

Panel Decision for dispute CAC-ADREU-000985

Case number **CAC-ADREU-000985**

Time of filing **2006-05-05 14:24:49**

Domain names **gedore.eu**

Case administrator

Name **Josef Herian**

Complainant

Organization / Name **Gedore Werkzeugfabrik Otto Dowidat 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 Panel is aware of.

FACTUAL BACKGROUND

The Complainant filed an application (the 'Application') to register the disputed domain name 'gedore.eu' (the 'Domain Name') which was received by the Respondent at 15:01:37.433 on 15 December 2005, within the first part of the phased registration period. The Complainant's Application was the first and only application for the Domain Name to be received by the Respondent.

Documentary Evidence in support of the Complainant's Application was received by the Validation Agent on 4 January 2006 (20 days before the deadline for receipt of the validation documentation).

At 13:21 on 10 April 2006, 4 days after the end of the phased registration period and some 96 days following the submission of the Complainant's Documentary Evidence, the Respondent sent an email informing the Complainant of its decision to reject the Application. The email stated the basis of the rejection as '...The evidence we received has not provided sufficient proof of the right claimed'. Half an hour later, the Complainant sent an email back to the Respondent asking for clarification of the basis for the decision. At 17:58 on 10 April, the Respondent replied stating 'The application was rejected, because the documents submitted did not reflect that the term of protection of the trade mark has indeed been extended'. At 08:48 on 11 April, the Complainant offered to send to the Respondent evidence of its trade mark renewal, and requested contact details for this purpose. The Complainant states that the Respondent replied along the following lines '...Unfortunately, it is not possible to send in evidence subsequently'.

On 5 May 2006, the Complainant filed his Complaint with the Czech Arbitration Court ('CAC').

On 12 May the Respondent entered a copy of the Complainant's Documentary Evidence into the case file in this Complaint.

Also, on 12 May 2006, the CAC issued a notification to the Complainant asking it to address a number of deficiencies in its Complaint. By way of an Amended Complaint, the Complainant addressed these deficiencies, and on 29 May 2006 ADR proceedings were formally commenced. The same day a notification of commencement of proceedings was issued to the Respondent.

On 20 July 2006, the Respondent submitted its Response. On 21 July 2006 the CAC issued a Notification of Respondent's Default as the Respondent failed to comply with the deadline for submission of its Response. The Respondent failed to challenge this Notification within the prescribed period.

On 31 July 2006, having received the Statement of Acceptance and Declaration of Impartiality, the Czech Arbitration Court appointed Steve Palmer as a single member panel. On 4 August 2006, the case file was transmitted to the Panel.

On 4 August 2006 further submissions were filed by the Complainant by way of a non-standard communication, The Respondent also submitted a non-standard communication on 6 August 2006 which stated '...The respondent would like to note that his response was submitted on time as can be seen on the online platform, contrary to what the Complainant says'. However, the Respondent failed to substantiate this statement with any time

calculations.

A. COMPLAINANT

The remedy sought by the Complainant in this dispute is the annulment of the decision of the Respondent to reject the Domain Name Application, and the attribution of the Domain Name to the Complainant.

The Complainant was founded in 1919, and now operates on a worldwide basis. The GEDORE trade mark (derived from 'GEbrüder DOWidat REmscheid') was created by brothers 'Otto, Karl and Willy Dowidat'. The trade mark has been used since the Complainant was founded. Today, the Complainant's GEDORE trade mark is well-known in Germany, and the Complainant owns numerous German, International and Community Trade Mark registrations for the GEDORE name, or which incorporate that name. According to the 'Fachverband Werkzeugindustrie e.V.' (the German Tool Industry Professional Association), GEDORE is one of the most prominent tool brands in the world and '...with approximately 3,000 employees worldwide, Gedore is the largest and under its trade name Gedore best known conglomerate of tool-manufacturers in Germany'.

