Panel Decision for dispute CAC-ADREU-001772

Case number	**CAC-ADREU-001772**
Time of filing	**2006-06-29 08:48:51**
Domain names	**badcreditloans.eu**

Case administrator

Name	**Tereza Bartošková**

Complainant

Organization / Name	**Badcreditloans, Ltd., Paul Keating**

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

No legal proceedings have been issued or terminated in connection with the disputed domain name.

FACTUAL BACKGROUND

Respondent (EURid) accepted the application by “Goallover Limited” (hereafter “the Applicant) for the Domain Name “BADCREDITLOANS” and approved the reservation of the Domain Name “BADCREDITLOANS” of the Applicant during the "Sunrise Period".
Complainant contends that the trademark upon which the Domain Name reservation was granted was not a prior right that was in “full force and effect” as of the date of the reservation. Complainant argues that the mere application of a trademark does not lead to the holding of a valid trademark.

A. COMPLAINANT

The complainant’s line of reasoning in the complaint is:
1. The „trademark“ upon which the domain name reservation was granted was not a Prior Right that was in „full force and effect“ as of the date of reservation.
2. The lack of a pre-existing prior right precludes the approval of the domain name reservation of Goallover Limited („Applicant“)
The complainant justifies this viewpoint by reference to The European Regulations which expressly incorporates the relevant laws of Community Member States. Complainant argues and cites Commission Regulation (EC) 874/2004 Art. 2 (2), Art. 10(2), Art. 14.
Further the complainant concludes that the express language of the Regulations establishes a series of conditions, the first of which is that a completed domain name reservation application is provided. The registrant is then provided a deadline within which to submit documentation. The applicant must then provide documentation that proves that it was the holder of the prior right on or before the date of the application.
With reference to Art. 6 of the Benelux Trademark Law („BTL“) the complainant concludes from the statute that the mere application of a trademark does not lead to the holding of a valid mark. During the period of the examination, the mark is not in „full force and effect“ because such requires (a) the completion of the examination and (b) a separate confirmation by the applicant that it desires to maintain the mark.As a result, the Applicant could not have established a prior right in the domain name.
In part B. of his complaint the complainant claims that the provision of Section 11 (3) of the Sun Rise Rules requires that each application to reserve a EU domain name during Phase I must be on the basis of a “Prior Right” (Art. 11(3). With regard to the provision of Section 11(3) of the Sun Rise Rules and in keeping with Article 6 of the BTL, the following is clear:
1. Applicant filed its trademark application on December 22, 2005.
2. The Domain Name reservation was made with EURID on December 23, 2005.
3. The examination period could not have taken less than 1 day and thus at the time of the domain name reservation, the trademark application remained without legal effect in accordance with BTL, Article 6.

4. There is no evidence that the Applicant submitted documentation that showed compliance with Article 6 or that itself reflected that the trademark was “in full force and effect” as of December 23, 2005.
5. At the latest, as of December 23, 2005, Applicant held an application as to which further work and activities were required prior to the application becoming a trademark registration that was in “full force and effect”.
In the “EQUITABLE CONSIDERATIONS“ part of the submission, the complainant points out that the applicant is a United Kingdom limited liability entity that is active in Internet advertising (See: www.goallover.com). Applicant is not a lender and is not in the financial services sector. It is clear that Applicant desires this domain for use in connection with “pay-per-click” or similar for debt or lending related services provided by others.
From this the Complainant concludes that the Applicant sought use of “Sunrise 1” abusively by registering a domain name based upon a trademark application which the Applicant had no intent to ever use in connection with the classification as to which the trademark application was filed.

In conclusion, the claimant referred to a case where the respondent has rejected virtually identical applications on the grounds requested in this complaint.
In his submission the complainant calls for a determination that the referenced decision of EURid to approve the domain name application of the Applicant (Goallover Limited) should be reversed and that the Applicant’s reservation be rejected.

