Panel Decision for dispute CAC-ADREU-000398

Case number	**CAC-ADREU-000398**
Time of filing	**2006-03-23 11:08:07**
Domain names	**barcelona.eu**

Case administrator

Name	**Josef Herian**

Complainant

Organization / Name	**Ajuntament de Barcelona**

Respondent

Organization / Name	**EURid**

FACTUAL BACKGROUND

This decision arises from an appeal by the Complainant, Ajuntament de Barcelona (Barcelona City Council), against the decision by the Respondent, EURid, to register the domain name barcelona.eu (“the Domain Name”) to a third party, TRAFFIC WEB HOLDING BV ("Traffic").

On 7th December 2005, Traffic applied for the Domain Name under the phased registration (“Sunrise”) period which is described in greater detail below.. The mark on which it relied was a Benelux trademark, number 0780458 which was applied for on 28th November 2005 and granted on 30th November 2005. The form of the trade mark comprises the words BARC & ELONA, in blue and in a stylised upper case, the words being placed in between two parallel horizontal lines, each line being comprised of small red squares.

It can be seen that, if the symbol “&” (the ampersand) and the spaces are removed, the word element of the mark will be read as BARCELONA. Other Benelux marks for other European cities were lodged in a similar form by Traffic for many other European cities, such as AMST & ERDAM, ATH & ENS, BIRM & INGHAM and so on. Similar applications were made for the names of various countries (BEL & ARUS, BO & OSNIA etc).

Article 3 (c) of Commission Regulation (EC) 874/2004 provides that the requesting party must affirm that the request for domain name registration is made in good faith and does not infringe any rights of a third party. It is provided that a material inaccuracy will constitute a breach of the terms of the registration.

The Complainant is a public corporation and describes itself as “the top governing authority in the city of Barcelona (Spain) and the defender of the general interest for the city’s inhabitants”. On 14th December 2005 the Complainant also applied for the Domain Name under the provisions of the Sunrise period The registration on which the Complainant relied is a word-only Community Trade Mark for BARCELONA, number 001619709 which was filed on 19th April 2000 and registered on 12th July 2001.

Article 3.2 of the Sunrise Rules (see below) provides that the Registry registers Domain Names on a first come, first served basis where it finds that an Applicant has demonstrated a Prior Right - in this case, the Benelux trademark described above.

The Respondent determined that Traffic's trademark demonstrated a Prior Right in the Domain Name and Traffic's application, being 7 days earlier than that of the Complainant, was thus accepted rather than the Complainant's. The Complainant is now the next applicant in the queue for the Domain Name.

The Complainant's application is made pursuant to Section 22.2 of the Sunrise Rules which provides that, following a decision by the Registry to register a Domain Name, an interested party may initiate an ADR proceeding against the Registry on the grounds of non-compliance of that decision with the Regulations. Pursuant to the provisions of B11 (d) (2) of the .eu Alternative Dispute Resolution Rules and Article 22.11 of Regulation 874/2004, the sole purpose of these proceedings is accordingly to determine whether the decision taken by the Registry was in accordance with the applicable European Union Regulations.

The relevant regulations which require particular consideration are as follows;

(1) Commission Regulation (EC) No 874/2004 the material provisions of which are;

Article 10.2:

"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, the material part of which is as follows:

"As far as the registration of complete names is concerned, where such names comprise a space between the textual or word elements, identicality shall be deemed to exist between such complete names and the same names written with a hyphen between the word elements or combined in one word in the domain name applied for.

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 hypens, or, if possible rewritten.

Special character and punctuations as referred to in the second paragraph shall include the following:

~@#$%^&*()+=<>{}[]|\/:;',.?....."

A. COMPLAINANT

Barcelona is a prestigious city, known worldwide. It is visited every year by thousands of tourists and is the venue of many trade fairs and conferences both on a national and international level.

Ajuntament de Barcelona holds a vast number of trademarks containing the word Barcelona and, in particular, a word only Community Trade Mark for BARCELONA, number 1619709, obtained in a number of classes, granted on 12th July 2001 and still in force.

The mark obtained by Traffic on which it relied for its Sunrise application was applied for in bad faith and speculative. Among the reasons for this contention are the following;

(1) the timing of the application for the trade mark (28th November 2005 - 9 days before the first part of the phased registration of domain names began),

(2) the process used (urgent proceedings provided for by the Benelux Trademark Act); and

(3) the classification sought (Class 1; Acids with which leather is treated to keep the leather flexible) which, at the time of application, was such that no opposition procedure for applications in that class was in force.

The complete name of the prior right is BARC & ELONA . As the ampersand corresponds to the English conjunction “and”, the transcription should form part of the domain name. In other words, there is an essential difference between the trademark BARC & ELONA and the domain name barcelona.eu. Accordingly, the BARC & ELONA trademark cannot serve as the basis for applying for the domain name barcelona.eu but only for the domain name barcandelona.eu. (The Complainant gives a number of examples of where this practice has been followed).

Article 10.2 of Regulation 874/2004 provides that the registration 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 also provides that, if possible, the signs that form part of the prior right claimed in the application for the domain name should be transcribed. As the ampersand can be transcribed into “and”, the Respondent should have rejected Traffic’s application.

