Panel Decision for dispute CAC-ADREU-001802

Case number	**CAC-ADREU-001802**
Time of filing	**2006-06-15 13:11:40**
Domain names	**cantor.eu**

Case administrator

Name	**Kateřina Fáberová**

Complainant

Organization / Name	**Cantor Unternehmensberatung GmbH, Wolfgang Fuchs**

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 Panelist is aware of

FACTUAL BACKGROUND

This Complaint arises out of the interpretation and application of Commission Regulation (EC) No 874/2004 of 28 April 2004 (“Regulation 874/2004”) and the .eu Registration Policy and Term and Conditions for Domain Name Applications made during the Phased Registration Period (hereinafter “the Sunrise Rules”).

Art. 10 (1) of said Regulation 874/2004 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.

Art. 12(3) of said Regulation 874/2004 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, as well as other relevant information, such as trademark registration number.

Recital 12 of said Regulation 874/2004 sets out the purpose of the phased registration period in the following terms:

“In order 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 Registry should ensure that validation of the rights is performed by appointed validation agents. On the basis of evidence provided by the applicants, validation agents should assess the right which is claimed for a particular name. Allocation of that name should then take place on a first-come, first-served basis if there are two or more applicants for a domain name, each having a prior right.”

The Sunrise Rules govern all applications during the phased registration period (vide Object and Scope).

Section 3.1 (1) of the Sunrise Rules states that an application is only considered complete when the Applicant provides the Registry, via a registrar, with at least the following information, inter alia the full name of the Applicant.

Section 11 (1) of the Sunrise Rules provides that "[d]uring the first phase of the Phased Registration Period, only Domain Names that correspond to (i) registered Community or national trade marks or (ii) geographical indications or designations of origin, may be applied for by the holder ...of the Prior Right concerned…"

Section 13 (1) (ii) of the Sunrise Rules provides that "[w]here the Prior Right claimed by an Applicant is a registered trademark, the trade mark must be registered by a trade mark office in one of the member states, the Benelux Trade Marks Office or the Office for Harmonisation in the Internal Market (OHIM), or it must be internationally registered and protection must have been obtained in at least one of the member states of the European Union."

Section 11 (3) the Sunrise Rules, the Applicant for a domain name must be the owner or licensee of the claimed Prior Right.

The Complainant is the Cantor Unternehmensberatung GmbH, a legal entity duly incorporated under the Laws of the Federal Republic of Germany. Its place of incorporation and principal place of business is Munich, Germany.

The Complainant is also holder of the German word mark “CANTOR” which has been registered for the Complainant under the registration no. 39849082.1 with priority from 27. August 1998.

On 13 December 2005, the Complainant applied to register the domain name <cantor.eu> during Phase I of the phased registration period.

In support of its application under the Sunrise Rules, the Complainant relied inter alia on said German word mark 39849082.1 “CANTOR as establishing its Prior Right. The Complainant's ownership of said word mark registration is not in dispute and the Complainant has submitted documentary evidence of said registration in the form of a copy of the original word Mark certificate in its possession. What is disputed is whether the documentary evidence submitted by BGC International, another applicant who submitted an application for <cantor.eu> on the 7th December, clearly evidences that the Applicant who submitted first (BGC International) did in fact have a prior right..

The Respondent refused to register the domain name <cantor.eu> in the name of the Complainant during the Sunrise Period on the grounds that on the basis of the first-come first serve rule, it had allocated the domain <cantor.eu> to BGC International on the basis that the documentary evidence furnished by BGC International had satisfied its validation agent

A. COMPLAINANT

The Complainant first claimed that it has prior rights on account of its being holder of the German word mark “CANTOR” which has been registered for the Complainant under the registration no. 39849082.1 with priority from 27. August 1998.

The Complainant then immediately proceeded to attack the basis on which the domain name <cantor.eu> was awarded to BGC International. It first questioned BGC International’s claim to have prior rights on the name “CANTOR” on account of its having a registered community trademark when, from the database of the Office for Harmonization in the internal market, no entry for the domain applicant BGC International can be found. On the contrary, three community trademarks using the term cantor can be found. These trademarks are registered for the US-American legal entity Cantor Fitzgerald Securities, New York, United States.

