Panel Decision for dispute CAC-ADREU-001905

Case number	**CAC-ADREU-001905**
Time of filing	**2006-06-20 14:20:10**
Domain names	**cenaman.eu**

Case administrator

Name	**Eva Zahořová**

Complainant

Organization / Name	**easycare Research GmbH, Rechtsanwalt Henry Richard Lauf**

Respondent

Organization / Name	**EURid**

FACTUAL BACKGROUND

1.The Complainant applied to EURid to register the Domain Name relying on two German registered trade marks, Nos. 301 00 440 and 300 77 153.3, the former being a device mark containing the word Cenaman with a crescent around the C, and the later, the word mark Cenaman ("the Qualifying Marks").

2.The Complainant filed its application on 24 January 2006, prior to the deadline of 5 March 2006 and therefore within the Sunrise period for holders of qualifying marks.

3.The validation agent declined the application on the grounds that the evidence submitted was insufficient to establish the qualifying right and on 28 June 2006, the Complainant submitted the Complaint in this matter.

A. COMPLAINANT

4. The Complainant's case is as follows.
4.1. The Complainant is controlled by Heimpflege-Bedarf GmbH (the "Parent Company"), the registered proprietor of the Qualifying Marks. This was evidenced by extracts from the Commercial Register of the Local Court of Sarrebruck which referred to various agreements between the two entities including a 'Corporate Control Agreement.' The extracts also show commonality of directors of both entities. An affidavit by Mr Thilo Bauroth, Head of the Legal Department for both entities, says the Complainant is authorized to use and dispose of the Qualifying Marks and acts on the instructions of the Parent Company, generally and in this matter.

4.2. The Complainant says the effect of the facts above are as follows.

4.2.1.The Parent Company and the Complainant are one undertaking for the purposes of EU law. The Complainant relies on the decision in Case 232 (DMC).

4.2.2. As a matter of German law, §308 of the German Stock Corporation Act et seq., the Parent Company has the power of direction over the Complainant, which "performs and executes [its] orders and instructions."

4.2.3. The Complainant was not the mere licencee of the Qualifying Marks but by virtue of its power to dispose of them, a true owner and/or the joint owner of the same. The Complainant points to §28(1) and §107 of the German Trade Mark Act which it says provides that being on the Register as proprietor is not conclusive evidence of ownership.

4.2.4. Subsequently, on 14 June 2006, the Parent Company assigned the Qualifying Marks to the Complainant as evidenced by an assignment agreement submitted by the Complainant. The Complainant says this demonstrates the position prior to the assignment.

4.3. The Complainant says the Respondent wrongly rejected the Complainant's application as:

4.3.1. The Qualifying Marks are Prior Rights for the purposes of Art. 10(1) EC Regulation 874/2004 ("the Policy Regulation") being registered and in good standing prior to the application.

4.3.2. The Prior Right is identical to the Domain Name for the purposes of Art. 10(2) of the Policy Regulation.

4.3.3. Art. 14 of the Policy Regulation provides that the requirements of Arts. 10(1) & (2) must be established by documentary evidence and the Complainant satisfied the requirements with the evidence it submitted.

4.3.4. Contrary to the Respondent's decision, this is not a licensing case where the Complainant would be required by the .eu Registration Policy for Domain Name Applications made during the Phased Registration Period ("the Sunrise Rules") §13 and §20, to submit a licence agreement or declaration as the Complainant's rights in the mark do not derive from any licence.

4.3.5. The Respondent could and should have investigated this matter further, having the power to do so by virtue of §21(3) of the Sunrise Rules. It also had a duty to do so in order to avoid speculative and abusive registrations, an express objective of the EC Regulation 733/2002 on the implementation of the .eu Top Level Domain Name ("the Implementation Regulation"). In particular, where a party with a Prior Right has filed within the deadline, the Respondent should have investigated rather than dismissed on formal or technical grounds. A simple enquiry would have resulted in the granting of the application. If nothing else, the identical addresses of the Parent Company and the Complainant should have alerted the Respondent to the relationship between them and the need to make an enquiry.

4.3.6. The Prior Right is identical to the Domain Name, the legal relationship between the Registered Proprietor and the Complainant is a matter of German law and in these circumstances, the trade mark certificate in the name of the Parent Company was sufficient evidence of the Prior Right to justify registration.

4.3.7. The policy objective was to protect trade mark owners and yet the Respondent, by adopting a formalistic technical approach, has caused substantial numbers of rejections, including 35.8% from Germany. Names rejected at the Sunrise stage have also become locked at the Landrush stage –so that mark owners whose applications were rejected at Sunrise cannot remedy the position at Landrush. The Respondent proposes to publish a list of the rejected names, a positive invitation to those who would acquire abusive and speculative names.