The Respondent is in breach of its obligation to verify that the applications meet all of the prerequisites established and specifically that Traffic’s application was made in good faith. In this respect, the Complainant provides a good deal of evidence about what it regards as extensive cybersquatting activities by Traffic including applications to register 131 trademarks consisting of the names of cities and countries at the Benelux Trademark Registry during November 2005. The Complainant also draws attention to Article 3 of Regulation 874/2004 which provides that a request for a domain name must contain an affirmation that it is made in good faith and does not infringe any rights of a third party. As a consequence of the volume of registrations made, the Complainant contends that the Respondent should have realised that a defect or material inaccuracy existed and should have refused the application. The Complainant also makes a number of assertions about the scope of the Respondent’s duties during the Sunrise period which, it claims, have not been fulfilled.

The Complainant makes a number of more general points. It argues, for example, that the interests of a public body should prevail over those of a perceived domain name speculator. Similarly, it draws attention to Regulation No 733/2002 which, it says, imposes a duty on the Respondent to organise and manage the .eu TLD in the general interest and to ensure, amongst other steps, that there are opportunities for holders of prior rights to register their names first. Lastly, the Complainant makes a number of strong assertions about what it describes as Traffic’s “ambitious strategy of abusive registrations, so vast that it comprises the application for 131 trademarks for cities and countries and the subsequent application for 100 domain names bearing those names”.

B. RESPONDENT

Article 11 of Regulation 874/2004 provides that, to the extent that the name for which prior rights are claimed contains special characters such as “&”, these should be eliminated entirely, replaced with hyphens or rewritten. Identity between the trademark held and the domain name applied for is not a requirement of the Regulation.

As the Regulation provides the applicant with alternatives where special characters are used, including the deletion of the special character, the Respondent was not in a position to decide that the deletion of the “&” from the trade mark cited as the prior right was invalid.

The Complainant’s assertion that section 19.2a of the Sunrise Rules establishes that the sign “&” should have been transcribed in the domain name so as to tailor it to the trademark is incorrect; s19.2a concerns figurative and composite signs, while the use of “&”, being a special character, is determined by article 11 of the Regulation.

The assertion that the Respondent breached its obligation to verify the validity of the application and ascertain that it was not made in good faith is incorrect. Article 14 of the Regulation provides that the Registry shall register the domain name applied for during the phased registration on a 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. The Registry is not permitted to reject an application for lack of good faith. Whilst the Respondent is able to seek the revocation of speculative or abusive registrations under Article 21, this is not the subject of the current procedure instigated by the Complainant against the decision of the Respondent.

DISCUSSION AND FINDINGS

Article 10.2, which requires “registration of the complete name for which the prior right exists” needs to be read in conjunction with the material wording of Article 11 of Regulation 874/2004 - “Where the name for which prior rights are claimed contains special characters…., these shall be eliminated entirely from the corresponding domain name, replaced with hyphens, or, if possible, rewritten”.

The provision is not free from ambiguity. First, it is unclear whether the decision as to which course is adopted is that of the Registry or the applicant for registration. The only sensible construction, however, is that the decision is that of the applicant.

Second, it is unclear as to whether the applicant is obligated to choose any particular course in preference to another. The Complainant draws attention to the use of the words “if possible” as tending to suggest that, if the special characters can be re-written, they should be and that the other courses should only be followed if this is not possible.

The relevant phrase points both ways. 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.

If the Article were construed in a manner which gave an Applicant an unfettered choice, it could lead to some surprising results. For example, the owner of a trademark for B&A&R&C&E&L&O&N&A could have chosen to use it as the basis of a sunrise application for BARCELONA. eu. It should be presumed that the words “if possible” are not otiose. They must be intended to affect the meaning of a phrase which would otherwise give the applicant an entirely free hand, by requiring it to rewrite the name to deal with special characters where that is possible. The position as to what is possible may depend on the Prior Right and the particular special character under consideration but it is considered that it was possible on these facts to rewrite the name and that, on these facts, the Prior Rights should have been rewritten as BARCANDELONA. Accordingly, it is not considered that the Respondent’s decision in this respect was in accordance with the Regulations.

In the light of the above finding, it is not necessary to consider the Complainant's other contentions.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that EURID's decision be annulled.

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 of the Sunrise Rules does not appear to empower the panelist to make a direction for transfer although the power to order transfer in appropriate cases seems to be granted by both B 11 (c) of the ADR Rules and Article 22.11 of Regulation 874/2004

In view of the uncertainty as to the extent of the panelist’s powers, the panelist declines formally to order transfer although that is the desired, sensible and seemingly inevitable result of this decision. If this course is to be followed, it should be implemented as soon as possible.

PANELISTS

Name	**Antony Gold**

DATE OF PANEL DECISION 2006-05-18

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The decision of the Respondent to accept a composite mark including the word BARC & ELONA as a Prior Right in an application for the Domain Name Barcelona.eu should be annulled as not in accordance with the provisions of Article 11 of

Commission Regulation (EC) No 874/2004.

Article 11 requires that, where the name for which prior rights are claimed contains special characters, these shall be eliminated entirely from the corresponding domain name, replaced with hyphens or, if possible, rewritten. The words 'if possible' mean that if the name can be rewritten without the use of special characters, that course should be followed. By substituting the word 'and' for the special character '&' it was possible, on the facts of this case, to have rewritten the name element within the prior right claimed as barcandelona. This word would not have been accepted as a Prior Right in an application for the domain name Barcelona.eu.