The Complainant is the owner of the German word mark registration 620,299 for 'Gedore', registered on 14 May 1952 (the 'Trade Mark'). The Complainant's Trade Mark registration was officially renewed in 2000, and has continued to be valid and in force since that date.

The Complainant's key contentions are:

The Complainant's Documentary evidence submitted to the Validation Agent included the standard cover letter, together with a copy of the Complainant's German Trade Mark registration certificate. The Complainant therefore clearly demonstrated the fact that it is holder of a relevant prior right, i.e., holder of the Trade Mark.

The cover letter, included express 'Representations, warranties and disclaimer', including a statement by the Complainant that it met the requirements of Article 4(2)(b) of Regulation (EC) No. 733/2002 (the '.eu Regulation') and also the following statements:

'...3. The Applicant is the owner, right-holder or licensee of the claimed (prior) right.

4. On the Date of Application, the claimed (prior) right was a legally valid right for which all necessary formalities and requirements had been complied with.

5. The Documentary Evidence attached hereto consists of true and genuine copies of the relevant original documents and provides proof of the existence of such claimed (prior) right, is complete, accurate, up to date and not fraudulent, and drawn up in accordance with the Rules.'

Whilst the Complainant agrees that the prior right claimed must be in full force and effect on the date of the application (Section 11(3) Sunrise Rules). The Complainant disputes the necessity to substantiate this by providing evidence of a renewal as part of the Applicant's Documentary Evidence, and states that this aspect is covered by the express Representations and Warranties provided in the cover letter. Any applicant would assume, in light of these Representations and Warranties, that documentary evidence beyond a registration certificate would be unnecessary.

There is nothing in the Sunrise Rules, Terms and Conditions, Registration Policy or Regulations which requires, or can be construed as requiring, an applicant who submits details of a trade mark registration as also having to provide evidence of renewal.

The Respondent has lost sight of the public policy underlying the Phased Registration procedure. The Complainant refers to Recital 16 in the preamble to the .eu Regulation: 'The adoption of a public policy addressing speculative and abusive registration of domain names should provide that holders of prior rights recognised or established by national and/or Community law and public bodies will benefit from a specific period of time (a 'sunrise period') during which the registration of their domain names is exclusively reserved to such holders of prior rights recognised or established by national and/or Community law...'. Complainant also refers to Recital 12 in the preamble to Commission Regulation (EC) No 874/2004 ('Public Policy Rules'): 'In order to safeguard prior rights recognised by Community or national law, a procedure for phased registration should be put in place... with the aim of ensuring that holders of prior rights have appropriate opportunities to register the names on which they hold prior rights.'

Whilst s21(3) Sunrise Rules states that the Validation Agent is not obliged to conduct its own investigations into the prior right claimed and the Documentary Evidence produced, the Validation Agent is permitted to do so - in its sole discretion. Procedural discretion allowed the Respondent to either conduct its own investigations into the circumstances and validity of the Complainant's prior right as claimed (for instance, by spending a few seconds online accessing the German Trade Marks database to verify the 10 year renewal in 2000), or to simply request further documentary evidence from the Complainant.

In view of the underlying public policy behind the phased registration procedure and the Complainant's right to a fair application procedure, the Complainant contends the Validation Agent's discretion to investigate was in fact more one of an obligation. The Complainant refers to Case no 253 (SCHOELLER); and states that it is the Registry's duty to check with the Validation Agent whether due diligence had been carried out, to clear up any doubt surrounding the Documentary Evidence.

The Complainant takes issue with the Respondent's statement that 'the documentary evidence submitted by the Complainant consisted solely of an outdated trade mark certificate of Deutsches Patentamt'. One of the reasons for the Complainant submitting this particular document was to underline the fact that the name GEDORE was a historical and well-established trade mark.

The Respondent indicated that it needed evidence of renewal, and speculated that without this, it could not know whether (a) the term of the Trade Mark had expired; or (b) it has been transferred to a third party. The Complainant states the Respondent or Validation Agent should not engage in 'speculation' of this nature.

