Panel Decision for dispute CAC-ADREU-000394

Case number	**CAC-ADREU-000394**
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Domain names	**frankfurt.eu**

Case administrator

Name	**Josef Herian**

Complainant

Organization / Name	**Stadt Frankfurt am Main - DER MAGISTRAT**

Respondent

Organization / Name	**EURid**

FACTUAL BACKGROUND

Respondent accepted an application for the domain name <frankfurt.eu> based on the Benelux trademark FRANKF & URT (device). The Complainant is the city of Frankfurt, Germany. Contentions from the Complainant and the Respondent are included below.

A. COMPLAINANT

The following are the main contentions of the Complainant:
“The Complainant is the well known city of Frankfurt, Germany. The city is the centre of the financial service industry in Germany and continental Europe, home of the European Central Bank and also well known for its airport and trade fares.

Traffic Web Holding B.V. was first registered in the “Kamer van Koophandel OOST-Brabant”’s register (Chamber of Commerce for Oost-Brabant, Netherlands) on 14 January 2003. The description of business according to the register is “Holding en beheermaatschap-pij” (Holding and Management Society). Up to date, Traffic Web Holding B.V. was never engaged in any commercial activity. It has no employees since its registration.

The purpose of this company is and was only to register trademarks necessary for the application of <.eu> domains in order to hinder the real owners of the name rights to register its domains. Short before the start of the sunrise period, on 30 November 2005, Traffic Web Holding B.V. filed in total 822 trademark applications with the Benelux Trademark office, inter alia to register the following design trademark "FRANKF & URT" which also includes the words “FRANKFURT” separated by the special character “&” between the “FRANKF” and the “URT” for the protection of goods of class 22 (Cordage and fibres). The design trademark consists of a top and a bottom line with red quads.

The Benelux Trademark Office registered this trademark on 2 December 2005 and the trade-mark was published by the Benelux Trademark Office on 1 January 2006.

On 7 December 2005, Traffic Web Holding B.V. filed an application for the registration of the domain <frankfurt.eu> with the Respondent during Sunrise Phase 1. According to the WHOIS excerpt from Respondent’s database, Traffic Web Holding B.V.

refers to the registered national trademark in the Netherlands for a prior right on “FRANKF&URT”.

Traffic Web Holding B.V. used a trick to get several domains like <frankfurt.eu> registered without being an owner of prior rights since, according to Section 11 Regulation (EC) No. 874/2004, special characters, spaces, or punctuations shall generally be eliminated entirely from the corresponding domain name, replaced with hyphens, or, if possible, rewritten, if the name for which prior rights are claimed contains such special characters. However, this provision was not designed to protect domain grabbing (see below legal assessment).

The decision of the Respondent regarding the domain <frankfurt.eu> has to be annulled since the decision taken by the registry conflicts with the European Union Regulations No. 874/2004 dated 28 April 2004 (the “Regulation (EC) 874/2004”) according to B 11(d) 2 .eu Alternative Dispute Resolution Rules (the “ADR Rules”) and Section 22 Para 1 (b) Regulation (EC) No. 874/2004.

The decision taken by the Respondent is in conflict with Section 10 Para 2 and 3 in connection with Section 11 Regulation (EC) No. 874/2004 since Traffic Web Holding B.V. has no prior rights for the registration of the domain name <frankfurt.eu> during Sunrise Phase 1. The registration on the basis of a prior right shall consist of the registration of the complete name for which the prior right exists according to Section 10 Para 2 Regulation (EC) No. 874/2004. The domain application in dispute <frankfurt.eu>, is not identical with the design trademark “FRANKF & URT”. The word components “FRANKF” and “URT” are clearly not names of persons such as the complete name of the representative of the Complainant, the law firm “LATHAM & WATKINS”, but only randomized by Traffic Web Holding B.V. in order to try to create a prior right and misleading the Registry within the application procedure for the domain <frankfurt.eu> which indeed belongs to the well known city of Frankfurt. It is obvious that Traffic Web Holding B.V. did not apply for a word trademark “Frankfurt” since such application would have been refused by the Benelux Trademark Office.

