Entscheidung der Schiedskommission for dispute CAC-ADREU-000417

Case number	**CAC-ADREU-000417**
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Domain names	**rock.eu**

Case administrator

Name	**Josef Herian**

Complainant

Organization / Name	**P. Topolewicz, A. Gackowski TOPEX spółka jawna (registered partnership)**

Respondent

Organization / Name	**EURid**

SACHLAGE

This Complaint arises out of the interpretation and application of Commission Regulation (EC) No 874/2004 of 28 April 2004 ("Regulation") and the .eu Registration Policy and Terms and Conditions for Domain Name Applications made during the phased registration period ("the Sunrise Rules").

The Complaint is made by the registered partnership of P. Topolewicz, A. Gackowski TOPEX spółka jawna ("the Complainant"), against the decision of the EURid ("the Respondent") which permitted the registration of the domain name «rock.eu» ("the Disputed Domain Name") to «Lantec Corporation» ("the Applicant").

The Applicant applied for the domain name « rock.eu » on 7 December 2005, relying on its rights to the Benelux trademark 0781811 which was applied for on 1 December 2005 and subsequently granted on 6 December 2005. The Applicant's documentary evidence was received on 16 January 2006, and the application was thereafter accepted by the Registry.

The Complainant also applied for the Disputed Domain Name on the basis of its trademark ROCK (no. 115654) issued by the Patent Office of the Republic of Poland. The Complainant's application for the Disputed Domain Name was received after the Applicant's application and is in second position.

By way of remedy, the Complainant requests that the Disputed Domain Name be transferred to itself.

The Complainant has lodged its Complaint pursuant to Section 26 of Sunrise Rules, which provides that following a decision by the Registry to register a .eu domain name, an interested party may initiate an ADR Proceeding (as defined therein) against the Registry with regard to that decision.

A. BESCHWERDEFÜHRER

The following is a summary of the main submissions of the Complainant.

The Complainant asserts:

1. The Complainant has been using the trademark « ROCK » to label its goods since 1996. The Complainant applied to the Patent Office of the Republic of Poland to register this trademark, and a protection certificate for this trademark « ROCK » (no. 115654) was subsequently issued on 31 May 2000.

2. The Complainant contends that the decision of EURid to approve the Applicant's application for the Disputed Domain Name is contrary to the Regulation, and in particular, is in breach of:

- Article 21(3)(b)(i)
The Applicant registered the Disputed Domain Name in order to prevent and directly deprive the Complainant from registering its mark (« ROCK ») as a .eu domain name.

- Article 21(3)(a)
The Applicant registered the trademark « ROCK » at the Benelux Trademark Office shortly before it submitted its application for the Disputed Domain Name during the phased registration period (registration of this trademark was obtained on 6 December 2005). Due to the fact that the name "rock" is of common character, the Complainant contends that it is highly probable that a large group of entrepreneurs use it to mark various types of products they manufacture or introduce to the market. Therefore, such entrepreneurs would be interested in purchasing the Disputed Domain Name.

It is the Complainant's view that the Applicant merely sought to register ROCK as a trademark at the Benelux Trademark Office for the purpose of subsequently applying for the Disputed Domain Name during the phased registration period: consequently, the Applicant acted knowingly with the aim of selling the domain at a later stage, i.e. it acted in bad faith. Moreover, the Applicant did not use the « ROCK » trademark in his commercial activity.

The Applicant is known on the international market as an entity conducting large-scale "cybersquatting" practices. In support of this assertion, the Complainant attaches domain name decisions of the UK Court of Arbitration No. DRS 3000, and two decisions of the WIPO Court of Arbitration No. DFR 2005-0010 and DFR2005-0015 concerning « enact.co.uk », « burda.fr », « anil.fr » and « adil.fr » domains. The decisions indicate that the Applicant's activity consists of purchasing domain names that are trademarks registered for the benefit of other entities, with an alleged aim of selling them to the authorized entities. In all of the aforementioned decisions, the Courts have adjudicated that the domain names be transferred to authorized entities.

The Applicant has also registered the following domain names containing commonly known names or labels: «americanexpresscard.co.uk», «fatboyslim.co.uk», «London.eu», «Dublin.eu» and «wrestling.eu» which clearly indicates the actual purpose of such registrations.

- Article 3(a)
The Complainant notes that entities seeking registration of a .eu domain name are obliged to provide, in their application, the address of their seat, which should be in the territory of the European Union. However, the Parisian address specified by the Applicant in its application for the Disputed Domain Name belongs to a different organization – that of the Fédération Nationale Solidarité Femmes and therefore, the address specified by the Applicant in its application to register the Disputed Domain Name is not correct.