B. RESPONDENT

5. The Respondent says:

5.1. Pursuant to the Policy Regulation, Art.14., an applicant must submit documentary evidence showing that he or she is the holder of the Prior Right claimed on the name in question. The validation agent examines that evidence in order to determine whether the applicant has Prior Rights. The Complainant's application was rejected as it submitted documentary evidence consisting of a German registered trademark certificate for mark No. 301 00 440, which gave the Parent Company as the proprietor of the trademark. Article 10 (1) of the Policy Regulation states that only the holders of Prior Rights and their licensees are eligible to apply to register domain names during the phased registration period. The Complainant failed to demonstrate that it was either the holder or the licensee of a Prior Right and thereby satisfy its burden of proof. Further:

5.1.1. §20(1) of the Sunrise Rules states that where an applicant is a licencee of the registered mark in which it claims Prior Rights, the documentary evidence must include an acknowledgement and declaration in the standard form annexed to the Sunrise Rules, signed by the licensor and the applicant, see Case 00954 (GMP), Case 00541 (ULTRASUN). None was submitted.

5.1.2. The documentary evidence submitted by the Complainant did not demonstrate any link between the Complainant and the Parent Company nor include any of the agreements mentioned by the Complainant e.g. the corporate control agreement. The Respondent has only been informed of the existence of these documents in this ADR proceeding. Therefore, the Respondent had no choice but to reject the Complainant's application.

5.1.3. According to the procedure in the Policy Regulation, the relevant question is not whether an applicant is the holder or licencee of a Prior Right but whether an applicant has demonstrated to the validation agent that it is the same.

5.2. The Respondent was under no obligation to investigate the relationship between the Complainant and the holder of the Prior Right. The Sunrise Rules require the validation agent to carry out a prima facie review of the documentary evidence to establish whether Prior Rights exist, §21.2, see Case 294 (COLT). §21.3 expressly provides the validation agent is under no obligation to conduct its own investigation into the circumstances of the application. Further, no identity of address was evident from the documents submitted as the address of the Complainant is given as In der Bruchwies 10, 66663 Merzig and the address of the Parent Company as listed on the trademark registration provided in the documentary evidence is Im Holwau 8, 6663 Merzig. Even if the addresses were identical, that would not establish a link between the parties sufficient to demonstrate Prior Rights, see Case 00541 (ULTRASUN).

5.3. The new evidence submitted by the Complainant should not be taken into consideration as these documents were not included in the documentary evidence submitted with the application. See §21.2 of the Sunrise Rules. and Article 22 (1) b of the Policy Regulation which says a decision taken by the Respondent may only be annulled when it conflicts with the Regulation. See also Case 1194 (INSURESUPERMARKET), "[t]he ADR procedure is not intended to correct domain name applicants' mistakes" and Case 706 (AUTOWELT), (a Panel may not take into account documents submitted in the framework of an ADR proceeding when assessing the validity of a decision of the Respondent: "this procedure is not an appeal against Respondent's decisions whereby the application may be presented afresh to the Panel. The Panel's function is merely to check that, given the documentary evidence [before it]…the Respondent made the appropriate decisions"). See also Cases 294 (COLT), 954 (GMP) and 01549 (EPAGES). In Cases 532 (URLAUB), 382 (TOS), 191 (AUTOTRADER), 00210 (BINGO), 00012 (EUROSTAR) and 685 (LOTTO), it was accepted that ADR proceedings against the Respondent are not concerned with speculative and abusive registrations.

5.4. The Regulations define a strict procedure for dealing with the thousands of applications received during the phased registration period, in which applicants had the opportunity to demonstrate their Prior Rights. The Complainant failed to comply with the procedural requirements. In Case 219 (ISL) it was said "One could argue that sympathy is overruled by the applicable Regulations serving among other purposes the (cost-effective) functionality of the phased registration and the principles hereof."

5.5. Case 1323 (7X4MED), is identical to this case. The Complaint was drafted by the same representative, the situation was identical and the parties are part of the same group as the parties in the present proceedings. The Complaint was denied.

DISCUSSION AND FINDINGS

6. The essential facts are not in dispute and both parties now accept the Complainant was the owner of a Prior Right at the time of the application. The Respondent says the relevant question is not whether this was the position but whether the Complainant demonstrated it to the validation agent sufficient to discharge its burden of proof. The Respondent says it did not. It says the Complainant failed to submit evidence which demonstrated any link between the parties.

7. I have reviewed the materials disclosed by the Respondent at the Complainant's request –namely the documentary evidence submitted with the original application and no link was made between the two entities in the application

whatsoever. That is, evidence of a Qualifying Mark registered to the Parent Company was submitted by the Complainant, without more. Nor are identical addresses given anywhere. The entities' names are entirely different. As far as I can determine there was no information that indicated even a prima facie link and this distinguishes this case from Case 232 (DMC).