B. RESPONDENT

The Respondent accepted the application by Goallover Limited for the Domain Name “BADCREDITLOANS" from following grounds:
Goallover Limited (hereafter "the Applicant") applied for the domain name "BADCREDITLOANS" on 23 December 2005. The processing agent received the documentary evidence on 26 January 2006, which was before the 1 February 2006 deadline.
The documentary evidence submitted by the Applicant consisted of a proof of the registered Benelux trademark "BADCREDITLOANS".

The documentary evidence showed that the Benelux had been registered on 23 December 2005, in the name of the Applicant and under the number 0785136. The validation agent concluded from the documentary evidence that the Applicant sufficiently demonstrated that it was the holder of a prior right on the name "BADCREDITLOANS" on the day of the application and therefore, the Respondent accepted the Applicant's application.

Respondent argues that his decision does not conflict with the Sunrise Rules with the Article 14 of the Regulation. The Respondent admits that a trademark application may not be considered as a prior right.
However, the Applicant submitted documentary evidence consisting of a trademark registration (and not a mere trademark application). Indeed, the documentary evidence showed that the Benelux trademark "BADCREDITLOANS" had been registered on 23 December 2005, in the name of the Applicant and under the number 0785136.
Therefore, the validation agent concluded from the documentary evidence that the Applicant sufficiently demonstrated that it was the holder of a prior right on the name "BADCREDITLOANS" on the day the application was made.
Consequently, the Respondent correctly accepted the Applicant's application.
As to the complainant's allegation of abusive registration the Respondent questions article 22 (1) b of the Regulation, thus a decision taken by the Respondent may only be annulled when it conflicts with the Regulation.
The ADR proceedings based on alleged “bad faith” of the Applicant must be initiated against the domain name holder itself, pursuant to Article 22(1)(a) of the Regulation and not against the Registry's decision (see in particular ADR decisions Nr. 00532 URLAUB, 00382 TOS, 00191 AUTOTRADER, 00335 MEDIATION, 00685 LOTTO, 1239 PESA and 01317 FEE). The applicant is not party to these proceedings and could not properly assert his rights.
ADR proceedings against the Applicant – who will then have the opportunity to clarify its position on this matter – pursuant to Article 22(1)(a) of Regulation are still open to the Complainant, where the Complainant will have ample opportunity to further establish its allegations of bad faith.

With regard to the Complainant's request to have the domain name transferred to it, the Respondent refers to article 11 (c) of the ADR Rules.
Before the Panel may order the transfer of a domain name, two conditions need to be met:
- the Complainant must be the next applicant in the queue for the domain name concerned; and
- the Respondent must decide that the Complainant satisfies all registration criteria set out in the Regulation.
Therefore, the Respondent must first assess, via the normal validation procedure, whether the Complainant's application satisfies the requirements of the Regulation. Consequently, should the Panel consider that the Respondent’s decision must be annulled, the Complainant's transfer request must be rejected.
For these reasons, the Respondent's complaint must be rejected.

DISCUSSION AND FINDINGS

1.Complainant contends that the “trademark” upon which the domain name reservation was granted was not a Prior Right that was in “full force and effect” as of the date of Reservation.

To support his argument, Complainant cites Commission Regulation (EC) 874/2004 Article 2, paragraph 2, and Art. 10(2), Art. 10, 4 and 6 of the Regulation and further cites Article 6 of the Benelux Trademark Law (“BTL”) which expressly states that during the period of examination, a trademark has no legal effect. The Complainant further contends that the express language of the Regulations establishes a series of conditions, the first of which is that a completed domain name reservation application is provided. The registrant is then provided a deadline within which to submit documentation. The applicant must then provide documentation that proves that it was the holder of the prior right on or before the date of the application.
Complainant concludes from these provisions that it is clear from the statute that the mere application of a trademark does not lead to the holding of a valid mark. During the period of the examination, the mark is not in “full force and effect” because such requires (a) the completion of the examination and (b) a separate confirmation by the applicant that it desires to maintain the mark. Complainant is therefore convinced that the Applicant could not have established a prior right in the domain name.

