# Panel Decision for dispute CAC-ADREU-002335

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| Case number | **CAC-ADREU-002335** |
| Time of filing | **2006-07-13 12:21:18** |
| Domain names | **fela.eu** |

## Case administrator

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| Name | **Kateřina Fáberová** |

## Complainant

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| Organization / Name | **FELA Elektronik GmbH** |

## Respondent

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| Organization / Name | **EURid** |

FACTUAL BACKGROUND

This Complaint arises out of the interpretation and application of Commission Regulation (EC) No 874/2004 of 28 April 2004 ("Regulation") and the .eu Registration Policy and Terms and Conditions for Domain Name Applications made during the phased registration period ("the Sunrise Rules").

The Complaint is made by Fela Elektronik GmbH ("the Complainant"), against the decision of the EURid ("the Respondent") which rejected the application of the Complainant for the domain name «fela.eu»

A. COMPLAINANT

The following is a summary of the main submissions of the Complainant.

The Complainant asserts:

1. The Complainant, through its Managing Director, Mr Ernst Uhlmann, applied on 7th December 2005 for the domain name «fela.eu».

2. The application was made during Phase 1 of the Sunrise Period, during which marks and mark licences were admitted as prior rights. The status of Mr. Ernst Uhlmann was marked on the application form in the column "Function" by the reference, "CEO" (i.e. Chief executive officer). The application form contained warranties, guarantees and non-liability explanation under number 3, among other the explanation as follows: „The applicant is [...] licensee of the claimed prior right."

3. The application form was duly signed by Mr Ernst Uhlmann with the accompanying handwritten statement of "read and accepted" in his function as the managing director of the applicant on 10th January 2006.

4. The application was based on the international registered trade mark, «FELA» (No. 710989), with protection in Germany (among others). A copy of the official trade mark document for the trade mark «FELA» was attached to the application

(attached to the Complaint as an annex).

5. The trade mark owner is Mr Ernst Uhlmann, who is at the same time the managing director of the Complainant (the applicant). The Complainant (the applicant) is a licensee of the trade mark and is namely, but not exclusively, licensed to present the trade mark in the process of registration of the domain name «fela.eu», according to the obvious circumstances.

6. The Complainant's application is made according to Article 22(1)(b) of EC Regulation No. 874/2004, which provides that an ADR procedure may be initiated by any party in case a decision taken by the Registry conflicts with EC Regulation No. 874/2004 or EC Regulation No. 733/2002.

7. According to Article 10(1) of the Regulation, 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 the «.eu» domain starts. 'Prior rights' shall be understood to include, inter alia, registered national and community trade marks, geographical indications or designations of origin, and, in as far as they are protected under national law in the Member State where they are held: unregistered trade marks, trade names, business identifiers, company names, family names, and distinctive titles of protected literary and artistic works.

8. It is common sense that an applicant who has obtained a licence for a registered trade mark is a holder of prior rights according to Article 10(1) of the Regulation.

9. According to Article 14(4) of the Regulation, 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. It should be emphasised that Article 14(4) of the Regulation uses the term "shall" and not the term "must". In other words, Article 14(4) of the Regulation makes not a pure formalistic approach, but admits documentary evidence by the circumstances of the case as well. The facts must always rule over a formalistic approach.

10. Article 20.1 of the .eu Sunrise Rules, provided by the registry "EURID", demands to enclose with the Documentary Evidence an acknowledgement and declaration form, a template of which is contained in Annex 2 of the .eu Sunrise rules, duly completed and signed by both the licensor of the relevant registered trade mark and the applicant (as licensee), if an applicant has obtained a licence for a registered trade mark.

