

Panel Decision for dispute CAC-ADREU-001959

Case number **CAC-ADREU-001959**

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Domain names **lot.eu**

Case administrator

Name **Josef Herian**

Complainant

Organization / Name **LOT Polish Airlines, Rafal Szalc**

Respondent

Organization / Name **Alexander Schubert**

INSERT INFORMATION ABOUT OTHER LEGAL PROCEEDINGS THE PANEL IS AWARE OF WHICH ARE PENDING OR DECIDED AND WHICH RELATE TO THE DISPUTED DOMAIN NAME

The Panel is not aware of any pending or decided legal proceeding related to the disputed domain name

FACTUAL BACKGROUND

1. History of the ADR Proceeding

1.1. On June 23, 2006 the Complainant filed before the Czech Arbitration Court (hereinafter, the "Court") a complaint (hereinafter, the "Complaint") in English and selected this language as the one applying to the present dispute-resolution proceeding.

1.2. On June 26, 2006 the Court verified the payment of the fees corresponding to this proceeding and issued an official acknowledgement of receipt of complaint as well as required EURid to confirm the exactness of the technical information provided in the Complaint.

1.3. After having reviewed the Complaint, the Court identified a number of administrative deficiencies. Hence, on July 3, 2006 the Court notified the Complainant the existence of the said deficiencies, granting it a seven-days period for amending the above-mentioned deficiencies. In the said communication, the Court warned the Complainant that should it be unable to file an amended version of the Complaint, the latest would be considered withdrawn.

1.4. The Complainant filed an amended version of the Complaint on July 6, 2006. On July 13, 2006 the Court verified that the amended version of the Complaint did not contain any administrative deficiency and therefore proceeded to notify the Respondent the formal commencement of the proceeding. In this notification, the Respondent was granted with a 30-working days period for filing its response to the Complaint (hereinafter, the "Response").

1.5. On July 15, 2006 the Respondent filed its Response before the Court which, after verifying it was not affected by any administrative deficiency, did formally accept it.

1.6. On August 1, 2006 the Court invited Mr. Albert Agustinoy Guilayn (hereinafter, the "Panel") to serve as the panel charged with deciding on the dispute to which this proceeding is referred.

1.7. On August 2, 2006 the Panel filed before the Court his statement of acceptance and declaration of impartiality and independence in order to decide on the dispute linked to this proceeding. Thus, on the same date the Court notified the appointment of the Panel indicating that a decision should be provided by August 15, 2006.

2. The Parties

2.1. The Complainant

The Complainant is the Polish national air carrier since 1929. It currently employs more than 4,000 people and reaches 49 destinations in 31

countries. Its services are used by more than four million passengers each year.

The Complainant has always used the name "LOT" for the development of its activities. At this respect, the Complainant currently holds the following Polish trademarks based on the said term:

- Trademark "LOT" no. R-72888, registered on May 10, 1991 for land and air vehicles, paper, cardboard, goods of paper, and cardboard, writing paper, advertising and business management, transportation services and tourist air travel services;
- Trademark "LOT" no. R-104944, registered on July 25, 1995 for airplane fuel and custom agency services concerning import-export formalities;
- Trademark "LOT" no. R-108200, registered on April 11, 1996, for air-transportation services for persons and goods;
- Trademark "LOT GROUND SERVICES" no. R-118298, registered on February 21, 1997, for airport-management services; and
- Trademark "LOT TICKETSONLINE" no. R-155611, registered on February March 6, 2001, for air tickets-sale services and air transportation services for persons and goods.

The Complainant is also the holder of Community trademark "LOT" no. 374983, which was registered on September 4, 1996 for air vehicles, paper and cardboard, goods of paper and cardboard, writing paper, advertising and business management services, transportation services and temporary accommodation and hotel reservations.

Additionally, the Complainant currently holds several domain names based on the term "LOT" and, in special, <LOT.COM> which is linked to its online information and reservation platform.

As indicated in the Complaint, the above-mentioned trademarks and domain names have become well-known in the air-transportation sectors and are strongly linked to the Complainant. In this sense, the Panel has been able to find out that by introducing the term "LOT" in the most popular Internet search engines, the Complainant's website is selected as the first result of the corresponding search.

2.2. The Respondent

The Respondent is a German citizen who seems to be an Internet specialist having a vast experience in domain names and management of trademarks in connection with the Internet.