We assume that the Respondent accepted the domain application on basis of Section 11 Para 1 and 2 Regulation (EC) No. 874/2004. According to this rule, special characters, spaces, or punctuations shall be eliminated entirely from the corresponding domain name, replaces with hyphens, or, if possible, rewritten, if the name for which prior rights are claimed contains such special characters. However, it is not permissible to eliminate the special character from the respective domain name, if a third party has prior rights in the remaining domain.

Even if one may consider a trademark sufficient for the application of Section 11 Regulation (EC) No. 874/2004, the trademark “FRANKF & URT” may not serve as a prior right for the purpose of the registration of the domain <frankfurt.eu> in terms of Section 10 Para 1 Regulation (EC) No. 874/2004 since it is not a word mark but only a figurative, a design trademark. It is not permissible to eliminate the “&”-symbol in the design trademark “FRANKF & URT” for the registration of the domain <frankfurt.eu>. According to Section 10 Para 1 Regulation (EC) No. 874/2004 the registration on the basis of a prior right shall consist of the registration of the complete name for which the prior right exists. According to Section 19 Para 2 (a) .eu Sunrise Rules (the “Sunrise Rules”), documentary evidence must clearly depict the name for which a Prior Right is claimed. A Prior Right claimed to a name included in a figurative or composite signs (signs including words, devices, pictures, logos, etc.) will only be accepted if (1) the sign exclusively contains a name or the word element is predominant, and can be clearly separated or distinguished from the device element, and (2) 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 in which 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. Alphanumeric characters include alphabetic characters (a–z), the numeric characters (0–9), and special characters (such as the symbols $, #, & and @, mathematical symbols, and punctuation marks).

The sign “FRANKF & URT” does not exclusively contain only one name but two names “FRANKF” and “URT” and the word element is not predominant. In addition, the domain in dispute does not contain all alphanumeric characters included in the sign “FRANKF & URT”. Even if the names “FRANKF” and “URT” would exist in reality, the domain could only be registered using a hyphen instead of the character “&” in the same order as that in which they appear in the sign.

Furthermore, the general impression of the word “FRANKF & URT” is not apparent because there is a reasonable possibility

of misreading the characters of which the sign “FRANKF & URT” consists (Section 19 Para 2 (b) Sunrise rules). There is a considerable difference between “FRANKF & URT” and the name of the city “Frankfurt”. While “FRANKF & URT” are components of non existing names only built to file for the registration of the respective <.eu> domain, the word “Frankfurt” is identical with the name of the well known city of Frankfurt.

Therefore, the design trademark [was] not eligible to register the domain name <frankfurt.eu> during Sunrise Phase 1 and the decision taken by the Respondent regarding the domain <frankfurt.eu> is in conflict with European Union Regulation.

Furthermore, the decision taken by the Respondent conflicts with Section 21 Para 1 (a) and (b) Regulation (EC) No. 874/2004.
We request the annulment of the disputed decision taken by EURid regarding the domain <frankfurt.eu> according to B11(c) ADR-Rules.”

B. RESPONDENT

The following are the main contentions of the Respondent:

“Article 10 (1) of Commission Regulation (EC) No 874/2004 of 28 April 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.

According to article 12.3 of the same Regulation 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, such as a trademark, as well as other relevant information, such as trademark registration number.

The .eu Registration Policy and the Terms and Conditions, referred to as the Sunrise Rules, that apply for all applications during the phased registration period in accordance with art. 3 (d) of the said Regulation, provide under section 13.1 (1) that where the prior right claimed by an applicant is a registered trademark, the trademark must be registered by a trademark office in one of the member states.

The same Rules provide under section 13.2 that it is sufficient to submit as documentary evidence a copy of an official document issued by the competent trademark office indicating that the trademark is registered. The documentary evidence must clearly evidence that the applicant is the reported owner of the registered trademark.

On December 7, 2005, Traffic Web Holding BV has filed an application for the registration of the domain name “frankfurt” on the ground of a registered national trademark and has submitted in due time, on January 13, 2006 this is, as documentary evidence a certificate of registration by the Benelux Merkenbureau, a competent trademark office, stating that the trademark “FRANKF&URT” is registered under nr 07801220 and that Traffic Web Holding BV is the reported owner of the trademark.