11. Article 20.1 of the .eu Sunrise Rules, provided by the registry "EURID", has to comply with Article 14(4) of the Regulation and has to be interpreted "in the light of" Article 14 (4) of the Regulation. That means, the formalistic approach of enclosing the template contained in Annex 2 of the .eu Sunrise Rules is only to apply if there is no evidence of the qualification of the applicant as trade mark licensee derived from the circumstances of the case. This supported by the Panel in ADR 294 (colt.eu) where the Panel required the formalistic Licence Declaration in form of the template of Annex 2 to the .eu Sunrise Rules only in the absence of specific circumstances to be demonstrated by the applicant.

12. The application form signed by Mr Ernst Uhlmann in his function as trade mark owner as well in his function as chief executive officer of the Complainant (the applicant) states obviously the fact that the Complainant (the applicant) is licensee of the internationally registered trade mark «FELA» (No. 710989). The circumstances (e.g. that the application of the Applicant is signed by the trade mark owner himself) state namely the fact that the Applicant was explicitly (but not exclusively) authorised to apply its trade mark licence during the Phased Registration Period for the domain name «fela.eu». The fact that the trade mark owner, Mr Ernst Uhlmann, applied as chief executive officer of the Complainant (the applicant) for the domain name «fela.eu» in favour of the Complainant (the applicant) is prima facie evidence of the Complainant (the applicant)'s trade mark licence. As such, the statement on the application form that the Complainant (the applicant) is a licensee of the claimed prior right, was a repetition of which already was demonstrated.

Demanding additional Documentary Evidence would mean a superfluous and formalistic approach which is not required by Article 14(4) of the Regulation.

13. If the Validation Agent were not absolutely convinced, despite of the clear evidence, the Validation Agent could have

easily have cleared up any doubts by seeking and obtaining further proof. It would be unreasonable for the Validation Agent not to have expended the minimum of effort required to clear any small doubt – particularly as it is clearly the intention of the .eu Sunrise Rules that the role of the Validation Agent should go far beyond that of a mere clerical function, otherwise it would not have granted this office with such wide and important investigative powers as in Article 21(3) of .eu Sunrise Rules provided (see ADR 253 (schoeller.eu)).

14. Upon this basis, EURID's decision should be annulled and the domain name «fela.eu» should be registered in the name of the Complainant.

B. RESPONDENT

The following is a summary of the main submissions of the Respondent:

The Respondent contends:

Grounds for rejecting Complainant's application

15. Article 10 (1) of the Regulation states that only 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.

16. To this end, the Respondent refers the Panel to Article 14 of the Regulation and Section 20.3 of the Sunrise Rules.

17. The Complainant applied for the domain name «fela.eu» on 7 December 2005. The processing agent received the documentary evidence on 12 January 2006, which was before the 16 January 2006 deadline.

18. The Complainant submitted documentary evidence consisting of a certificate of international registration stating that the trade mark «FELA» is registered in the name of "ERNST UHLMANN".

19. The Complainant did not submit documentary evidence substantiating that the Complainant was licensed by the owner of the trade mark or that it was the same person as or the legal successor to the owner of the trade mark.

20. Based on the documentary evidence, the validation agent found that the Complainant did not demonstrate that it was the holder or the licensee of a prior right on the name «FELA».

21. Therefore, the Respondent rejected the Complainant's application.

Response to Complainant's Complaint

22. The Complainant does not dispute the fact that no licence declaration was submitted as documentary evidence. However, the Complainant now explains that it is licensed by the owner of the trade mark.

23. Furthermore, the Complainant argues that it did not have to submit evidence to demonstrate that it was duly licensed by the owner of the trade mark since this could be derived from the circumstances of the case. In particular the Complainant argues that the application was drafted by the owner of the trade mark for the Complainant.

24. Moreover, on the standard cover letter, the Complainant declares that it is the owner, right holder or licensee of the claimed prior right. Since this cover letter was signed by the owner of the trade mark, the Complainant argues that it sufficiently demonstrated that it was a licensee.

25. Finally, the Complainant argues that if the validation was not convinced, it should have sought and obtained further

proof. The Complainant cites the decision in ADR 253 SCHOELLER to support this contention.

