Panel Decision for dispute CAC-ADREU-002013

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Domain names	nintendo.eu

Case administrator

Name	Tereza Bartošková

Complainant

Organization / Name	Nintendo of Europe GmbH

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

N.A.

FACTUAL BACKGROUND

On 7 December 2005 Nintendo Europe GmbH, with head office at Nintendo Center Grossostheim, 63760 Germany, filed an application for the domain name NINTENDO on the basis of the German Registration No.1022926 renewed on 6 August 2001 in the name of Nintendo Co. Ltd, Kyoto, Japan. The German applicant has also filed a licence form with the name of the above-mentioned parties (the owner and the licensee) but no signatures were shown on that form. The Registry has refused the domain on the basis that there was no evidence of a proper Licence granted by the trademark owner to the Licensee/Applicant. Later, when the Complainant filed its Complaint, a properly signed trademark Licence was filed.

The Respondent is Eurid.

A. COMPLAINANT

The Complainant recognises that the Licence filed together with its application was blank and that no signatures of the parties were shown on it. Its argument is that it is so self-evident that it was a clerical mistake that the validation agent could have corrected this error pursuant to section 21(3) of the Sunrise Rules.
Furthermore the Complainant stated that this error was made by the Registrar and not by the Complainant itself.

Last, but not least, the Complainant considers that the new document filed together with the Complaint that shows a trademark Licence properly signed by the parties would amend the original mistake and would enable the Panel to annul the decision under Section B(1)(b)(16) of the ADR rules. In the Complainant's view, new evidence should be accepted in order to take a correct decision under EC Regulations No.733/2002 or No.874/2004.

B. RESPONDENT

The respondent firstly states that the burden of proof is with the Complainant to demonstrate that it is the holder or the licensee of a prior right.

The validation agent shall examine whether the Applicant is eligible and has prior rights. The documentary evidence presented by the Applicant was not sufficient to demonstrate to the validation agent that the Applicant was a NINTENDO licensee. The respondent, therefore, did not violate art.21(3) also because this provision only concerns the validation agent. The provision that concerns the Respondent's decision is section 22 and not section 21(3).

As regards the fact that the mistakes made by the Registrar may not be attributed to the Respondent, the Respondent states that section 5.3 of the Sunrise Rules is clear. The mistakes that the Complainant attributes to its Registrar cannot be amended by the Registry and cannot imply any obligation on the part of the Registry (see Sabella case No.984). New documents submitted by the Complainant cannot be taken into consideration and the ADR proceedings may not, in any case, serve as a "second chance" or as an additional round providing applicants with an option to remedy their defective application that was rejected during the Sunrise period (VIVENDI case No. 5519 and AHOLD case No. 810). The ADR procedure is not intended to correct domain name applicants' mistakes (INSUERESUPERMARKET Case No.1194).

Therefore, the documents which were not enclosed in the documentary evidence cannot be considered by the Panel. In view of the above, the Respondent requests the Complaint to be rejected.

DISCUSSION AND FINDINGS

The provisions to be applied to this case are the following:

Art.10 (1) (2) Regulation 733/2002
1. Holders of prior rights recognised or established by national and/or Community law and public bodies shall be eligible to apply to register domain names during a period of
phased registration before general registration of. eu domain starts.
2. The registration on the basis of a prior right shall consist of the registration of the complete name for which the prior right exists, as written in the documentation which proves that such a right exists.

Art. 12 (1) Regulation 733/2002
1The Registry shall publish on its website two months before the beginning of the phased registration a detailed description of all the technical and administrative measures that it shall use
2. The registration on the basis of a prior right shall consist of the registration of the complete name for which the prior right exists, as written in the documentation which proves that such a right exists to ensure a proper, fair and technically sound administration of the phased registration period.

Art.14 Regulation 733/2002
Every Applicant shall submit documentary evidence that shows that he or she is the holder of the prior right claimed on the name in question. The documentary evidence shall be submitted to a validation agent indicated by the Registry. The Applicant shall submit the evidence in such a way that it shall be received by the Validation Agent within forty days from the submission of the application for the domain name. If the documentary evidence has not been received by this deadline, the application for the domain name shall be rejected.

Art. 22 (1) Regulation 733/2002
An ADR procedure may be initiated by any party where the registration is speculative or abusive within the meaning of Article 21; or a decision taken by the Registry conflicts with this Regulation or with Regulation (EC) No 733/2002.

Art.21 (3) of the Sunrise Rules
The Validation Agent is not obliged, but is permitted in its sole discretion, to conduct its own investigations into the circumstances of the Application, the Prior Right claimed and the Documentary Evidence produced.

Art. 20 (1) Sunrise Rules
20.1 If an Applicant has obtained a licence for a registered trade mark referred to in Section 13(1)(i) above in respect of which it claims a Prior Right, it must enclose with the Documentary Evidence an acknowledgement and declaration form, a template of which is contained in Annex 2 hereto, duly completed and signed by both the licensor of the relevant registered trade mark and the Applicant (as licensee). If the Applicant is a sublicensee, it must enclose a second acknowledgement and declaration duly completed and signed by the ultimate owner of the registered trade mark concerned and the latter's licensee.

