Panel Decision for dispute CAC-ADREU-000325

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Case administrator

Name	Tereza Bartošková

Complainant

Organization / Name	ESGE-Textilwerk Maag

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 Panel is not aware of any pending or decided legal proceedings which may affect the disputed domain name.

FACTUAL BACKGROUND

The Complainant, ESGE-Textilwerk Maag filed an application to register the domain name ESGE.EU on December 7, 2005 with EURID.

The documentary evidence was originally submitted on December 12, 2006, before the deadline of January 16, 2006. Complainant submitted a copy of the Certificate of Registration for a trademark “ESGE” issued by the German Trademark Office on February 24, 1931 in the name of Steinkopf & Gussman together with a notification from the German Trademark Office dated 29 January 1982 stating that the said trademark had been transferred to Complainant.

On February 10, 2006, the Processing Agent notified a rejection of the Application on the ground that the documentary evidence supplied would not substantiate the earlier rights claimed by the Complainant.

The Complainant seeks the cancellation of the rejection decision and requests the attribution of the domain name ESGE.EU to the Complainant.

A. COMPLAINANT

The Complainant contends that the decision of the Registry states a breach of EC Regulation No. 733/2002 and No. 874/2004 and therefore conflicts with the above mentioned regulations in the sense of Sec. B 11 (2) of the .eu Alternative Dispute Resolution Rules (ADR Rules).

The Complainant has filed its application according to EC Regulation No. 733/2002 and 874/2004.

- Complainant claims to be the first to have filed its domain name and considers also that his application was in time and in accordance with the principle of first come-first-served.

- He declares to have signed the terms and conditions of the official cover sheet to PricewaterhouseCoopers on 8th December 2005.

- He claims firstly that the trademark certificate submitted is still a valid document under the law and gives sufficient proof of the priority right and secondly that the Registry might have been puzzled by the old looking trade mark certificate being unfamiliar compared to the usual certificates of today.

- Complainant states that, according to article 5(1) (b) EC Regulation No.722/2002 which clearly gives a priority right to Trade marks and (11) of Commission Regulation No. 874/2004, he is the owner of a trademark and was the very first to apply but has not been granted the domain name he applied for. This clearly shows a breach by the Registry of Article 5(1) EC Regulation 874/2004 and the superior principle of (11) of Commission Regulation No. 874/2004.

- Complainant adds that Registry's decision conflicts with and states a breach of article 12 (3) of EC Regulation 874/2004 because the Complainant has clearly indicated that the legal basis for the application is a valid and registered trade mark protected under German Law No. 440101 which is exactly what is demanded in article 12(3) of EC Regulation 874/2004. He states he gave the relevant document according to 20.2 of the Sunrise Rules, namely the certificate registration showing that the mark has been transferred to the Complainant.

- The Complainant refers to the decision of the Arbitration Court Case No. 00340 where the panel had set out that there was no obligation to provide documents proving that the trademark was not expired to prove that he fulfilled all the requirements to have the domain name granted.

- The Complainant argues that he did not give a printout of an online Trade Mark Register but a copy of the original Trade mark certificate because the former one is less reliable.

- Then, in response to the non standard communication of the Respondent dated June 1st, 2006, the Complainant considers that Sec.21 (3) of the Sunrise Rules plays a crucial factor: The agent shall within his discretionary powers in the light of 21(3) of the Sunrise Rules be obliged to check the online trade mark register of the German Trademark office if he is in any doubt of the priority right. He claims that it is within the validation process a minimum requirement for the agent to carry out such an online check if he is in any doubt of the evidence presented to him when he was given all necessary information to carry out such an online search in an efficient way. Complainant concludes that the validation agent had all information and he did not carry out such an online check which is in breach of 21(3) of the Sunrise Rules.

- Finally, The Complainant considers that the designation of the registry, by rejecting the application of the Complainant is not based on an open, transparent and non discriminatory selection procedure according to (13) of EC Regulation 733/2002.

- The Complainant requests the domain name esge.eu to be attributed to the Complainant.

B. RESPONDENT

The Respondent (EURID) did not file any response to the Complaint within the prescribed term and was found in default by the Centre (notification of Respondent's default dated May 19, 2006).

The Respondent did not challenge the notification of default within the five-day period provided by Paragraph B3 (g) of the ADR Rules.

On June 1st, 2006, the Respondent eventually communicated with the Centre to present arguments and motivate the grounds of its Rejection decision.

The Respondent relies upon Art. 10 (1) art.12 (3) and art.14 of Commission Regulation of April 28, 2004 and explains that the application was rejected because the documentary evidence did not prove the earlier rights claimed by the Complainant were in force at the time of the domain name application.