26. Therefore, the Complainant requests the Panel to annul the Respondent's decision and to grant the domain name «fela.eu» to the Complainant.

27. The Regulation and the Sunrise Rules clearly and certainly provide that the burden of proof was with the Complainant to demonstrate that it is the holder of a prior right.

28. When there is a difference between the name of the applicant and the name of the owner of the prior right, the applicant must submit official documents explaining this difference. If the applicant fails to do so, its application must be rejected.

29. During the Sunrise Rules, the first applicant in the line does not have an unconditional right to the domain name, but only has an opportunity to submit documentary evidence within 40 days to try to clearly demonstrate that it is the holder of a prior right.

30. The burden of proof was with the Complainant to demonstrate that it is the holder or the licensee of a prior right Article 10 (1) of the Regulation states that only the holders of prior rights shall be eligible to apply to register domain names during the period of phased registration.

31. Pursuant to Article 14 of the Regulation, the applicant must submit documentary evidence showing that he or she is the holder of the prior right claimed on the name in question. Based on this documentary evidence, the validation agent shall examine whether the applicant has prior rights on the name. It is therefore of crucial importance that the Respondent is provided with all the documentary evidence necessary for it to assess if the applicant is indeed the holder of a prior right. The burden of proof was thus on the Complainant to substantiate that it is the holder or the licensee of a prior right (see for example cases 127 (BPW), 219 (ISL), 294 (COLT), 551 (VIVENDI), 984 (ISABELLA), 843 (STARFISH), ADR 1886 (GBG), 1931 (DIEHL, DIEHLCONTROLS)).

Documentary evidence did not demonstrate that the Complainant’s prior right

32. The documentary evidence demonstrates that the owner of the trade mark is «ERNST UHLMANN». The Complainant does not dispute that the names of the Complainant and the name of the owner of the trade mark are different. However the Complainant contends that it did not have to submit evidence to demonstrate that it was duly licensed by the owner of the trade mark since this could be derived from the circumstances of the case. In particular the Complainant argues that the application was drafted by the owner of the trade mark for the Complainant. Moreover, on the standard cover letter, the Complainant declares that it is the owner, right holder or licensee of the claimed prior right. Since this cover letter was signed by the owner of the trade mark, the Complainant argues that it sufficiently demonstrated that it was a licensee.

33. The Reponsdent refers the Panel to Section 20.1 of the Sunrise Rules. In the present case, the documentary evidence submitted by the Complainant did not clearly indicate the name of the Complainant as being the holder of the prior right claimed. The Complainant failed to submit a license declaration form or even any document establishing with legal certainty that the Complainant is licensed by Mr ERNST UHLMANN, the person mentioned as the owner. Therefore, the Respondent correctly rejected the Complainant's application, pursuant to the Regulation and the Sunrise Rules, because the Complainant failed to meet its burden of proof.

34. Contrary to the Complainant's assertions, the fact that the trade mark owner is the person who drafted the application for the Complainant does not establish anything. Indeed, the application was made in the name of the Complainant and not in the name of the owner of the trade mark. The circumstance that Mr ERNST UHLMANN is the CEO of the Complainant does not establish automatically that the Complainant has a license on any of the intellectual property rights owned by Mr ERNST UHLMANN.

35. For the same reason, the circumstance that Mr ERNST UHLMANN signed the declaration on the cover letter that the applicant is owner, right holder or licensee of the claimed prior right, is not legally sufficient to clearly establish a license since it is not Mr ERNST UHLMANN who made this declaration, but the Complainant.

36. Finally, the Respondent notes that the application could not have been made in the name of the trade mark owner. Indeed, Mr. ERNST UHLMANN is not an eligible applicant pursuant to Article 4 (2) (b) of the Regulation of the European Parliament and of the Council (EC) No 733/2002 of 22 April 2002, because the documentary evidence establishes that Mr. ERNST UHLMANN is a Swiss resident.