Indeed, according to the information provided in the Complaint and to further verifications made by the Panel the Respondent is the Chief Executive Officer of a California-based company named Onvolite, Inc. This company is specialized in the provision of Internet domain-strategy consulting services, having registered a big number of domain names corresponding to generic terms for its further sale. At the moment of issuing this decision, the Panel has been able to find out that the Respondent, by himself or by means of Onvolite, Inc., owns several domain names and/or German trademarks which are identical to well-known trademarks (such as, for example, the domain names <NBC.DE> or <CLUBMED.INFO> and the trademarks "NBC" and "MED"). The Respondent has not denied any of the above-mentioned facts in his Response, so this Panel considers them as accepted by the Respondent.

As indicated, the Respondent holds different German trademarks which correspond whether to generic terms, whether to combinations of three letters. Among this latest group it is important to point out that the Respondent is the owner of German trademark "LOT" no. 30124140 since April 13, 2001. The said trademark, according to the information included in its registration, is aimed at being used for pharmaceutical and veterinary products as well as substances to cure firework burns. The Respondent has not provided any information or evidences relating to the actual use of the said trademark and the Panel has been unable to find any evidence of use of the Respondent's "LOT" German trademark.

2.3. The Disputed Domain Name

The Respondent applied for the registration of the disputed domain name on December 7, 2005, 11:33, and, after obtaining clearance from EURid, he was awarded with the registration of such domain name.

Since its registration the disputed domain name has not been connected to any active website.

A. COMPLAINANT

In the Complaint, the Complainant contends that:

- It is the Polish national airline operator since 1929 and has used the brand "LOT" during all its history for the provision and promotion of its services. In this sense, the Complainant holds a number of "LOT" trademark registrations both at a national and at an international level;

- Internet has become a major platform for promoting and providing its services, having registered different domain names based on the term "LOT" which are directed to the Complainant's e-commerce platform which offers information on its services as well as the possibility to purchase air tickets and other products from the Complainant;

- The registration of the disputed domain name by the Respondent was made in bad faith as there are no arguments that enable to say that the said registration was made with a purpose to conduct business. This conclusion is reinforced if the Respondent's background is taken into account. Certainly, the Respondent was involved in a UDRP proceeding before the World Intellectual Property Organization (Case no. D2001-1274, Koninklijke Luchtvaart Maatschappij NV v. Excelsa Czop) which was related to the domain name <KLM.INFO>, another domain corresponding to the trademark of a national airline;

- Apart from the "LOT" German trademark, the Respondent owns other German trademark registrations corresponding to three-letters combinations and to generic terms without having used them in other way than registering identical domain names. Therefore, the Complainant considers that such registrations correspond to a pattern of conduct directed at re-selling domain names with speculative purposes;

- The Respondent is also the Chief Executive Officer of a California-based company named Onvolite, Inc. which advertises itself –in its corporate website- as specialized in Internet domain strategy consulting services. Therefore, the Complainant considers that the Respondent can be considered as a person who deals professionally with domain names registrations, not using them for conducting genuine business activities. According to the Complainant's perspective, trademarks and domain names registrations made by the Respondent are in a number, if not in all cases, made to obtain trademarks or domain names which are identical or confusingly similar to a lawfully registered trademark with a view to claim pecuniary compensation; and

- Finally, the Respondent does not use the trademarks on which he holds rights and the same applies to domain names on which the Respondent adopt a clear cybersquatting behavior.

B. RESPONDENT

In the Response, the Respondent contends that:

- He is the owner of a German trademark based on the name "Lot" which is a generic term in German, having more than five different meanings in the said language;

- The Complainant has recognized that that the term "Lot" is a generic word in Polish. Therefore, if a company registers a generic term as a trademark it must live with the risk that third parties violate its trademark rights as generic terms cannot be excluded from public use merely because someone has registered a trademark on that term;

- The term "Lot" is used not just by the Complainant but also by many other European companies and organizations and, therefore, it is not exclusively distinguishable for the Complainant;

- The actions in which the Respondent may have been involved are not relevant in connection with the present proceeding;

- If the Complainant was really interested in the disputed domain name it should have registered it before the Respondent did;

- According to the Eurid dispute policies there is absolutely no ground for this proceeding; and

- If the disputed domain name is so important for the Complainant, it should politely ask the Respondent to transfer it. The Respondent is not asking any money for the transfer of the disputed domain name but such a transfer should be accompanied by the transfer of the Respondent's "Lot" trademark as well and the loss of a trademark is bad.