The Complainant argued that “the Attribution of the Domain Name cantor.eu must be annulled as the prior rights claimed by the third party Applicant are nonexistent and cannot have been proven through the appropriate Documentary Evidence by the third party applicant. “

It further argued

”1. No Prior Rights

According to Article 14 of Commission Regulation No. 874/2004 of 28 April 2004 all claims under Article 10 (1) and (2) must be verifiable by documentary evidence which demonstrate the right under the law by virtue of which it exists. Furthermore every applicant shall submit documentary evidence that show that he or she is the holder of the prior right claimed on the name in question.
Under Article 14 and 10 (1) and (2) of Commission Regulation No. 874/2004 the applicant must clearly show evidence of the prior right that he claims for the domain name application.
In this case the applicant, BGC International, has based the domain name application upon a Registered Community / International Trademark. The Applicant has also named a Prior Right Country, which in this case is Spain. This information is already contradictory as a trademark can be either registered in a member state such as Spain or as a Community trademark, but not both at the same time. Therefore, this third party cannot possibly have presented the appropriate documentary evidence, as the given information is in itself

contradictory.

If the domain name application should be interpreted in such a way that the prior right is indeed a community trademark, the third party still cannot possibly have presented the appropriate documentary evidence.

The applicant was obliged to present a community trademark to the Registry that meets the criteria of Article 10 and Article 14 of Commission Regulation No. 874/2004.

In this specific case it can only be assumed that the applicant based its application on a community trademark that has been registered at the Office for Harmonisation in the Internal Market (OHIM) under the Registration Numbers 004512216, 004034807 and 003380541. Other community trademarks which solely consist of the term “cantor” do not exist.

It also has to be pointed out that this third party simply is not the owner of these community trademarks. They have been registered for Cantor Fitzgerald Securities, a legal entity that has its place of business in the United States but not within the European Union.
Thus, the domain applicant cannot possibly have presented the appropriate documentary evidence to the registry as there is no prior right in existence on behalf of this third party.

When the Respondent presented documentary evidence that had satisfied its validation agent that BGC International enjoyed prior rights in virtue of being the licensee of Cantor Fitzgerald Securities of the United States, the Complainant countered, by way of a non-standard communication 0f 15 June 2006:

“Having thoroughly reviewed the Nonstandard Communication by EURid filed on 2006-06-15 13:11:40, the documentary evidence attached to this Communication clearly shows a breach of the Sunrise Rules which obviously has not been discovered by EURid and must lead to an annulment of the disputed decision.

From the excerpt from the Whois-database attached as Annex C2 to the original complaint it can be seen that the third party BGC International applied for the domain name cantor.eu on 07/12/2005 11:15:37.554.
This application was based on the license for the EU-trademark 004034807 owned by Cantor Fitzgerald Securities, New York, USA. The documentary evidence consists of an excerpt from the OHIM-database and a license declaration signed by both the trademark owner and the domain applicant.

Section 11 (3) of the Sunrise rules state 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 that it must be in full force and effect.

In this case, the license declaration has been signed on the 5th and on the 6th of January 2006 by both parties. This is later than the application date on 7th of December 2005. Therefore, the prior right claimed by the applicant did not exist and was not in full force and effect as stated by the Sunrise rules.”

The Complainant then, on this point, on 6 September 2006 added:

“In its response EURid was not able to show that the decision to grant the domain name to BGC International was made according to the Sunrise Rules and the EC Regulations. EURid is of the opinion, that the documentary evidence submitted by BGC International did prove that a license was granted to the domain name applicant.
EURid has failed to show that the domain name applicant has proven that the claimed prior right existed before the domain name application. EURid did not take into account that the Licence Declaration was signed later than the domain name application.

If EURid is of the opinion that the date on which the declaration was signed does not prove anything as far as the actual licence is concerned, it is absolutely unclear why EURid has presented the Declaration itself to the public.

By setting up this declaration, EURid obviously has set up a standardized way of proving a licence of a trademark. This declaration must therefore be seen as the documentary of the licence itself. Thus, this declaration must have been signed before the actual domain name application.

If EURid is of the opinion that the date on which the declaration was signed is irrelevant because the parties declare that the actual licence was granted before the domain name application, this must be seen as an insufficient way to prove the existence of a prior right. The Arbitration Court has already in a number of cases stated that the declarations on the cover sheet of each and every set of documentary evidence are not sufficient to prove the existence of the claimed prior right. Thus, the domain name applicant in this case would have been obliged to show the actual licence in the first set of documentary evidence to prove that the prior right existed in favour of the domain name applicant before the actual domain name application. Otherwise, it would have been necessary for both parties to sign the licence declaration before the actual domain name application. A declaration signed later than the application date is not able to prove anything in favour of the domain name applicant.