8. I find the Complainant was an owner rather than a licencee. The Complainant and the Parent Company are also clearly the same Undertaking, as that term is used in EU law generally and in the Implementation Regulation. On that basis, under §20.3, the Complainant should have submitted with its application "official documents substantiating that it is the same person as or the legal successor to the person indicated in the documentary evidence as being the holder of the Prior Right." I find the Complainant did not satisfy its burden of proof when it made its application.

9. As to whether the absence of a prima facie link of itself would have suggested to a validation agent that it needed to make an enquiry; §21.3 of the Sunrise Rules expressly provides that it is within the sole discretion of the validation agent whether it conducts its own investigation. Further, §21.1 states clearly that it has no obligation to inform the applicant it has not met the requirements. This is understandable as a matter of policy and I accept the Respondent's point as to the need for a procedure adapted to the expeditious processing of many thousands of applications. I find that the Respondent was entitled to reject the application on the basis of the documentary evidence submitted and had no obligation to investigate or make any enquiry.

10. The issue then is whether in these circumstances I am able to rectify the situation, relying on the additional evidence submitted in this proceeding. This is not a simple issue and I have considered the factors below.

10.1. §26(2) of the Sunrise Rules provides "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 Regulations." This is derived from Art. 22(11) of the Policy Regulation which provides "in the case of a procedure against the Registry, the ADR panel shall decide whether a decision taken by the Registry conflicts with this Regulation or [the Implementing] Regulation. The ADR Panel shall decide that the decision shall be annulled and may decide in appropriate cases that the domain name in question shall be transferred, revoked or attributed, provided that, where necessary, the general eligibility criteria set out in Art. 4(2)(b) of the [Implementing] Regulation are fulfilled."

10.2. Those eligibility criteria are that the Registry shall "register domain names in the .eu TLD through any accredited .eu Registrar requested by any: (i) undertaking having its registered office, central administration or principal place of business within the Community, or (ii) organization established within the Community…(iii) natural person resident within the Community."

10.3. Art 5(b) provides that a public policy shall include "..policy on speculative and abusive registration of domain names including the possibility of registrations of domain names in a phased manner to ensure appropriate temporary opportunities for the holders of prior rights recognized or established by national and/or Community law.. " Arts. 10 and 14 of the Policy Regulation are referred to above.

10.4. I note the many authorities cited by the Respondent to the effect that I am limited to deciding whether the Respondent made the right decision at the time based on the evidence before it. I have reviewed many of them and found that none particularly assist me to determine the meaning of 'conflicts' with the Regulations in this context.

11. In a broad sense, to deny the relief sought does conflict with the policy of the Regulations and the intention behind the phased registration periods, namely to protect the holders of registered marks. It does appear to me that this proceeding is an opportunity to rectify the situation now. The Complainant does, I am satisfied on the evidence submitted in this proceeding, have a Prior Right and meet the eligibility criteria. Accepting that it failed to meet its burden at the application stage and that the Respondent made an absolutely correct decision at the time, it seems to me that the appropriate decision is to now rectify the situation. I note that other panelists have come to a similar conclusion, e.g., Cases 01077 (EURACTIV), 0032 (ESGE), 00396 (CAPRI).

Decision:

DECISION

12. 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/the domain name cenaman.eu be registered in the name of the Complainant, easycare Research GmbH.

PANELISTS

Name	**Victoria McEvedy**

DATE OF PANEL DECISION 2006-09-11

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant is controlled by Heimpflege-Bedarf GmbH, its Parent Company and the registered proprietor of the Qualifying Marks. The Complainant contended that it and its Parent Company are one undertaking and that the Complainant was not the mere licencee of the Qualifying Marks but by virtue of its power to dispose of them, a true owner of the same. It also contended that the Prior Right is identical to the Domain Name, the legal relationship between the Registered Proprietor and the Complainant is a matter of German law and in these circumstances, the trade mark certificate in the name of the Parent Company was sufficient evidence of the Prior Right to justify registration.

The Respondent contended that the documentary evidence submitted by the Complainant did not demonstrate any link between the Complainant and the Parent Company and the Respondent was only informed of the link and provided with documentary evidence in this ADR proceeding. Therefore, the Respondent had no choice but to reject the Complainant's application. According to the procedure in the Policy Regulation, the relevant question was not whether an applicant is the holder or licencee of a Prior Right but whether an applicant has demonstrated this to the validation agent.

The Panel held that in a broad sense, to deny the relief sought conflicts with the policy of the Regulations and the intention behind the phased registration periods, namely to protect the holders of registered marks. The Complainant, based on the evidence submitted in this proceeding, has a Prior Right and meets the eligibility criteria, although it failed to meet its burden at the application stage and the Respondent made the correct decision at the time. The proceeding offered an opportunity to rectify the situation.

The Panel therefore directed that the decision of the Registry be annulled and the domain name cenaman.eu be registered in the name of the Complainant, easycare Research GmbH.