ordered the attribution of the domain name schoeller.eu to the Complainant and the immediate activation of the domain name schoeller.eu