The domain name applicant BGC International has filed another domain name application at a later date, on 2006-04-07. It must be assumed that the domain name applicant has noticed its own mistake and has sent in a different set of documentary evidence with this application. The Arbitration Court is urged to request the disclosure of the documentary evidence of this domain name application to show that the domain name applicant BGC International has sent in a licence declaration dated before the actual domain name application"

Meanwhile, in its original complaint, the Complainant had also considered other possible deficiencies in the decisiona taken by the Respondent in its regard.

2. Breach of Article 4 (2) (b) of EC Regulation 733/2002

The domain name application of the third party has in any case to be considered a breach of Article 4 (2) (b) of the EC Regulation 733/2002.
The Registry shall only register domain names by any undertaking having its registered office, central administration or principal place of business within the Community. Clearly this is neither the case for the owner of the prior right nor the domain name applicant.
Firstly, the owner of the prior right clearly has its principal place of business in the United States. This can be seen from the evidence from the OHIM database.

Secondly, the domain name applicant itself has its principal place of business in the United States as well. This can be clearly seen from the result of a Google search concerning the headquarters of the third party.

Thus, the domain name application has to be considered a breach of EC Regulation 733/2002 as there is no evidence that the domain name applicant has its principal place of business within the Community.

3. Circumvention of Article 4 (2) (b) of EC Regulation 733/2002
The domain name application has also be considered a circumvention of Article 4 (2) (b) of EC Regulation 733/2002.

The domain name applicant has to be considered a spin off form the original prior right owner. Thus, the domain name application is only conducted in favour of the prior right owner as he is not able to register the domain name for himself. This would, as stated above, conflict with Article

4 (2) (b) of the EC Regulation 733/2002.

If the Court should come to the conclusion that the domain name applicant was in any way entitled to apply for the domain name, this still has to be considered a circumvention of the said EC Regulation.

Following Article 2 of the EC Regulation 874/2004, the owner of the prior right will never be able to be the holder of the domain name, as it can only be transferred to parties that are eligible for registration of .eu domain names. Thus, the owner of the prior right cannot possibly register the domain corresponding with his prior right at any time in the community. Using a third party under these circumstances can only be considered a circumvention of the said EC Regulation. "

The Complainant went on to state, "In accordance with Section B 11 (c) of the ADR Rules the Complainant can already in this stadium of the registration process request the Attribution of the Domain name. The requirements for this action are all being fulfilled by the Complainant" and this on the grounds "The Complainant is the next applicant in the queue for the domain name concerned. The second placed domain name applicant Dialoog Church Sound has failed to present the appropriate documentary evidence to the registry so that the domain name application is already expired. The Complainant also satisfies all registration criteria set out in the European Union

Regulations. For the reasons described above the Rejection of the Complainant's Application for the domain name shall be annulled by the Arbitration Court. The Complainant satisfies all registration criteria and has especially proven the existence of the prior rights claimed by him in the application."

In summary therefore, in its complaint, the remedies sought by the Complainant were:

1. In accordance with Section B 11 (c) of the ADR Rules the Complainant requests the annulment of the disputed decisions taken by the registry.
2. In accordance with Section B 11 (c) of the ADR Rules the Complainant further requests the attribution of the domain names cantor.eu to the Complainant

B. RESPONDENT

The Respondent structured its reponse as follows:

"1. GROUNDS ON WHICH THE RESPONDENT ACCEPTED THE APPLICATION BY BCG INTERNATIONAL FOR THE DOMAIN NAME CANTOR
Article 10 (1) of Commission Regulation (EC) No 874/2004 of 28 April 2004 (hereafter "the Regulation") states that holders of prior rights which are 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. A registered community trademark is considered to be a prior right.
Pursuant to article 12 (2) of the Regulation licensees of trademark owner may also apply for the corresponding domain name.
Article 12 (2) of the Regulation states that: "During the first part of phased registration, only registered national and Community trademarks, geographical indications, and the names and acronyms referred to in Article 10(3), may be applied for as domain names by holders or licensees of prior rights and by the public bodies mentioned in Article 10(1)".
Pursuant to article 14 (4) of the Regulation, the Registry shall register the domain name on the first-come-first-serve basis if it finds that the applicant has demonstrated a prior right.
Section 20 (1) of the Sunrise Rules, states that when an applicant has obtained a licence for a registered trade mark in respect of which it claims a prior right, it must enclose with the documentary evidence an acknowledgement and declaration form duly completed and signed by both the licensor of the relevant registered trade mark and the applicant.
BGC International (hereafter "the Applicant") applied for the domain name CANTOR on December 7, 2005. The documentary evidence was received by the processing agent on January 16, 2006, which was the deadline.
The documentary evidence consisted of a Community trademark for the CANTOR sign (Nr. 004034807), registered by Cantor Fitzgerald Securities (hereafter "the Trademark Holder"), as well as a licence declaration regarding this trademark duly completed and signed by Cantor Fitzgerald Securities and the Applicant as a licensee.
The validation agent found that the documentary evidence clearly demonstrated that the Applicant was the licensee of a prior right on the name CANTOR.
Consequently, the Respondent accepted the Applicant's application for the domain name CANTOR.