-The Sunrise provisions and the Applicant's onus probandi-.
The sunrise provisions were issued by the Registry under art. 12.1 of Regulation No.874/2004 of 28.4.2004 in order to regulate phased registrations and give clear and reliable directions to Applicants and Validation Agents. Therefore, they are second level provisions which must still be followed and their violation is, indirectly, a violation of art.12 (1) of Regulation No.874/2004.
As clearly stated in the Vivendi case No.551: "Generally, throughout the world, domain names have always been registered on a "first come first served" principle without having specific regard to rights of owners of the intellectual property. The European Community, regarding legitimate interests of intellectual property right owners, provided such owners with the opportunity of privileged registration of

domain names corresponding to their intellectual property rights during the Sunrise Period. In order to administer such a tremendous task, it was absolutely necessary to establish strict and straightforward rules for demonstrating those intellectual property rights on which the privileged registration of the domain names should be based. These strict rules were, without any doubt, justified and necessary in situations where hundreds of thousands of applications for registration of domain names during the Sunrise Period had to be examined. Nothing in the Sunrise Rules construes the obligation of the validation agent or the Respondent to investigate the circumstances of applications where the prior right was not sufficiently demonstrated, or notify applicants of deficiencies in their application. Quite to the contrary, Section 21 (1) and (2) of the Sunrise Rules expressly stipulate that the Validation Agent and the Respondent shall not have any such obligations".

Art. 21(3) of the Sunrise Rules states precisely the requirements to be met by the Applicants in those phases. One of the main features is that the Applicant has to show its quality and title. No particular formalities are requested of the Licensees, but the Licence must at least be shown and filed in order to prove that the real trademark owner has granted its rights to the licensee, which is then eligible to file the application under its name. The following passage of the AUTO WELT AUTOWELT case No.706 is clear on this point: "The Regulation, the Sunrise Rules and the Conditions govern all .eu domain name applications made during the phased registration period. The main obligations of the Respondent regarding registrations of .eu domain names during the phased registration period are set out in Article 14 of the Regulation. Article 14 obliges the Registry to register .eu domain names on a first come first served basis, if it finds that the Applicant has demonstrated a prior right in accordance with that Article.
There are thus two conditions: to be the first and to own a prior right. The first application received gets a chance to demonstrate its prior right. If it succeeds in doing so within the defined framework, it will obtain registration. If it fails, the second application received will then get a chance to demonstrate its prior right, and so on".

The Complainant's arguments have three grounds which will be examined below.

(i) The Complainant's first argument: The Validation Agent could have investigated and found out that the signatures were missing owing to a mere formal mistake by the Registrar.

A Licence that does not show any signatures of the parties has no legal relevance and cannot be considered as sufficient evidence for the Validation Agent to accept. Validation Agents have no power or right to amend a Licence or to implicitly consider that Licence as coming from the parties themselves.

At the same time, the application filed in the first sunrise period gives the trademark owner a preference on any other Applicant and is an exception to one of the main principles of the system: "first come first served". Therefore, in order to qualify for this special treatment, the Regulation through the sunrise rules requires some formalities that have to be met. It is just a small onus on the Applicants which will have a preferential route.

If Validation Agents had the power to amend or correct mistakes and errors in applications, then we would end up with a very discretional system which could result in biasness and possible injustice.

Rules have to be followed, both the ones established by the Regulations and those contained in the Sunrise Rules. Of course, where discrepancies or conflicts arise, the former would prevail.

As cited by the Respondent, there are many ADR cases that have dealt with this issue (VIVENDI; ISABELLA; STARFISH; GBG; INSUREMARKET etc.). I agree with those decisions and statements.

The only document that a Validation Agent should have considered in order to accept a Licensee's .eu application is a valid Licence properly signed by the actual trademark owner and the Licensee/Applicant of the domain name request. The right of the Validation Agent to investigate has to be used in its own discretion by the Agent. In the specific case that the Agent decided not to investigate further (in the AHOLG case No.810) the Panel held that: "... being the powers of the Validation Agent discretional, the Panel have no right to criticize or to check if those powers have been duly exerted. Art. 21 of the SR clearly states that both the Validation Agent and the Registry are not obliged to notify the Applicant whereas the application's requirements are complied with (art. 21. 1 last sentence); moreover, validation of a prior right is conducted on the basis of a prima facie (emphasis added) review of the first set of documentary evidence provided (art. 21.2)".

In fact, the wording of rule 20 is clear: "If an Applicant has obtained a licence for a registered trade mark … it must enclose with the Documentary Evidence an acknowledgement and declaration form, a template of which is contained in Annex 2 hereto, duly completed and signed by both the licensor of the relevant registered trade mark and the Applicant (as licensee)".