DISCUSSION AND FINDINGS

In accordance with Article 21.1 of Commission Regulation (EC) No 874/2004, dated April 28, 2004, laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration (hereinafter, Regulation 874/2004) and Article 11(d)(1) of the Rules, a registered domain name shall be subject to revocation where the following three circumstances are given:

(A) that the disputed domain name is identical or confusingly similar to a name in respect of which a right of the Complainant is recognised or established by national and/or Community law;

(B) that the Respondent has registered such a domain name without holding rights or legitimate interests in respect of the disputed domain name;

(C) that the disputed domain name has been registered or is being used by the Respondent in bad faith.

According to Regulation 874/2004 and the ADR Rules, the Complainant must prove the existence of each of the above-mentioned circumstances for

the Complaint to be upheld. Therefore, further each one of the said circumstances will be analyzed in connection with this proceeding in order to find out if such circumstances are given or not.

(A) The disputed domain name is identical or confusingly similar to a name in respect of which a right of the Complainant is recognised or established by national and/or Community law

According to the first element foreseen by Article 21.1 of Regulation 874/2004 and Article 11(d)(1) of the Rules the Complainant must fulfill the following two conditions: (i) to hold a name in respect of which a right of the Complainant is recognised or established by national and/or Community law, and (ii) show evidences that the said name is identical or confusingly similar to the disputed domain name.

In connection with the first of the above-mentioned conditions, the Respondent has provided the Panel with documentary evidences showing that it owns numerous national and Community trademark registrations exclusively or partially based in the term "LOT". Therefore, the Complainant has fulfilled the first one of the conditions established by the first element foreseen by Article 21.1 of Regulation 874/2004 and Article 11(d)(1) of the Rules.

The second condition is also given in the present case. Indeed, the only difference existing between the "LOT" trademarks owned by the Complainant is the inclusion of the ".EU" suffix in the disputed domain name. Nevertheless, such a difference is derived from the current technical structure of the Domain Names System (DNS) and, consequently, it should not be considered as a relevant difference between the disputed domain name and the Complainant's trademarks. Consequently, the Complainant has also fulfilled the second one of the conditions established by the first element foreseen by Article 21.1 of Regulation 874/2004 and Article 11(d)(1) of the Rules.

Therefore, the Panel considers that the disputed domain name is identical to the Complainant's "LOT" trademarks and, consequently, that the Complainant has met the first requirement foreseen by Article 21.1 of Regulation 874/2004 and Article 11(d)(1) of the Rules.

(B) The Respondent has registered the disputed domain name without holding rights or legitimate interests in respect of the disputed domain name

In order to find out if this second element foreseen by Article 21.1 of Regulation 874/2004 and Article 11(d)(1) of the Rules, Article 21.2 of the said regulation and Article 11(e) of the Rules must be specially taken into account as it defines a number of behaviors which are presumed to imply the existence of a legitimate interest by the Respondent in connection with the disputed domain name. In this sense, the following possibilities are foreseen:

(a) Prior to any notice of an alternative dispute resolution (ADR) procedure, the holder of a domain name has used the domain name or a name corresponding to the domain name in connection with the offering of goods or services or has made demonstrable preparation to do so;

(b) the holder of the domain name, being an undertaking, organisation or natural person has been commonly known by the domain name, even in the absence of a right recognised or established by national and/or Community law; and

(c) the holder of a domain name is making a legitimate and non-commercial or fair use of the domain name, without intent to mislead consumers or harm the reputation of a name on which a right is recognised or established by national and/or Community law.

In the present case, the relevant issue in connection with the eventual existence of a legitimate right or interest by the Respondent is that this one owns a German trademark registration that fully corresponds to the disputed domain name. Therefore, the question to be analyzed is whether holding such a registration can be considered, taking it into account as well as the circumstances surrounding such a registration, as a legitimate right as foreseen by Article 21.2 of Regulation 874/2004 and Article 11(e) of the Rules.

In this sense, the Panel considers that evaluation of the registration by the Respondent of the trademark must be based on the following circumstances:

- As shown in the Complaint, the Respondent has registered a great number of trademarks in Germany that are based on three-letters combinations and generic terms. Further, the Respondent has registered the registered terms as generic (.INFO, for example) or territorial (.DE, for example) domain names; and

- Apparently no actual use of the German "LOT" trademark has been made by the Respondent since its registration in 2001. As indicated in the factual background of this decision, the Panel has not been provided with any evidence at this respect. Moreover, after having made different researches through the Internet, the Panel has been unable to identify any pharmaceutical or veterinary products –those products for which the Respondent's trademark was registered- which were identified with the brand "LOT".