37. The Respondent wishes to refer the Panel to the following cases:

In ADR 294 (COLT), the Panel decided that: "The Panel is of the opinion that section 20.1 of the Sunrise Rules requires that the Licence Declaration, in the absence of specific circumstances to be demonstrated by the Applicant, must be signed by the registered trade mark owner (as resulting from the documents proving the existence of the mark) in his quality of licensor. Otherwise, the possible substantiation of a prior right on the basis of a document showing a possible serious lack of legitimation on the licensor's side would be admissible. This, of course, cannot be accepted by the Panel".

In ADR 810 (AHOLD), the Panel decided that: "As confirmed by sec. 20 of SR, it is important to make sure that the applicant is the same holder of the prior rights, to avoid any domain name registration deprived of legitimation on the applicant's side. As a result, when faced before a difference between the applicant name and the prior right holder name, correctly detected by the Validation Agent, the Registry may not accept the corresponding domain name application".

In ADR 1627 (PLANETINTERNET), the Panel decided that: "The validation agent conducted a prima facie review of the submitted document, and in conjunction with point (ii) below, reached the conclusion that as the names did not match, and there was no other documentary evidence to explain such a discrepancy, that the applicant (i.e. the Complainant) had not established its prior right".

The Respondent further refers the Panel to 551 (VIVENDI), 1625 (TELEDRIVE), 1242 (APONET), 1232 (MCE), 1699 (FRISIA) and 1299 (4CE).

Respondent and the validation agent under no obligation to investigate

38. The Respondent refers the Panel to Section 21.2 and 21.3 of the Sunrise Rules.

39. The Respondent wishes to stress that Section 21.3. of the Sunrise Rules does not impose any obligation for the validation agent to conduct its own investigation: it is a mere possibility that the Respondent can use "in its sole discretion".

40. No obligation for the validation agent may therefore be derived from Section 21.3, since of this provision does not state that the validation agent is obliged to conduct its own investigations, but merely that the validation agent is permitted in its sole discretion, to conduct its own investigations (see for example case 1483 (SUNOCO), ISL (219), 551 (VIVENDI) and 843 (STARFISH) ).

41. The Respondent refers to ADR 127 (BPW), ADR 1323 (7X4MED), ADR 501 (LODE, PROCARE), ADR 1695 (VANDIJK), ADR 1443 (URBIS), ADR 253 (SCHOELLER) and in ADR 1905 (CENAMAN).

Information submitted for the first time during ADR proceedings may not be considered

42. The Respondent wishes to stress that Article 22(1)(b) of the Regulation states that a decision taken by the Respondent

may only be annulled when it conflicts with the Regulation. Therefore, only the documentary evidence which the Respondent was able to examine at the time of validation of the application should be considered by the Panel to assess the validity of the Respondent's decision (see notably cases Nr. 294 (COLT), Nr. 954 (GMP), Nr. 01549 (EPAGES) and Nr. 1674 (EBAGS)).

43. This verification is the only task for the Panel in these proceedings, which may not in any case serve as a “second chance” or an additional round providing applicants an option to remedy their imperfect original application that was rejected during the Sunrise Period (see cases Nr. 551 (VIVENDI) and Nr. 810 (AHOLD)). In other words, as decided in case Nr. 1194 (INSURESUPERMARKET), "[t]he ADR procedure is not intended to correct domain name applicants’ mistakes".

44. It should finally be noted that the Complainant never asserted that it was licensed by the owner of the trade mark. Only in the framework of the present proceedings did the Complainant assert that it was licensed by the trade mark holder. Therefore, the Respondent asks the Panel not to take this information into consideration in judging the legality of the Respondent's decision that was only based on the documentary evidence.

Conclusion

45. The Regulation and the Sunrise Rules give holders of prior rights the opportunity to demonstrate their prior rights during the phased registration, which is an exception to the basic principle of first-come first-served.