2. COMPLAINANT'S CONTENTIONS

Complainant contends that the Registry's decision to accept the Applicant's application conflicts with the Regulation in three ways.
First, the Complainant contends that there is no Community trademark registered in the name of the Applicant that could be used as a prior right. The Complainant mentions that it found three Community trademarks which could be invoked as a prior right, but none of those trademarks belongs to the Applicant.

Second, the Complainant contends that the Applicant is not located in the European Union and therefore was not eligible to apply for a domain name pursuant to article 4 (2) (b) (i) of Regulation (EC) No 733/2002.
Finally, the Complainant asserts that the Applicant is a spin-off from the Trademark Holder and that this constitutes a circumvention of article (2) (b) (i) of Regulation (EC) No 733/2002 and article 2 of the Regulation.
Therefore, the Complainant requests the Panel to attribute the domain name to him.

3. RESPONSE
3.1 The Applicant is the licensee of a Prior Right.
Pursuant to article 12 (2) of the Regulation, licensees of the trademark owner may also apply for the corresponding domain name.
Pursuant to section 20 (1) of the Sunrise Rules, when an applicant has obtained a licence for a registered trade mark in respect of which it claims a prior right, it must enclose with the documentary evidence an acknowledgement and declaration form duly completed and signed by both the licensor of the relevant registered trade mark and the applicant.
The documentary evidence submitted by the Applicant consisted of:

• The Community trademark "CANTOR" (Nr. 004034807) registered in the name of the Trademark Holder; and
• An acknowledgement and declaration form duly completed and signed by the Trademark Holder (as Licensor) and the Applicant (as Licensee), by which the parties declare that "Licensor and Licensee have, prior to receipt of the Domain Name Application by the Registry, entered into a license arrangement concerning the use of the Trade Mark (…)" .
As a result, the Respondent's decision to accept the Applicant's application is in line with the Regulation.

3.2 The Applicant is established in Europe
The Complainant contends that the Applicant is not located in the European Union and therefore was not eligible to apply for a domain name pursuant to article 4 (2) (b) (i) of Regulation (EC) No 733/2002
The Respondent argues that it appears clearly from the documentary evidence that the Applicant is established in the European Community, more particularly in the United Kingdom. The Applicant mentioned its address in London. Therefore, the Applicant was eligible to apply for a domain name pursuant to article 4 (2) (a) (i) of Regulation 733/2002.

3.3 The Applicant did not circumvent article 4 (2) (b) (i) of Regulation (EC) No 733/2002
Finally, the Complainant asserts that the Applicant is a spin-off from the Trademark Holder and that this constitutes a circumvention of article (2) (b) (i) of Regulation (EC) No 733/2002 and article 2 of the Regulation.
The circumstance that the Trademark Holder (licensor of this trademark) is not itself an eligible applicant in the meaning of article 4 (2) (b) (i) of Regulation (EC) No 733/2002 and may never be the owner of the domain name pursuant to article 2 of the Regulation is clearly irrelevant since the Trademark Holder did not apply for this domain name.
The fact that the Applicant is a spin-off from the Trademark Holder is equally irrelevant for the evaluation of the Respondent's decision.
The only elements that are pertinent to the present proceedings are the fact that the Applicant is eligible to apply for the domain name and that it demonstrated its prior rights.

3.4 Conclusion
The Applicant demonstrated that it was eligible to apply for a domain name and its application was received first by the Respondent. The Applicant submitted documentary evidence that clearly established that it is a licensee of a prior right on the name CANTOR.
Therefore, the Respondent had no choice but to accept the Applicant's application, pursuant to the Regulation and the Sunrise Rules.
For these reasons, complaint must be denied."