Taking into account these circumstances, the Panel considers that the mere registration of a German trademark, combined with the said circumstances, poses significant doubts in order to consider such a registration as a legitimate right or interest as defined in Regulation 874/2004 and the Rules.

Indeed, under the Panel's perspective, automatically considering the existence of a trademark registration as equal to a legitimate right or interest –as foreseen in Article 21.2 of Regulation 874/2004 and in Article 11(e) of the Rules- would be a too strict and formal approach that would not be coherent neither with trademark law nor with the rules governing the registration and use of .EU domain names. A genuine legitimate right as foreseen in Article 21.2 of Regulation 874/2004 and Article 11(e) of the Rules should be based on clear evidences showing that the trademark registration was obtained in good faith and for the purpose of making a good faith use of the trademark in the jurisdiction where it was registered. The Respondent has not shown any evidence relating to a bona fide purpose in connection with the registration –and further use- of the German "LOT" trademark. Actually, the circumstances given in the case show that the registration of the "LOT" trademark by the Respondent has not been followed by any real use in the market of such a brand for the products identified in its registration.

Such a lack of use, combined with the peculiar behavior of the Respondent in connection with the registration of other trademarks or domain names that correspond to third parties' trademarks, leads the Panel to consider that the registration of the German "LOT" trademark owned by the Respondent cannot be considered as a genuine legitimate right or interest in the sense established by Article 21.2 of Regulation 874/2004.

On the other hand, none of the circumstances established in Article 21.2 of Regulation 874/2004 and in Article 11(e) of the Rules –or any other leading to consider that the Respondent holds a legitimate right or interest on the disputed domain name- seem applicable in the present case. Certainly, as indicated above, the Respondent has not shown –and the Panel has been unable to identify- any evidence of use of the disputed domain name, nor the German "LOT" trademark it holds, in connection with the offering of goods or services or has proved to be engaged in demonstrable preparation to do so. According to the information provided to the Panel and to the research made by the Panel the Respondent has never been commonly known by the "LOT" name. Finally, the use (or the lack thereof) made by the Respondent of the disputed domain name cannot be considered as legitimate and non-commercial or fair use of it.

As recurrently indicated, all these conclusions have been reached as a consequence of the evidences the Panel has been provided with in this proceeding and of the researchs made by the Panel. The Respondent has neither provided any convincing evidence showing the contrary nor made any effort for denying the allegations made against him in the Complaint. Such a combination has left the Panel with no reasonable ground to reach different conclusions to the ones included in this section of the decision.

Taking into account the above, the Panel considers that the Respondent has registered the disputed domain name without holding rights or legitimate interests in respect of the disputed domain name and, therefore, that the second element required by Article 21.1 of Regulation 874/2004 and Article 11(d)(1) of the Rules is given in this case.

(C) The disputed domain name has been registered or is being used by the Respondent in bad faith.

Article 21.3 of Regulation 874/2004 and Article 11(f) of the Rules establish a number of cases where bad faith, within the meaning given by Article 21.1 of the said Regulation and Article 11(d)(1) of the Rules, is considered to be given in connection with the registration and/or use of a given domain name.

Among such cases, Paragraph (b) of Article 21.3 of Regulation 874/2004 considers that there is bad faith in those cases where "the domain name has been registered in order to prevent the holder of such a name in respect of which a right is recognised or established by national and/or Community law, or a public body, from reflecting this name in a corresponding domain name, provided that: (i) a pattern of conduct by the registrant can be demonstrated...".

In the present case, the registration of the disputed domain name seems to be clearly linked to a pattern of conduct based on bad faith purposes. In order to reach this conclusion, the Panel has jointly taken into account the following circumstances:

- The Respondent owns an important number of registrations of German trademarks and domain names being some of them clearly related to third parties' trademarks;
- Since its registration, the German "LOT" trademark has not apparently been used anyhow by the Respondent. As a matter of fact, most (if not all) of the above-mentioned trademarks, once registered, are not actively used by the Respondent in any manner beyond the registration of the corresponding domain name;
- The Respondent is the Chief Executive Officer of a US company named Onvolite, Inc. This company provides so-called "specialized domain-name registration consultation services" and, among other activities, it is engaged in the registration of numerous domain names (most of them based on generic terms) for its further resale;
- Those domain names owned and managed by Onvolite, Inc. which clearly relate to third-parties' trademarks are connected with websites which have not been developed at all since the registration of the corresponding domain names. For example, the websites linked to the domain names <CLUBMED.INFO> or <NBC.DE> indicate that they will be online on September 2004. Even though almost two years have elapsed since the indicated date, no particular content has been linked to these websites. Therefore, it does not seem that the Respondent is developing bona fide activities by means of the above-mentioned domain names;