The Complainant recognises that the Phased Registration is a largely formalised procedure, it is not the purpose of the procedure to deprive owners of intellectual property rights of the desired protection against speculative or abusive third party registrations, by construing deficiencies of the evidence submitted and at the same time ignoring explicit representations provided by an applicant concerning its prior rights. The Respondent has adopted too formalistic an approach, and has violated Complainant's right to a fair application procedure.

The Complainant requests the annulment of the disputed decision and attribution of the Domain Name to the Complainant.

B. RESPONDENT

In its late Response, the Respondent states that the Complaint must be dismissed for the following key reasons:

Documentary Evidence did not show that the trade mark was still valid at the time of the Application, and had not expired. The Regulation clearly requires the 'prior right' to exist at the time of the application. Article 12(3) Public Policy Rules provides that the applicant must not only submit (a) a reference to the legal basis in national or Community law for the right to the name, but also (b) any other relevant information. The Respondent submits that such other relevant information includes a renewal certificate - if there is any doubt that the trade mark is not currently registered (referring to Case No 219 (ISL)).

Documentary Evidence consisted solely of an outdated trade mark certificate indicating the trade mark was registered by the Complainant in 1952. The Complainant failed to submit Documentary Evidence demonstrating that (a) the trade mark had been renewed for consecutive ten-year periods beyond the next renewal date (1962), up to and including the date of application for the Domain Name; and (b) the trade mark had not been transferred during the last 50 years, since registration.

A 'mere' representation and warranty does not suffice to demonstrate the validity of a prior right. The Complainant had to submit Documentary Evidence sufficient to allow the Registry to verify the veracity of its representation and warranty.

The burden of proof is on the applicant to submit all the Documentary Evidence required to assess the prior right. Where an applicant fails to submit sufficient Documentary Evidence, its application must be rejected.

Article 21(3) Sunrise Rules - the Validation Agent is 'not obliged, but is permitted in its sole discretion, to conduct its own investigations. The Complainant wrongly infers from this provision that the validation agent was under an obligation to examine the German Trade Mark database to see whether the trade mark was (a) still valid and (b) still registered in the name of the Complainant. The Validation Agent is not obliged to carry out such investigations. Due to the sheer volume of the domain name applications, such an obligation would not have been practicable and would have caused a substantial delay in the Validation Agent's assessment of applications. It is for this practical reason that article 21(3) has been drafted to specifically exclude such an obligation.

It is submitted that the Complaint must be dismissed.

DISCUSSION AND FINDINGS

PRELIMINARY ISSUE

The Panel's agrees with the CAC's Notification that the Response was filed late. The Respondent failed to challenge the CAC's Notification within the prescribed period, and despite arguing that its Response was in fact submitted 'on time', the Respondent failed to explain how it came to this conclusion. The Panel therefore finds the Response to be administratively deficient. Paragraph B3(g) ADR Rules therefore permits this Panel to decide the dispute based upon the Complaint only. Further, Rule B10 allows the Panel to consider the Respondent's 'failure to comply as grounds to accept the claims of the other party' and 'the Panel shall draw such inferences therefrom as it considers appropriate'. However, it should be noted that the Complainant sought to introduce a lengthy non-standard communication following the Response (which was more of a reformulation of the same Complaint as opposed to a strict reply to the Response). Further, the Panel also considers Rule B7(b) which states that the 'Panel shall ensure that the Parties are treated fairly and with equality', and Rule B7(d) which states 'The Panel shall determine in its sole discretion the admissibility, relevance, materiality and weight of the evidence'.

In the circumstances, this Panel has decided to have regard to the contents of both the Response and the lengthy non-standard submission entered by the Complainant. However, the Panel has also kept in mind the Respondent's default when coming to its final decision.