DISCUSSION AND FINDINGS

The Panelist determines as follows:

The Panelist accepts the Complainant's claim that it is the owner of the German word mark CANTOR . This material fact is not disputed by the Respondent.

The Panelist further accepts all arguments presented by the Complainant with respect to the inadequacy of a mere declaration that prior right exists (albeit signed by both parties) to satisfactorily prove prior right, which arguments are not contested by the Respondent.

The Panelist accepts the Respondent's reasoning that the Applicant BGC International was eligible to apply for the domain name.

The Panelist further accepts the Respondent's reasoning deeming irrelevan the Complainant's allegation that the "application was an attempt at circumvention of EU regulation"

The Respondent did not address the main arguments raised by the Complainant by way of the two nonstandard communications of June and September 2006 that insufficient evidence was submitted to the validation agent since the licence agreement per se had not been produced and that the validation agent had relied on the declaration signed on 5th and 6th January 2006 to establish prior right for an application dated 7th December 2005.

The facts of the case demonstrate that the Complainant was the applicant during the phased registration period and that the Complainant is the owner of a Prior Right on which the application is based. The intended purpose of the phased registration period as set out in Recital 12 of said Regulation 874/2004 was "to safeguard prior rights recognised by Community or national law".

In the circumstances this Panelist is satisfied that on the particular facts of this case the Complainant complied with both the Regulation and the Sunrise Rules. On the other hand, the Respondent did not respond on the issue raised that a mere declaration form is insufficient evidence of the existence of a pre-existing license agreement granting prior right nor did it produce a copy of such licensing agreement dated prior to the 7th December 2005 as would be required by the regulations.

In the circumstances the decision of Respondent should be annulled and the Complainant's requests accepted insofar as the domain name <cantor.eu> be made available for the next eligible applicant in the queue

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that the EURID's decision be annulled and that the Registry without delay shall decide whether or not to register the domain name <cantor.eu> in the name of Unternehmensberatung GmbH of Germany as being the next applicant in the queue.

The above order by the Panel regarding registration of the domain name <cantor.eu> is explicitly given since 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, the relevant paragraph of Section 27 (1) of the Sunrise Rules states:

> If the ADR Proceeding concerns a decision by the Registry to register a Domain Name and the Panel or Panelist appointed by the Provider concludes that that decision conflicts with the Regulations, then, upon communication of the decision by the Provider, the Registry will decide whether or not to register the Domain Name in the name of the next Applicant in the queue for the Domain Name concerned, in accordance with the procedure set out in these Sunrise Rules.

Under the circumstances, the Panel therefore cannot order automatic allocation of the domain name <cantor.eu.> to the Complainant but restrict itself to the annulment of the decision regarding the application by BGC International. In terms of the relevant paragraph of 27 (1) as cited above, in the circumstances of the case, it is now at the discretion of the Registry to decide as to whether or not to register the domain name <CANTOR.eu> in the name of the Complainant even though the Panel is satisfied that prima facie the Complainant has adequately established prior right to that domain name in the course of the ADR proceedings

PANELISTS

Name	**Joseph André Cannataci**

DATE OF PANEL DECISION 2006-10-05

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The complainant challenged the acceptance by the Registry of the domain name application for "Cantor.eu" by BGC International and requested that the Registry's decision be annulled and the domain name <Cantor.eu> be made available to itself on account of its being the next eligible applicant in the queue.

In support of its application under the Sunrise Rules, BGC International relied on its licensing of Community trademarks for Cantor as establishing its Prior Right. The Complainant first objected that such trademark did not confer prior right to the domain name <Cantor.eu> for the Applicant and should not have been accepted by the Registry. The Complainant further alleged that the applicant was a spin-off from a non-EU principal and that the application was an attempt to circumvent article 4 (2) (b) (i) of Regulation (EC) No 733/2002 which requires that applicants be based in the EU.

The Panel considered that insufficient evidence was advanced to prove that the Validation Agent had in fact received adequate documentary evidence to establish the timely licensing of prior right to BGC International and accepted the Complainant's contention that the documentary evidence establishing prior right to <cantor.eu> was insufficient and annulled the Registry's decision. The Panel however held that, in the circumstances, the pertinent paragraph of 27 (1) of the Sunrise Rules did not grant the Panel the power to order automatic allocation of the domain name <Cantor.eu> to the Complainant but left such registration at the discretion of the Registry in compliance with the same Sunshine rules.