46. In order to benefit from this opportunity to demonstrate its prior rights, the applicant must comply with the strict procedure laid out by the Regulation for dealing with the thousands of applications received during the phased registration and making sure that these applications are substantiated.

47. The Complainant in the present case did not seize this opportunity, because its application did not correctly fulfil the substantial requirements.

48. Any right given to the Complainant to correct its defective application at this stage of the procedure would clearly be in breach of the Regulation and the Sunrise Rules, as expressed among others by the Panels in ADR 706 (AUTOWELT) and 1710 (PARLOPHONE, EMI, EMIMUSIC, EMIRECORDS, ANGEL, THERAFT).

49. As the Panel in ADR 219 (ISL) stated: "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". In case ADR 1627 (PLANETINTERNET), the Panel agreed with the Panel in ISL and further explained that "the Regulations and the Sunrise Rules were clearly drafted to ensure a fair distribution of .eu domain names during the phased period and if an applicant fails to fulfil its primary obligations, then, even where such failure is due to an oversight or genuine mistake, the application must be rejected by the validation agent".

50. Since the Respondent correctly decided to reject the Complainant's application, pursuant to the Regulation, Respondent's decision may not be annulled and to the domain name FELA may not be granted to the Complainant by this Panel.

51. For these reasons, the complaint must be rejected.

DISCUSSION AND FINDINGS

1. The Regulation and further the Sunrise Rules govern all .eu domain name applications made during the phased registration period. The principal obligations of the Registry regarding its decision to register .eu domain names during the phased registration are set out in Article 14 of the Regulation, and in particular, the final paragraph of that Article 14 obliges the Registry to register .eu domain names on a the first come first served basis, PROVIDED THAT it finds that the applicant has demonstrated a prior right in accordance with the procedure set out in that Article. Thus, the Panel must establish whether the Complainant demonstrated such a prior right when it applied for the domain name «fela.eu».

2. The Complainant applied for the domain name «fela.eu» on 7 December 2005. The documentary evidence was received in

time on 12 January 2006. This documentary evidence consisted of a certificate of international registration stating that the trade mark «FELA» was registered in the name of «Ernst Uhlmann». In contrast, the Complainant, that is Fela Elektronik GmbH, was the applicant for the domain name «fela.eu» and not Ernst Uhlmann, the trade mark owner.

3. It is not contested that the owner of the trade mark «fela.eu» is Ernst Uhlmann, is a different person, to the applicant / Complainant Fela Elektronik GmbH. During the course of this Complaint, it has become clear that the trade mark owner, Ernst Uhlmann, is the CEO of the Complainant and therefore there is a link between the two, though this does not overcome the issue that the two are separate and distinct persons.

4. The Complainant contends that it did not have to submit evidence to demonstrate that it was duly licensed by the owner of the trade mark «FELA» since this could be derived from the circumstances of the case. Further, the Complainant suggests that as in the covering letter, the Complainant declares that it is the owner, right holder or licensee of the claimed prior right and as it was signed by the owner of the trade mark, the Complainant suggests that this is sufficient evidence that it has demonstrated that it was the licensee.

5. The Panel refers to Section 20.1. of the Sunrise Rules, which provides,

"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)".

Bearing in mind that the Complainant and the trade mark owner are two separate and distinct entities, the Complainant, in accordance with Section 20.1 of the Sunrise Rules was under a clear obligation to provide documentary evidence, such as a licence AND in the form set out in Annex 2 of the Sunrise Rules, to support its application. The Complainant did not and therefore it failed to discharge its burden of proof. As the Respondent correctly asserts, there have been numerous decisions which support this approach, and this Panel concurs with that approach.