DISCUSSION AND FINDINGS

The purpose of the phased registration period is set out in Recital 16 in the preamble to the .eu Regulation: 'The adoption of a public policy

addressing speculative and abusive registration of domain names should provide that holders of prior rights recognised or established by national and/or Community law and public bodies will benefit from a specific period of time (a 'sunrise period') during which the registration of their domain names is exclusively reserved to such holders of prior rights recognised or established by national and/or Community law and public bodies'; and also, in Recital 12 in the preamble to the Public Policy Rules: '...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 principal obligations of the Registry regarding its decisions to register or to reject .eu domain names during the phased registration period are set out in Article 14 of the Public Policy Rules which states: '...Every applicant shall submit Documentary Evidence that shows that he or she is the holder of the prior right claimed on the name in question...The relevant Validation Agent shall examine whether the applicant ... that has submitted the Documentary Evidence before the deadline has prior rights on the name. If the Documentary Evidence ... does not substantiate a prior right, [the Validation Agent] shall notify the Registry of this...'

Article 12 (1) of the Public Policy Rules requires the Respondent to publish a detailed description of all the technical and administrative measures that it shall use to ensure a proper, fair and technically sound administration of the phased registration period. These measures have been set out in the Sunrise

Rules. section 11(3) Sunrise Rules states: '...The Applicant must be the holder (or licensee, where applicable) of the Prior Right claimed no later than the date on which the Application is received by the Registry, on which date the Prior Right must be valid, which means that it must be in full force and effect.'

Whilst it is clear from the above that a prior right must be in full force and effect on or before the date of the application, and that the burden is on an applicant to prove ownership of its prior right, the Panel notes the finding by the Panel in Case no. 340 (POMPADOUR) which states that there is nothing in the Regulations or the Sunrise Rules which clearly states that a Sunrise applicant's Documentary Evidence must also include a renewal certificate as evidence that the right is still valid and subsisting at the time of the application. Further, this Panel notes the wording of section 13(2) Sunrise Rules which states that '...it is sufficient to submit the following Documentary Evidence for a registered trade mark (i) a copy of an official document issued by the competent trade mark office...'. Section 13(2)(e) names examples for 'an official document' which would suffice as Documentary Evidence, and names '...certificate of registration, renewal certificate, official extract from the register, declaration by the trade mark office, publication of the fact of registration in an official journal, etc...'. However, there is no indication as to which of these documents would be preferred by the Validation Agent and whether more than one document would be required. As such, it is understandable that some applicants have assumed, having read that a 'certificate of registration' (an example given of 'an official document'), that this would be sufficient to submit as Documentary Evidence without the need to submit in addition to this a renewal certificate.

By signature of a cover letter attached to its Documentary Evidence, the Complainant represented and warranted, inter alia, that it had, on the date of the Domain Name Application, a legally valid prior right. It is clear to the Panel from the Sunrise Rules that the representations and warranties given by domain name applicants are considered to be a crucial aspect of the phased registration process. For example, section 8(3) Sunrise Rules makes it clear that a cover letter must not be amended in any way '...it is not permissible to modify the wording of the Cover Letter; Documentary Evidence submitted without a Cover Letter or with a modified Cover Letter or a Cover Letter that is not duly signed will be rejected...'. Further, points numbered 3, 4 and 5 in the cover letter (as set out in the Complainant's contentions above) are a mirror of the Representations and Warranties found in respective sections 4(1)(i),(ii) and (iii) Sunrise Rules. It is therefore clear that Representations and Warranties given by domain name applicants are an important aspect of the phased registration procedure, and one would assume that it was intended that the Registry should be expected to rely on them in certain circumstances. However, in its Response, the Respondent appears to diminish their value, stating that the Complainant had only provided a 'mere' representation and warranty as to the validity of its prior right.