The actual seat of the Applicant – as seen in the trademark register on the official website of the Benelux Trademarks Office – is in Liz City, Beliz, 99, Albert Street, i.e. outside the territory of the European Union.

In its business activity, the Applicant uses a number of fictitious addresses of its branches (documentary evidence provided to Panel).

B. BESCHWERDEGEGNER

The following is a summary of the main submissions of the Respondent.

The Respondent contends:

1. (a) Article 10 (1) of the Regulation 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.

(b) Article 12.3 of the Regulation 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, such as a trademark, as well as other relevant information, such as trademark registration number.

(c) Similarly, Article 14 of the Regulation provides that an applicant must submit documentary evidence showing that he or she is the holder of the prior right claimed on the name in question. Based on this documentary evidence, the validation agent shall examine whether the applicant has prior rights on the name.

2. The Applicant applied for the Disputed Domain Name on December 7, 2005. The documentary evidence was received on 16 January 2006, which was the deadline. As the documentary evidence showed that the Applicant was the holder of a prior right, the Registry has accepted the application for the domain name rock.eu.

3. Pursuant to Article 22.1(b) of the Regulation and Section 26.2 of the Sunrise Rules, the sole object and purpose of an ADR proceeding against the Registry is to verify whether the relevant decision by the Registry conflicts with the Regulation or Regulation 733/2002.

4. Article 14 of the Regulation provides that under the phased registration the Registry shall register the domain name 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 second, third and fourth paragraphs of this Article 14. Therefore, during the phased registration period the decision by the Registry whether or not to register the domain name, can only be taken on the ground of the findings whether or not the applicant has demonstrated a prior right in accordance with the procedures provided by the Regulation and Regulation 733/2002. There is no legal ground for the Registry to reject a particular domain name on the assumption that the application was made in bad faith or for speculative reasons.

5. The Complainant refers to Article 21 of the Regulation, which does indeed grant the Registry the right to revoke a domain name if such domain name has been registered or is being used in bad faith. As is clear from the wording of this Article ("has been registered or is being used"), a .eu domain name can only be subject to revocation if it is registered in the first place. By definition, a domain name cannot yet be registered when the Registry is making its decision whether or not to register that domain name.

6. The Registry refers to decision ADR 12 eurostar.eu, where the Panel discussed the question whether the validation agent or the Registry are obliged, when making a decision on the registration of a domain name, to examine whether or not the application has been made in bad faith. The Panel found that the Registry is not obliged to make such an assessment.

7. Taking into account the above, the Registry was therefore correct in accepting Applicant's domain name application for the Disputed Domain Name. The Complaint must be dismissed.

8. With regard to the Complainant's request to have the Disputed Domain Name transferred, the Registry would like to refer the Panel to Article 11(c) of the ADR Rules. The Panel cannot order the Registry or Applicant to transfer the domain name to Complainant. If the Panel would annul the Registry's decision to grant the domain name to Applicant, the Registry must first assess via the normal validation procedure whether Complainant's Documentary Evidence satisfies the requirements of the Regulation.

WÜRDIGUNG UND BEFUNDE

Respondent’s view of the Panel’s power to transfer a disputed domain name

The Panel wishes to clarify to the Respondent that it should not read Article 11(c) of the ARD Rules alone but in combination with Article 22(11)(2) of the Regulation, which Regulation prevails in case of conflict. Under this combined reading, the Panel may only, if it so chooses, order the Registry or Applicant to transfer the domain name to Complainant if two conditions are met. First the Complainant should be the next applicant in the queue. Second, the Complainant should satisfy the registration criteria namely those described herein subject to confirmation by the Registry.

-- Role of Eurid – Article 14 --

The Regulation and further the Sunrise Rules govern all .eu domain name applications made during the phased registration period. As stated by the Respondent, the principle obligations of the Registry regarding its decision to register .eu domain names during the phased registration are set out in Article 14 of the Regulation, and in particular, the final paragraph of that Article 14 obliges the Registry to register .eu domain names on a the first come first served basis, if it finds that the applicant has demonstrated a prior right in accordance with that Article.

Neither party disputes the fact that the Applicant was the first party to apply for the Disputed Domain Name and further that the Applicant provided the necessary documentary evidence to support its prior right – a Benelux trademark (registration no: 0781811) and a duly completed Licence Declaration for a Registered Trademark. The Panel therefore agrees with the Registry’s assessment to grant the Disputed Domain Name to the Applicant, as it had fulfilled its registration obligations under the Regulation and Sunrise Rules.