On the contrary, Respondent establishes by documentary proof that Goallover Limited (hereafter "the Applicant") applied for the domain name "BADCREDITLOANS" on 23 December 2005. The processing agent received the documentary evidence on 26 January 2006, which was before the 1 February 2006 deadline. The documentary evidence submitted by the Applicant consisted of a proof of the registered Benelux trademark "BADCREDITLOANS". The documentary evidence showed that the Benelux had been registered on 23 December 2005, in the name of the Applicant and under the number 0785136. The validation agent concluded from the documentary evidence that the Applicant sufficiently demonstrated that it was the holder of a prior right on the name "BADCREDITLOANS" on the day of the application and therefore, the Respondent accepted the Applicant's application.

In relation to the above, Panel finds as follows:
Under Article 10 of the Commission Regulation (EC) No 874/2004 of April 28th, 2004, holders of Prior Rights recognised or established by national and/or Community law and public bodies are eligible to apply to register domain names during the period of phased registration before general registration of .eu domain starts (i.e. during the so - called "Sunrise Period"). In particular, according to Article 12.2 of the above-mentioned Regulation, during the first part of the phased registration period only registered national and Community trademarks may be applied for as domain names.
Section 13.1 of the Sunrise Rules states that "where a Prior Right claimed by Applicant is a registered trademark, the trademark must be registered by a trademarks office in one of the member states. A trademark application is not considered a Prior Right".
Section 13(2) (i) of the Sunrise Rules refer to the submission as Documentary Evidence of a copy of an official document issued by the competent trademarks office indicating that the trademark is registered. Moreover, the Documentary Evidence must clearly evidence that the Applicant is the reported owner of the registered trademark.
Section 11.3 provides that "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 it must be in full force and effect".As it is stated by Complainant, under the Benelux Trademarks Law, the validity of a trademark is allowed retroactively after the examination by the Benelux Trademarks Office. Under the Article 10 of the Benelux Trademarks Law the period of validity of the trademarks is calculated since the application date, respectively since the day when the application was registered by the Benelux Trademarks Office.According to Article 3.1 of the Benelux Trademarks Law, "the exclusive right over a trademark is acquired as consequence of its registration" (caps added). Moreover, Article 13.1 of the said Law provides that "the registered trademark grants to its owner an exclusive right" (caps added). Article 13.1 also grants to the owner of the exclusive rights over the trademark, certain rights in order to prevent third parties from using the trademark without the owners' consent, therefore the exclusive rights over the Benelux trademarks are acquired upon its registration.

Thus, if Applicant applied for the domain name "BADCREDITLOANS" on 23 December 2005 and
- documentary evidence showed that the documentary evidence submitted by the Applicant consisted of a proof of the registered Benelux trademark "BADCREDITLOANS" and that
- trade mark "BADCREDITLOANS" had been registered on 23 December 2005, in the name of the Applicant under the number 0785136 and
- validation agent concluded from the documentary evidence that the
the Applicant sufficiently demonstrated that it was the holder of a prior right on the name "BADCREDITLOANS" on the day of the application for the domain name "BADCREDITLOANS"
the Respondent proceeded in complete compliance with European Regulations and relevant Sun Rise Rules.

2. Complainant further argues that the decision of the Registry to approve the Domain Name application of the Applicant is in conflict with the European Regulations noted above and that Complaint’s application is in violation of the European Regulations and relevant Sun Rise Rules.

Complainant argues with Section 11(3) of the Sun Rise Rules, Section 13(1) of the Sun Rise Rules, in particular with Section 13(1) (ii) which states “a trade mark application is not considered a Prior Right”.
As a result of the above, and in keeping with Article 6 of the BTL, Complainant concludes, that
- Applicant filed its trademark application on December 22, 2005.
- The Domain Name reservation was made with EUrid on December 23, 2005.
- The examination period could not have taken less than 1 day and thus at the time of the domain name reservation, the trademark application remained without legal effect in accordance with BTL, Article 6.
- There is no evidence that the Applicant submitted documentation that showed compliance with Article 6 or that itself reflected that the trademark was “in full force and effect” as of December 23, 2005.
- At most, as of December 23, 2005, Applicant held an application as to which further work and activities were required prior to the application becoming a trademark registration that was in “full force and effect”.
Furthermore Complainant contends that the rules clearly state that the Prior Right must exist as of the date the domain name reservation was made. Even providing for possible retroactive effect occurring after the completion of the examination period by the Benelux Trademark Office does not validate the reservation.
As a logical conclusion, Complainant claims that as of the moment when the reservation was made, no legal trademark actually existed. Any trademark that may exist only came into being upon completion of the examination period and confirmation by the trademark applicant, all pursuant to Article 6 of the BTL.