Considering article 11 of Regulation 824/2004 that provides that where the name for which prior rights are claimed contains special characters, such as “&”, these shall be eliminated entirely from the corresponding domain name, replaced with hyphens or, if possible, rewritten, the Registry, upon notification of the findings by the validation agent that a prior right exist regarding the domain name that is first in line, has found that this applicant has demonstrated a prior right in accordance with the procedure set out in Regulation 874/2004, has accepted the application of Traffic Web Holding BV and has decided to register the domain name on the first come, first served basis according to article 14 of the Regulation.

According to article 11, second paragraph of the Regulation, to the extent that the name for which a prior right is claimed contains special characters such as “&”, and these characters are eliminated entirely, replaced with hyphens or rewritten, identity between the trademark held and the domain name applied for is not required by the Regulation.

The Complainant further claims that it is not permissible to eliminate the special character from the respective domain name, if a third party has prior rights in the remaining domain. However, no such exception is provided for in the Regulation,

so that the Registry is not allowed to reject an application on that basis.
The Complainant claims that the trademark “FRANKF&URT” may not serve as a prior right for the purpose of the registration of the domain “frankfurt.eu” since it is not a word mark but only a figurative, a design trademark and that therefore it is not permissible to eliminate the “&”-symbol in the design trademark “FRANKF&URT”. However, article 11, second paragraph explicitly refers to the “&” symbol as being a special character and to the trademark containing a “&” symbol as being a name, and not a figurative trademark or a design. There is no reason to consider a word containing a “&” symbol as a design or a figurative trademark.

Therefore article 11 applies, which leaves the applicant with three options namely to eliminate, to replace or to rewrite the special character, and not article 19 of the Sunrise Rules that sets out the conditions applicable on figurative trademarks.

The Complainant claims that the decision taken by the Registry conflicts with article 21 of Regulation No 874/2004, since the applicant, Traffic Web Holding BV, has no legitimate interest in the domain name “frankfurt.eu” and has registered the domain “frankfurt.eu” in bad faith.

The Registry refers to the decision of the Czech Arbitration Court published on May 12, 2006 whereby the Panel concluded 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, that the Registry is not obliged to make such an assessment.

According to article 21 referred to by the Complainant, a registered domain is subject to revocation using the appropriate judicial or extra-judicial procedure and under the circumstances pointed out by the Complainant, but provided the domain name is registered. To be subject to revocation the name must indeed be registered in the first place, which is not the case since the decision of the Registry to register the name “frankfurt.eu” has been suspended due to the initiation of an ADR procedure against the Registry in accordance with article 22.6 of the Regulation.

Article 14 of the regulation on the other hand provides that the Registry shall register the domain name applied for during the phased registration, on the first come first served basis, if it finds that the applicant has demonstrated a prior right in accordance with the procedure set out in the same article.

These wordings do allow the Registry to reject such applications if the applicant has not demonstrated a prior right, they do not allow the Registry to reject the same for lack of good faith or lack of legitimate interest."

DISCUSSION AND FINDINGS

According to Article 10.1 of Regulation (EC) No. 874/2004 of 28 April 2004 laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and principles governing registration (Regulation 874/2004) “Holders of prior rights recognised or established by national and/or Community law and public bodies shall be eligible to apply to register domain names during a period of phased registration before general registration of .eu domain starts”.

Article 10.2 states that “The registration on the basis of a prior right shall consist of the registration of the complete name for which the prior right exists, as written in the documentation which proves that such a right exists.

Article 11 Par. 2 states that “Where the name for which prior rights are claimed contains special characters, spaces, or punctuations, these shall be eliminated entirely from the corresponding domain name, replaced with hyphens, or, if possible, rewritten. Special character and punctuations as referred to in the second paragraph shall include the following: ~ @ # $ % ^ & * ( ) + = < > { } [ ] | \ /: ; ' , . ?

The present case is the third of a series of similar cases that have interpreted Article 11 of Regulation 874/2004. Therefore, it is appropriate to review the previous two decisions in order to ascertain to what extent they can be followed. This exercise is even more necessary in light of the evidence submitted in all three cases, which indicate the likelihood that further, similar cases will be filed in the future.