6. It has been suggested that the validation agent should have investigated further on the basis of Sections 21.2 and 21.3 of the Sunrise Rules, which provide,

"21.2 [t]he Validation Agent examines whether the Applicant has a Prior Right to the name exclusively on the basis of a prima facie review of the first set of Documentary Evidence received and scanned by the Processing Agent (including the Documentary Evidence received electronically, where applicable) and in accordance with the provisions of these Sunrise Rules".

"21.3 The Validation Agent is not obliged, but it 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".

7. Section 21.3 of the Sunrise Rules clearly does not impose an obligation on the validation agent to conduct its own investigation: it is a mere right that it may investigate if it wishes and "in its sole discretion". The vast majority of Panel decisions supports this. ADR 127 (BPW), it was held, “it cannot be deemed as the breach of the Section 21.3 of .eu Sunrise Rules if he decided not to conduct any investigation.". In ADR 501 (LODE, PROCARE), "The Panel accepts that the applicant should not expect the Registry or the Validation Agent to engage in its own investigations to establish the exact relationship between the registered holder of the trade mark and the applicant". In ADR 1695 (VANDIJK), the Panel held “If the validation agent would have been obliged (and not merely entitled) to investigate further in cases like the present one, this would have increased the already substantial verification costs (both in time and in money) for the phased registration period, which would have benefited a few (like the Complainant) to the disadvantage of most other applicants who have submitted their applications and documentary evidence in full compliance with the Sunrise Rules".

8. While the Complainant makes reference to ADR SCHOELLER, as noted in ADR 1695 (VANDIJK) where the Panel stated

that: "Unlike in the SCHOELLER case cited above and the similar Case No. 181 (OSCAR), the present case is not based on a mere technical flaw of the concerned registrar's IT system, but was apparently rather caused by human error. Also unlike the SCHOELLER and OSCAR case, the applicant's company name in this case was not merely longer or shorter than the name of the trade mark owner specified in the documentary evidence".

9. While it appears to have been an unfortunate oversight in the present case on the part of the Complainant, it nevertheless remains that the rules are clear on how the Complainant can establish its prior right. Where there is scope for interpretation, the Panel will interpret, however this Panel considers that the rules as to how one can establish a prior right when submitting an application during the phased period are clear and therefore it has no option but to conclude that as the Complainant did not submit the correct documentary evidence to support its claim of prior rights, and therefore the verification agent's decision was correct. As discussed in ADR 1886 (GBG),

"According to the Procedure laid out in the Regulation the relevant question is thus not whether the Complainant is the holder of a prior right, but whether the Complainant demonstrated to the validation agent that it is the holder of a prior right. If an applicant fails to submit all documents which show that it is
the owner of a prior right the application must be rejected".

CONCLUSION

7. The Panel has carefully considered all facts of this case and, while sympathetic to the Complainant's position, the Panel does not find any breach of the Regulations or Sunrise Rules by the Respondent. The Panel therefore must dismiss the Complaint. While the Panel cannot overly speculate, had the Complainant submitted the correct documentation, demonstrating and substantiating its prior rights in accordance with the Sunrise Rules, then there would probably have been a different outcome.

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 | **Simon Moran** |
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DATE OF PANEL DECISION 2006-10-12

## Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant contested the Respondent's (EURid) rejection of the Complainant's application for the domain name «fela.eu» during the phased sunrise period.

The Respondent rejected the application on the basis that the Complainant was not the named owner on the trade mark certificate and no documentary evidence, such as a licence and declaration in accordance with Section 20 of the Sunrise Rules, was submitted. The Complainant explained that the trade mark owner was its CEO and therefore by implication of signing the covering letter, it was clear that it had a licence to use the trade mark and consequently a prior right.

While sympathetic, on the basis that it appears to have been an unfortunate oversight, the Panel concluded that the rules on demonstrating a prior right were clear and given that no documentary evidence proving such prior right in accordance with the Sunrise Rules was submitted in due time, the Respondent was right to deny the Complainant's application as the burden of proof remains plainly with the Complainant to submit the correct documentation.