To the contrary, the Respondent argues that his decision does not conflict either with the Sunrise Rules or with the Article 14 of the Regulation. The Respondent admits that a trademark application may not be considered as a prior right. However, the Applicant submitted documentary evidence consisting of a trademark registration (and not a mere trademark application). Indeed, the documentary evidence showed that the Benelux trademark "BADCREDITLOANS" had been registered on 23 December 2005, in the name of the Applicant and under the number 0785136. Therefore, the validation agent concluded from the documentary evidence that the Applicant sufficiently demonstrated that it was the holder of a prior right on the name "BADCREDITLOANS" on the day the application was made. Respondent contends that he correctly accepted the Applicant's application.

In relation to the above, Panel finds as follows:
A trademark application may not be considered as a prior right, but it is not this case. In this case the Applicant submitted documentary evidence consisting of a trademark registration (and not a mere trademark application). The documentary evidence showed that the Benelux trademark "BADCREDITLOANS" had been registered on 23 December 2005, in the name of the Applicant and under the number 0785136.
On the basis of the submitted documents, the Respondent could not proceed otherwise than in compliance with EU Regulations and Sunrise Rules accept the Applicant's application.
As a consequence of the above, Panel finds that the decision made by Respondent was not in violation of the European Regulations.

3. Complainant further contends that the Applicant is a United Kingdom limited liability entity that is active in Internet advertising (See:www.goallover.com). Applicant is not a lender and is not in the financial services sector. Complainant is the meaning that Applicant desires this domain for use in connection with “pay-per-click” or similar advertising for debt or lending related services provided by others.
Complainant further states that it is obvious by the above that the Applicant sought use of Sunrise 1 abusively by registering a domain name based upon a trademark application which Applicant had no intent to ever use in connection with the classification as to which the trademark application was filed.

The Respondent replies to Complainant’s arguments that the ADR proceedings based on alleged “bad faith” of the Applicant must be initiated against the domain name holder itself, pursuant to Article 22(1)(a) of the Regulation and not against the Registry's decision (see in particular ADR decisions Nr. 00532 URLAUB, 00382 TOS, 00191 AUTOTRADER, 00335 MEDIATION, 00685 LOTTO, 1239 PESA and 01317 FEE).
ADR proceedings against the Applicant – who will then have the opportunity to clarify its position on this matter – pursuant to Article 22(1)(a) of Regulation are still open to the Complainant, where the Complainant will have ample opportunity to further establish its allegations of bad faith.

In relation to the above, Panel finds as follows:
As to the complainant's allegation of abusive registration Panel proceeds from the presumption that the ADR proceedings based on alleged “bad faith” of the Applicant must be initiated against the domain name holder itself, pursuant to Article 22(1)(a) of the Regulation.
The reason for such procedure is the fact that in the ADR-proceedings, where Respondent is the accused party, Applicant is not a party to the ADR-proceedings and therefore Applicant would be deprived of their rights as a party to the ADR-proceedings.

Complainant is entitled to initiate such ADR-proceedings pursuant to Article 22 (1)(a) of the Regulation against Applicant and to provide proof of his allegations against Applicant

4. Complainant further argues that EURid has rejected other domain reservations domain names as to which a Benelux trademark application was filed prior to the reservation date. In such cases, EURid has argued that the concept of retroactivity found in the BTL cannot
substitute for the requirement that the Prior Right must exist as of the date of the domain
name reservation. EURid has made these arguments in other cases pending before this
Tribunal (Case no. 00376).