This provision makes it clear that if no documents showing an existing Licence is produced, then the application must be refused. There is no room for the Validation Agent to investigate the documents.
In some cases it is possible to conceive that the Validation Agent could investigate, for example, when the name or the title of one or both of the signatories are not clear from the document, and this could be done in order to ascertain that both parties have properly signed the agreement.

(ii) The Complainant's second argument: The ADR Panel could have accepted a later filed proper Licence signed by the parties.

This claim relates to the issuing of new evidence before the ADR proceeding. This argument must also be refused because Arbitration has to assess whether a decision taken by the Registry conflicts with this Regulation or with Regulation (EC) No 733/2002.

Therefore, one has to consider whether a decision in that point in time and in the light of the evidence produced conflicts with the Regulation and, as regards the sunrise period formalities, also with the Sunrise rules to which the Regulation expressly refers. In the AUTO WELTE AUTOWELTE case No.706 the Panel held the following in this regard:
"Finally, it should be made clear that this procedure is not an appeal against the 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, as received on December 22, 2005, in support of the initial application, the Respondent made the appropriate decisions. Should the Panel consider new evidence now, it would unfairly treat any other Applicant that may have filed for the Domain Names immediately after the Applicant".

If new evidence were accepted, then all the sunrise period requirements and deadlines would not make sense any longer given that any lack of documentation could be remedied before the ADR Panel. This argument would be invoked now only by those applicants that made mistakes against those who, on the contrary, followed the rules without faults. The system's reasoning, in our view, is to prefer those who comply with the legal provisions, especially in a period such as the sunrise period in which the "first come first served" principle is derogated.

(iii) The Complainant's third argument: the Registrar made a mistake and thus the Applicant is not responsible for it.

This claim, too, must be rejected. Registrars are chosen by the Applicant and appointed by it to deliver a service. If a Registrar makes a mistake, then this cannot be prejudicial to third parties (other sunrise applicants in the queue or land-rush applicants interested in the same domain name). It is self-evident that the Applicant must pay for its appointed consultants' errors: their activities lie within its legal sphere and legal control.
The Registry or Eurid have no relationship with the Registrars and thus no obligation of control on them can be inferred by the fact that any Registrar has to be accepted by Eurid.

In the Colt case No.294 it was stated that "The Respondent, as well as the Validation Agent, cannot be criticized for not taking the Documentary Evidence into account. Actually, according to the above, considering the documents submitted by the Applicant, the Respondent and the Validation Agent were not in the position to accept the Applicant's (Complainant's) request, in consideration of the incomplete documentation submitted by the Respondent".

Again, in the Vivendi case, a case very similar to the present one, the Panel clearly underlined that "Neither the Regulation nor the Sunrise Rules establishes the Registry's (EURID) vicarious liability for acts or omissions of accredited Registrars. The Registry (EURID), therefore, cannot be held liable for the alleged negligence of VeriSign as an accredited Registrar. As a result, the Complainant's assertion that the Registrar neglected its obligations and failed to provide the Validation Agent with all the necessary evidence (despite being requested to do so by the Complainant) and, hence, did not act in line with the Complainant's instructions, does not seem to be properly documented. However, such potential Registrant's (VeriSign's) negligence is not subject to this ADR Proceeding and has no influence on the Panel's decision".

The decision taken by the Registry must be upheld because all the provisions of the Regulations and the Sunrise rules, implementing provisions of the former for the applications filed in the sunrise periods, were followed by Eurid.

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	**Massimo Cimoli**

DATE OF PANEL DECISION 2006-09-27

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The ADR proceeding concerns a Complaint challenging the registry's decision to refuse registration to NINTENDO.eu because the applicant was not the trademark owner and the Licence agreement filed within the prescribed deadline was not signed by either of the parties. The late filing of a proper License signed by the parties was done together with the Complainant before this ADR Center.
All three grounds of the Complainant must be rejected.
The first concerns the alleged obligation by the Validation Agent to investigate and therefore amend the Complainant's mistake. The second relates to new evidence provided in the appeal that, in the Complainant's view, the Panel must accept. The third concerns the alleged responsibility of the Registrar who made the mistake which could not be detrimental for the Applicant.
All three arguments did not find any reasonable legal grounds in the Regulations or Sunrise rules. On the contrary, the Regulations and Sunrise rules clearly state that it is the onus of the Applicant to show that it is eligible for, and has prior right to, the trademark requested as a eu. domain name. Under no circumstances can the Validation Agent amend mistakes made by the Applicant, but it can only investigate, in its own discretion, in order to assess formal uncertainties in the evidence before it. The error made by the Applicant was particularly crucial: the lack of the Trademark owner and its Licensee' signatures in the License agreement filed with the application.
New evidence is not admissible because the Panel must only assess whether the Registry has properly applied the Regulations in the light of the evidence in front of it when the contested decision was decision. Finally, as regards Registrar responsibility, it must be stressed that the Applicant is responsible for its own errors before the Registry, as well as for any mistakes made by its appointed agents or consultants.
ADR case law, partly cited in the decision, has constantly and clearly maintained the legal principles and decisions taken by the Panel in this case. The Eurid decision is upheld and the Complaint is thus rejected.