The Respondent asserts that article 14 of the same Regulation requires that the earlier right on which the applicant bases its domain name application must exist on the date of assessment by the validation agent and that the only document supplied by the Complainant was an outdated Certificate of Registration of 1931 as well as a Notification dated 1982 showing the transfer of the mark to the Complainant, but that no certificate of renewal of the trademark was supplied.

The Respondent quotes article §47 of the German Trademark Act which requires that a trademark is renewed every ten years to be maintained into force and sustains that the Complainant has failed to prove that its trademark had been renewed and was still in force when the application to register the domain name was being examined.

The Respondent argues that Complainant wrongly infers from article 21 (3) of the Sunrise Rules that the validation agent was obligated to examine in the database of German Trademarks whether the
Trademark was valid and still registered in the name of the Complainant.

The Respondent stresses that article 21 (3) of Sunrise Rules specifically states that the validation agent is not obliged to carry such investigations due to the sheer volume of the domain name applications.

DISCUSSION AND FINDINGS

1. – ON THE ADMISSIBILITY OF THE RESPONDENT'S ARGUMENTS.

The Panel notices that the Respondent was found in default for it did not reply to the Complaint on time, and did not challenge the Notification of Default in the appropriate timeframe.

The Respondent filed a late communication after the appointment of the Panel.

It belongs to the Panel, in its sole discretion, to accept or not out-of-time submissions by virtue of Paragraph 8 of ADR Rules.

According to Paragraph 10 of the ADR Rules, in the event that a party is in default or does not comply with the time periods estblished by the ADR Rules, the panel may consider this failure to comply as grounds to accept the claims of the of the other party.

The Panel wishes to emphasize that the Respondent, especially being in the present case the EURID itself, is bound by the ADR Rules and by the official terms prescribed therein like any other party.
Article 4 of Regulation EC No. 733/2002 of April 22, 2002 makes it very clear that "the Registry must observe the rules, policies and procedures laid down in this Regulation and the contracts referred to in Article 3".

Applicants for domain name are themselves subject to official deadlines which they must necessarily comply with, save for being subject to the loss of their rights.

The Panel is of the opinion that the Respondent, even though it has been afforded sufficient time and opportunity to respond to the Complainant, has ignored the official time limits imposed by the Rules and filed arguments lately.

It seems fair to the Panel therefore to consider that the Respondent's arguments must be found inadmissible and must not be taken into account in the present proceedings.

2. – ON THE CONSQUENCES OF THE INADMISSIBILITY OF THE RESPONDENT'S SUBMISSION

The Panel notices that the February 10, 2006 Notification of Rejection of the domain names "ESGE.EU" was simply motivated by the statement that the Applicant had not proven its earlier rights.

The Validation Agent has not clearly explained the reason why he considered that the Applicant's rights were not substantiated whereas it is not contested that :
- the domain name application had been filed on time within the first Sunrise period,
- that it had been completed with Documentary Evidence within the prescribed time limit and,
- that said Documentary Evidence corresponded to the requirements of Section 13.2. of the Sunrise Rules, which provides that the evidence requested for registered trademarks is a copy of an official document issued by the competent trade mark office indicating that the trademark is registered, as well as evidence that the Applicant is the reported owner of the registered trade mark.

In such context the Panel considers that the Applicant has not been accurately informed of the grounds of rejection of its domain name and thus was not given a fair chance to properly contest the Notification of Rejection.

The Complainant therefore had to contest the decision by trying to guess what the ground of rejection was and argued that the Certificate of Trademark Registration and the Notification of Assignment issued by the German Trademark Office he had supplied in support of its domain name application evidenced the existence of a trademark registration identical to the domain name applied for and its proprietorship.

The Panel wishes to emphasize that at this stage of the proceedings, the Complainant was still not precisely informed of the reason why the Documentary Evidence he supplied was found not probative by the Respondent.

As stated above, the Respondent has not replied to the Complainant's contentions in the time limits set out by the ADR Rules.

The Respondent explained for the very first time the grounds of the Rejection Notification in its communication dated June 1st, 2006, but

which the Panel finds inadmissible for being out of time.
Consequently, the Complainant had to submit a further round of arguments on June 2, 2006 to reply to the Respondent.s assertions. But it is the Panel.s decision, in accordance with Paragraph 8 of the ADR Rules (which allows the Panel to admit or not in its sole discretion statements or documents from either parties filed in addition to the Complaint and the Response), that this second communication of the Complainant is as inadmissible as that of the Respondent for it is also out of time and does not fall within the scope of the normal ADR procedure.

The Panel therefore considers that the Respondent has not complied with the spirit of the Rules in the sense that it has not properly motivated its Rejection Decision (whereas the Documentary Evidence supplied by the Applicant was prima facie consistent with the requirements of Section 13-2 of the Sunrise Rules) and besides has vitiated the same by failing to expound the grounds of its decision within the time limits set out in the present ADR proceedings (Paragraph 10 of the ADR Rules).