In view of the clear significance in the procedure of an applicant giving Representations and Warranties, and that there appears to be nothing specific in the Regulations or the Sunrise Rules which clearly requires an applicant to include a renewal certificate (in addition to a registration certificate) as evidence of a prior right; it is conceivable that some applicants have interpreted the rules to mean that it would not be an essential requirement to submit a renewal notice in addition to a registration certificate (however, this Panel must say as an aside, that even with this interpretation an applicant erring on the side of caution should really have considered submitting both documents – simply to be safe).

In its Response, the Respondent speculates about various scenarios that could have occurred (e.g. the trade mark may have expired, or been transferred etc) as a basis for requiring a renewal certificate. However, the Panel points out that the submission of a renewal certificate (in this case being over 5 years old) is not conclusive evidence that a trade mark is still valid and subsisting and had not been transferred to a third party. As such, in the absence of the Validation Agent conducting an online search when reviewing the Documentary Evidence - the Respondent would still have had to rely on the Applicant's Representations and Warranties as to validity and ownership of the prior right.

Whilst there are some .eu ADR decisions (including those cited by the Respondent) where Panellists have found that a renewal certificate should have been provided by the applicant as part of their Documentary Evidence, this Panel also takes note of the decision in Case no 340 (POMPADOUR): '...The Panel cannot follow the opinion of the Respondent that the Complainant would have had to provide documents, proving that the trade mark was not expired, i.e. an extension notice issued by the German Patent and Trade Mark Office. Neither the Public Policy Rules nor the Sunrise Rules determine that an applicant does have to submit such a document. If the presentation of such a document would be a peremptory

condition for the proof of a prior right the Regulation or the Sunrise Rules would provide this fact expressly. The regulation mentions the Documentary Evidence which has to be submitted in section 13 (2) of the Sunrise Rules, Complainant did provide this evidence. He did also sign the official form on 8 December 2005 and with doing so has confirmed that he is the owner of the prior right (the trade mark) and that the trade mark is still valid. The Panel therefore decides that EURID's decision is to be annulled'.

Under section 21(3) Sunrise Rules, 'The Validation Agent is not obliged, but it is permitted in its sole discretion, to conduct its own investigations into the circumstances of the Application, the Prior Right claimed and the Documentary Evidence produced'. The Panel finds that whilst the power for the Validation Agent to investigate is discretionary, this provision must have been included in the Sunrise Rules on the basis that the Validation Agent would, at the very least, be expected to conduct some quick basic research in certain circumstances. It is clear from the facts of this case that the Validation Agent, having decided that the Complainant's registration certificate alone was insufficient Documentary Evidence and that it was not prepared to rely on what it calls a 'mere' representation and warranty, it felt that it would still be too time consuming to conduct an investigation into the validity and ownership of the prior right. In doing so the Respondent blames the substantial delay and knock on effect this would cause to the Validation Agent's assessment of other domain name applications. Further, it states that for this practical reason, article 21(3) has been drafted to specifically exclude an obligation to investigate.

The Panel, in exercising his own discretionary power to investigate (Rule B7(a) ADR Rules), decided to look up the Complainant's trade mark number 620,299 via the German Trade Marks Registry online (at <http://www.dpma.de> – a url which will be familiar to PWC, the Validation Agent). Within 45 seconds of entering the url, the Panel found the relevant database entry for the Complainant's trade mark registration, and determined from it that the right is still valid and subsisting (renewed for the standard 10 year period in the year 2000). This could not, in the Panel's view, be considered too much of a time consuming investigatory exercise. This is not, in the Panel's view, the sort of research which would in reality have had a serious knock on effect to other applications.

The Panel notes Article 12(1) Public Policy Rules requires the Respondent to 'ensure a proper, fair and technically sound administration of the phased registration period'. A 'fair' administration of the process would involve conducting this type of low level research. Further, it is also worth considering the time it would have taken the Validation Agent to review the Complainant's Documentary evidence, which consisted of the cover letter and the two page registration certificate. This can be contrasted with the length of time that would have been given to consideration of other domain name applications filed during the phased registration period, particularly those under phase II, where the Validation Agent will have been required to wade through Documentary Evidence consisting of lengthy affidavits and numerous exhibits. In the circumstances, it seems to this Panel unfair for the Validation Agent, having reviewed the Complainant's very short Documentary Evidence, to then object to conducting a simple 45 second online search on the basis that it would have been too time consuming. The fact is, Sunrise I applications took a very long time to process anyway (see the next paragraph) and on that basis, surely it would be better and more 'fair' administration of the process, to delay a little further and conduct some simple and quick online research.