-- Role of EURid – issue of good faith --

Notwithstanding the foregoing, the Complainant contends that the Registry is under an obligation to examine whether an application has been made in good faith prior to reaching its decision to accept or reject the application. The Complainant suggests that the Applicant registered its Benelux trademark in order to secure a prior right to the name «rock» and thereafter be able to apply for the Disputed Domain Name for the purpose of selling on the Disputed Domain Name for financial gain. The Complainant includes a number of UDRP and .uk domain name cases where the Applicant has been held to be engaged in “bad faith” registrations. The question is thus, whether the Registry is under an obligation to investigate whether an Applicant is seeking to register a domain name in good faith. As the Respondent states, the role of the Registry during the phased registration period was discussed in ADR 12 («eurostar.eu»), where it was determined,

"Article 20 [of the Regulation] provides that the Registry may (emphasis added) revoke domain names without submitting the dispute to ADR, on various grounds that include the holder’s breach of the terms of registration under Article 3 [i.e. the registrant’s assertion that he registers the domain name in good faith]. […] The Panel considers that this procedure should not be circumvented by treating a potential (emphasis added) breach of the terms of registration under Article 3 of the Public Policy Rules as a decision of the Registry conflicting with them which may be challenged under their Article 22(1)(b). […]

The Registry simply and, in the Panel’s view correctly, upon notification of the findings by the validation agent that prior rights exist regarding the domain name that is first in line, has found that EDT has demonstrated a prior right in accordance with the procedure set out in Article 14 of the Public Policy Rules, has accepted its application, and has registered the domain name on the first come, first served basis".

The subsequent decision of «lotto.eu» upholds this position. There, the Panel held that, “In the opinion on the undersigned Panelist, the Registry [...] is not required to assess whether the applicant is acting in good faith or not. [...]”.

The Panel also notes that it is in the interest of fairness that the Applicant is able to respond to the allegations and evidence

provided by Complainant.

It is the Panel's view that the interpretations of the Panels in «eurostar.eu» and «lotto.eu» must be correct. Therefore, the Panel does not consider that the Registry should assess the issue of good faith when processing applications during the phased registration period, and accordingly, as the Registry has compiled with Article 14, the Panel must dismiss the Complaint. It should be noted, however, that the Panel does not consider that this decision would preclude the Complainant from commencing an ADR procedure against the Applicant itself (rather than against the Registry) on the basis of Article 22(1)(a) of the Regulation.

-- Address details --

The Complainant also indicates that the Disputed Domain Name should be revoked on the basis that the address details of the Applicant on its application are incorrect, and it is the address of the Fédération Nationale Solidarité Femmes. While the Panel acknowledges that the provision of incorrect address details by an applicant does constitute a breach of the terms of registration pursuant to Article 3, the Complainant has not demonstrated that the Applicant is not based on this address – for instance, the Applicant may share the premises with the Fédération Nationale Solidarité Femmes. It is not possible for the Panel to consider this allegation without the Applicant being able to challenge it by presenting its own evidence. It is clearly stated in Article 20§2 of the Regulation that, "The Registry shall lay down a procedure in accordance with which it may revoke domain names on these grounds. This procedure shall include a notice to the domain name holder and shall afford him an opportunity to take appropriate measures". The Panel does, however, highlight the potential breach of Article 3 to the Respondent.

ENTSCHEIDUNG

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	**Jean Albert**

DATUM DER ENTSCHEIDUNG DER SCHIEDSKOMMISSION 2006-07-26

Summary

EINE ENGLISCHSPRACHIGE KURZFASSUNG DIESER ENTSCHEIDUNG IST ALS ANLAGE 1 BEIGEFÜGT

The Complainant, the holder of the trademark "ROCK" registered in Poland, objected the Registry's decision to allow the registration of the domain name, rock.eu, to Lantec Corporation (the Applicant). The Complainant alleged that the Applicant registered the domain name: (i) to deprive the Complainant of the ability to register the domain name; and (ii) for financial gain. In support, the Complainant provided cases under Nominet's .uk Dispute Resolution Service and the UDRP where the Applicant had previously been held to register domain names in bad faith.

The Applicant was first to apply for the domain name, rock.eu, and had a Benelux Trademark (albeit recently acquired) which established its prior right to the name.

The Panel held that the Registry's decision to register the domain name fulfilled its obligations under the Regulation and Sunrise Rules, that is to say, to register .eu domain names on a the first come first served basis, as it had found that the applicant has demonstrated a prior right in accordance with that Article. The Panel did not consider that the Registry should assess the issue of good faith when processing applications during the phased registration period, and accordingly, as the Registry had compiled with Article 14, the Panel dismissed the Complaint. The Panel did, however, note that it did not consider that this decision would preclude the Complainant from commencing an ADR procedure against the Applicant itself

(rather than against the Registry) on the basis of Article 22(1)(a) of the Regulation.