In Case 00398, the applicant requested the domain name <barcelona.eu> based on the mark BARC & ELONA. The Panel understood that in Article 11 Par. 2 of Regulation No.874/2004 the word “or” suggests that the applicant has an unfettered choice as to which of the 3 courses it should follow, whereas the words “if possible” tend to suggest that, if it is possible to re-write the name, that course should be followed. The Complainant has given a number of examples where brand owners have rewritten their name in this way of which the best is probably barnesandnoble.com. These, of course, are only illustrative of solutions which third parties have chosen to adopt.

In Case 00256, the applicant requested the domain name <live.eu> based on the mark LI & VE. In short, the Panel stated that the best decision has to be taken in order to maintain the identity rule between trademark and domain name, taking into consideration that, if possible, the domain should be rewritten in order to meet the identity rule.

It appears that, in both decisions, the interpretation of the words “if possible” is that, within the three alternatives provided for in Article 11 Par. 2, rewriting the symbols would be the preferred option. In other words, eliminating the symbol or replacing it with hyphens would be secondary options, only available when the symbol cannot be rewritten.

At least one member of this Panel agrees with that interpretation and is of the opinion that, in the present case, the symbol “&” in the trademark “FRANKF & URT” should have been substituted by “and” (or the corresponding word in another language). According to this panelist, the question is whether Article 11 of Regulation 874/2004 can be understood as ordering the transcription of a sign like “&” to the word “and” or not. Of all the signs mentioned in this Article, “&” and “+” are the ones for which a transcription is not
only possible but, according to their meaning, is also the only logical way forward. As it is easily possible to transcribe “&” to “and”, EURid should, according to Article 11, have done so.

However, the Panel is unanimous in the following reason for its decision:
The existence of “Prior Rights” in the .eu domain name applied for is the basic requirement to must be met when applying for such domain name during the Sunrise period. In view of the Panel, the owner of the mark “FRANKF & URT” does not have rights in the word “Frankfurt” (but only in “frankfandurt” or similar) and therefore, it is not eligible for the registration of the domain name <frankfurt.eu> since it does not fulfill Article 10.1.

It is incumbent on the applicant of a .eu domain name in the Sunrise period to request a domain name that consists of the complete name for which the prior right exists (cf. Article 10.2 Regulation 874/2004). At the same time, validation agents should assess the right which is claimed in respect of a particular name, and subsequently allocated to the applicant, as provided for in Recital 12 of Regulation 874/2004. The word “assess” implies at least some degree of judgment by the Respondent (or the validation agent) and not the automatic acceptance of the substitution of the symbols mentioned in Article 11 for any of the three options mentioned therein at the choice of the applicant. The Panel believes that in the present case such degree of judgment should have been exercised and the application for the domain name <frankfurt.eu> based on the mark “FRANKF & URT” rejected.

In view of the Panel, Article 11 is a technical provision and the priority of the three options included therein should be assessed by comparing the domain name applied for and the Prior Right on which it is based. In the present case, deleting the “&” symbol would grant rights to the applicant in a domain name for which it does not have prior rights according to Article 10.1 of Regulation 874/2004. Thus, the other options i.e. a hyphen or, if possible, rewriting, should have been followed.

DECISION

For all the foregoing reasons, in accordance with Paragraph B11 (c) and (d)(2) of the Rules and as requested by the Complainant, the Panel orders that EURid’s decision be annulled.

The Panel is also satisfied that, in accordance with Article 10.3 of Regulation 874/2004, the Complainant is eligible for the registration of the domain name <frankfurt.eu> and notes that it is the next applicant in the queue. Therefore, if permitted by the Procedural Rules, Registration Policy, Sunrise Rules and/or the Terms and Conditions, the Panel orders that the domain name <Frankfurt.eu> be attributed to the Complainant.

PANELISTS

Name	Thomas Johann Hoeren

DATE OF PANEL DECISION 2006-06-01

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Respondent should not automatically accept any of the three options provided for in Article 11 of Regulation 874/2004 in an application for a domain name, but should make an assessment of whether the particular option chosen is appropriate in light of the .eu domain name applied for and the Prior Right supporting that application.