The Panel notes the comments in Case no 00174 (DOMAINE) which states whilst section 21(3) grants the Validation Agent sole discretion '...to carry out such investigations, the Panel 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'. The Panel also refers to the comments in the decision of Case no 253 (SCHOELLER) '...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 ... 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... 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... there is no evidence to suggest that the Validation Agent applied the diligence of the humble clerk or the reasonable man... The purpose of the phased registration period as set out in Recital 12 in the preamble to 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'.

Finally, the Panel finds it surprising that the Validation Agent was not prepared to exercise its discretion and conduct a quick 45 second online search to verify the status of the Complainant's trade mark, but rather it was more prepared to put the Respondent at risk of being embroiled in ADR proceedings. One thing is certain, had the Validation Agent exercised its discretion and conducted the simple online search, the time and expense involved in these ADR proceedings would have been avoided.

In coming to a decision, this Panel has considered the specific circumstances of this case mentioned above. Also, it should be noted that there are no other prior right holders in the Sunrise queue who would be prejudiced by a decision to grant this Complaint. The purpose of the phased registration period – to address 'speculative and abusive registration of domain names' and '...to safeguard prior rights recognised by community or national law [and that]... phased registration should take place ... with the aim of ensuring that holders of prior rights have appropriate opportunities to register the names on which they hold prior rights'. The Complainant is precisely the sort of prior right holder the phased registration procedure was introduced to protect. It is this Panel's view that, if the Complaint was to be denied, and the Domain Name released by the Registry outside of the Sunrise registration system (as the Complainant is no longer able to take advantage of the phased procedure by simply submitting a further Sunrise application), then the Domain Name is quite likely to be snapped up by a third party before the Complainant gets a chance to secure it, and it may well become the subject of 'speculative and abusive registration'.

In all the circumstances of this case, the Panel believes that it would be unjust to deny the Complaint. The Panel therefore orders that EURID's decision be annulled and that the Domain Name be attributed to the Complainant, the Complainant having satisfied the Panel that all the registration criteria set out in the Regulations have been met, and to the subsequent activation by the Registry of the Domain Name in the name of the Complainant, being the only applicant in the Sunrise queue.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) of the Rules, the Panel orders that EURID's decision be annulled, and the Domain Name 'gedore.eu' be attributed to the Complainant, being the first (and only) applicant in the sunrise queue for the Domain Name.

PANELISTS

| | |
|------|---------------------|
| Name | Steve Palmer |
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DATE OF PANEL DECISION 2006-08-27

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant filed an Application to register the disputed Domain Name 'gedore.eu' during phase I of the .eu phased registration period. It submitted Documentary Evidence to the Validation Agent within the 40 day deadline, which consisted solely of a registration certificate. The Application was rejected by the Respondent due to the failure by the Complainant to submit additional renewal evidence along with the registration certificate - to prove the prior right was still valid and subsisting and that it had not been transferred to a third party.

The Respondent's Response was filed late, but still considered. The Respondent was not prepared to exercise its discretion to investigate as it would be too time consuming, and the Respondent was not prepared to rely on what it called a 'mere' representation and warranty as to validity and ownership to approve the Application.

To ensure a fair administration of the procedure in this case, the Panel found that it would not have been an unduly time consuming exercise for the Validation Agent to have exercised its discretion and to have conducted a simple and quick online trade mark search - to verify the validity and current ownership of the Complainant's registered right.

The Complaint was upheld and the domain name attributed to the Complainant.