It has consequently created an unfair situation in which the Complainant has not been given a chance to develop an appropriate defense within the framework of an equitable inter partes procedure, and breached Article 4 of EC Regulation 733/2002 which provides that the Registry must observe "transparent procedure" and must manage the eu TLD "in the general interest and on the basis of […] accessibility".

Consequently, the Panel is of the opinion that the Decision of Rejection of the domain name ESGE.EU should be revoked.

3. – ON THE ATTRIBUTION OF THE DOMAIN NAME TO THE COMPLAINANT

Notwithstanding the fact that the Panel does not approve any of the arguments developed on the merits by the Complainant but on the contrary believes that the Complainant failed to provide the Validation Agent with the evidence that the earlier trademark claimed was registered, and being emphasized that the burden of proof of an existing prior right lies on the Applicant for a domain name as Section 21-3 of the Sunrise Rules does not, contrary to what the Complainant contends, imposes any obligation on the Validation Agent or the Registry to carry out investigations with a view to substantiating the Applicant’s rights [See Panel Decision No. 00219], and being further stressed that the Panel decisions No. 00340 and No. 00253 cited by the Complainant are definitely not applicable to the present case [in decision 000340, the Panel stated that it was not required to evidence that an active trademark had not expired whereas in the present case, the issue is whether the trademark claimed by the Complainant is in force or not as no evidence of renewal was exhibited ; in decision 00253, the Panel found that pursuant to Section 21 (3) the Validation Agent should have conducted its own investigations but in that case, the issue was purely formal and related to a minor discrepancy in the Applicant’s name and address between the different documents filed whereas in the present case, the issue was indeed fundamental, i.e.: whether the earlier rights claimed by the Applicant were in force; on such a substantial issue, one may not reverse the burden of proof and require the Validation Agent to conduct its own investigations to palliate the applicant’s failure] ;

the Panel finds that the domain name can nevertheless be granted to the Complainant, which is indeed entitled thereto.

It transpires from the documents annexed to the Complaint within the framework of the present ADR procedure that the German trademark registration for “ESGE” No. 440 101 stands in the name of the Complainant and is in force as it has been renewed on February 25, 2001 for a ten year period.

The Panel is well aware that the Documentary Evidence supplied to the Validation Agent did not show that the trademark had been renewed, and in this respect the Panel is of the opinion that the Decision of Rejection was well-founded on the merits.

Once again, it is a matter of common sense to construe Article 14 of Regulation 874/2004 and Section 13 of the Sunrise Rules as putting on the Applicant the burden of evidencing that it owns a valid trademark registration in force at the time of application for the domain name or at least at the time of submission of the supporting Documentary Evidence.

But the Decision of Rejection of the Respondent must be invalidated for the formal and technical reasons explained above.

Logically therefore, the domain name must be attributed to the Complainant since the documents which the Panel has reviewed evidence that at the time when the application for the domain name was filed and was examined, the Complainant was in fact the proprietor of an identical trademark in force in Germany and was therefore entitled to the domain name.

DECISION

For all the foregoing reasons, in accordance with Paragraph B (12) b and c of the Sunrise Rules, the Panel orders that:

- the EURID’s decision of rejection of the domain name ESGE.EU be revoked.
- the domain name ESGE.EU be attributed to the Complainant.

According to section 27 (1) of the Sunrise Rules, pursuant to communication of this decision, the Panelist formally further orders immediate activation of the domain name subsequent to registration.

PANELISTS

Name	**William LOBELSON**

DATE OF PANEL DECISION 2006-06-02

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant contests the Decision of Rejection issued by the Respondent (Eurid) against the application for the domain name “esge.eu” filed under the Sunrise Period, on the ground that the earlier trademark rights claimed had not been proven.

The Panel revokes the Respondent’s Decision of Rejection first because it was not sufficiently motivated and second because the Respondent’s Response to the Complaint has not been filed in accordance with the ADR Procedural Rules (being out of time).

The Panel concludes that even though the Respondent’s Decision of Rejection was well-founded on the merits, as the Applicant had failed to prove that its trademark had been renewed and was in force at the time when the application was examined, and also because Sec. 21(3) of the Sunrise Rules does not imposes any obligation on the Validation Agent to conduct its own investigations to find out whether the trademark claimed by an Applicant is in force at the time of examination, the said Decision of Rejection must nevertheless be cancelled for procedural defect.

The Panel consequently grants the domain name to the Complainant as the Documentary Evidence supplied in support of the ADR procedure enables the Panel to witness that in fact, at the time when the domain application was filed, the Complainant was the owner of a National Trademark Registration duly renewed and in force and was therefore entitled to the domain name applied for.