- The Respondent was previously involved in a UDRP proceeding precisely related to a domain name corresponding to the trademark of another national airline operator. Taking into account the lack of convincing arguments provided by the Respondent, it seems obvious that the registration of the disputed domain name followed the same bad faith purposes that were given in the above-mentioned UDRP proceeding; and

- As indicated in the previous section of this decision, under the Panel's opinion, the Respondent does not hold a genuine legitimate right or interest on the disputed domain name.

Taking into account the above-mentioned circumstances, the Panel considers that the only likely explanation for the registration of the disputed domain name is that it was aimed at impeding the Complainant to register and use it and forcing it to negotiate an eventual transfer.

This conclusion is reinforced if the terms of the Response are considered. In such a writ the Respondent offers the possibility to "freely" transfer the disputed domain name, even though such a transfer should be accompanied by the purchase by the Complainant of the German "LOT" trademark. Such a proposal clearly dilutes any presumption of fairness of the Respondent's behavior in connection with the registration and use of the disputed domain name. Certainly, in case the Respondent had really registered the disputed domain name for the development of fair commercial activities, it seems quite shocking that the Respondent shows such a good disposition for transferring two assets which should be essential for the development of the corresponding commercial activities. It is also quite surprising that the Response does not inform at all about any uses to which the disputed domain name and the German "LOT" trademark have been linked since their registration. Therefore, the only reasonable explanation at this respect is that the registration of the domain name has been based in reasons which are far from good faith purposes.

Considering all the above, the Panel estimates that the third element required by Article 21.1 of Regulation 874/2004 and Article 11(d)(1) of the Rules is given in the present case.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that the domain name LOT be transferred to the Complainant

PANELISTS

Name	Albert Augustinoy
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DATE OF PANEL DECISION 2006-08-10

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The disputed domain name is based on the name "LOT" which actually corresponds to a German trademark owned by the Respondent as well as to numerous Polish and Community trademarks owned by the Complainant, the Polish national airline operator.

Apart from the above-mentioned trademark, the Respondent has registered other numerous German trademarks and domain names that are based whether in the combination of three letters, whether on generic terms. Moreover, the Respondent has no provided with convincing evidences showing the use of the German trademark on which he based the registration of the disputed domain name.

According to the elements foreseen in Article 21.1 of Regulation 874/2004 and Article 11(d)(1) of the Rules, the analysis of the panel in this proceeding has been based in the following elements:

- The Panel has considered that since the Complainant holds a number of Polish and Community trademarks based on the term "LOT" it is entitled to file the complaint. Moreover, the Panel considers that the disputed domain name is identical to the Complainant's "LOT" trademarks as the only difference existing between them is that the domain name is accompanied by the suffix ".EU" and such an inclusion is due to the technical features applying to the Domain Names System.

- The Panel has considered that, in order to evaluate is the Respondent had a legitimate right or interest on the disputed domain name, the key issue is to decide whether the German trademark registration owned by the Respondent –and the circumstances surrounding such registration and the one of the domain name- suffices to consider that the Respondent holds a legitimate right or interest on the disputed domain name. In this sense, the Panel has not been provided with convincing evidences on the use of the German trademark by the Respondent since its registration. Moreover, the Respondent owns many other German trademark registration –some of them very similar or even identical to third parties' well-known trademarks- that do not seem to have been used since its registration. Taking into account this element, as well as the fact that the Respondent is the CEO of a company which –among other activities- is specialized in domain names reselling and brokerage, the Panel has considered that the mere registration of a trademark –without being complemented with an actual use- cannot be considered as a legitimate right or interest as foreseen in Regulation 874/2004 and in the Rules.

- Finally, the has considered that, taking into account the behavior of the Respondent, the only likely explanation of the purposes of registering the disputed domain name is that such a registration responds to a bad-faith pattern of conduct.

Taking into account the above and according to Paragraphs B12 (b) and (c) of the Rules, the Panel has decided that the domain name LOT be transferred to the Complainant.