In relation to the above, Panel finds as follows:
The above-mentioned Complainant's allegations are taken out of the context of the cited decision and therefore are misleading. In the proceedings of Case no. 00376, the facts of the case which were being considered by the Tribunal were completely different.
In the Case no. 00376, Complainant applied for the domain name even before he applied for the registration to Trademarks Register of the Benelux Trademarks Office. Therefore, on the day of the submission of the application, Complainant did not have in effect the so-called Prior Right even considering the principle of retroactivity.
Panel is on the opinion that the trademarks used as basis for the registration of the .eu domain names during the so-called "Sunrise Period" must be duly registered on or before the application for the registration of the domain names.
In the case under consideration this condition was duly fulfilled and in a timely manner. Therefore, it is not true that EURid in Case no. 00376 would reason otherwise than in compliance with Sunrise Period Rules and European Regulations.
For all the foregoing reasons, Panel orders that the Complaint is Denied.

DECISION

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	**Vladimir Bulinsky**

DATE OF PANEL DECISION 2006-10-02

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

1. Complainant contends that the "trademark" upon which the domain name reservation was granted was not a Prior Right that was in "full force and effect" as of the date of the reservation. Complainant argues that the mere application of a trademark does not lead to the holding of a valid mark. During the period of the examination, the mark is not in "full force and effect" because such requires (a) the completion of the examination and (b) a separate confirmation by the applicant that it desires to maintain the mark. As a result, the Applicant could not have established a prior right in the domain name.
The lack of a pre-existing prior right precludes the approval of the domain name reservation of Applicant and as such, Complainant contests the April 30th decision undertaken by EURid to approve the domain reservation of the Applicant and requests that the decision be voided and the Applicant's domain name reservation be rejected.

Respondent established by documentary proof that the Applicant applied for the domain name "BADCREDITLOANS" on 23 December 2005. The processing agent received the documentary evidence on 26 January 2006, which was before the 1 February 2006 deadline. The documentary evidence submitted by the Applicant consisted of a proof of the registered Benelux trademark "BADCREDITLOANS" which had been registered on 23 December 2005, in the name of the Applicant and under the number 0785136 and so the Applicant sufficiently demonstrated that it was the holder of a prior right on the name "BADCREDITLOANS" on the day of the application and therefore, the Respondent accepted the Applicant's application.

Panel finds out that a trademark application may not be considered as a prior right. But in this case the Applicant submitted documentary evidence consisting of a trademark registration (and not a mere trademark application). The documentary evidence showed that the Benelux trademark "BADCREDITLOANS" had been registered on 23 December 2005, in the name of the Applicant and under the number 0785136. According to Article 3.1 of the Benelux Trademarks Law, "the exclusive right over a trademark is acquired as consequence of its registration" (caps added). Moreover, Article 13.1 of the said Law provides that "the registered trademark grants to its owner an exclusive right".
Panel is on the opinion that the trademarks used as basis for the registration of the .eu domain names during the so-called "Sunrise Period" must be duly registered on the day or before the day when the application for the registration of the domain name was

submitted.
As a consequence of the above, Panel finds that the decision made by Respondent was not in violation of the European Regulations.

2. Complainant further contends that the Applicant sought use of “Sunrise 1” abusively by registering a domain name based upon a trademark application which Applicant had no intent to ever use in connection with the classification as to which the trademark application was filed.
The Respondent replies to Complainant’s arguments that the ADR proceedings based on alleged “bad faith” of the Applicant must be initiated against the domain name holder itself, pursuant to Article 22(1)(a) of the Regulation and not against the Registry's decision.

As to the complainant's allegation of abusive registration Panel proceeds from the presumption that the ADR proceedings based on alleged “bad faith” of the Applicant must be initiated against the domain name holder itself, pursuant to Article 22(1)(a) of the Regulation. The reason for such procedure is the fact that in the ADR-proceedings, where Respondent is the accused party, Applicant is not a party to the ADR-proceedings and therefore Applicant would be deprived of their rights as a party to the ADR-proceedings. Complainant is entitled to initiate such ADR-proceedings pursuant to Article 22 (1)(a) of the Regulation against Applicant and to provide proof of his allegations against Applicant.

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that the Complaint is Denied.