Panel Decision for dispute CAC-ADREU-002712

Case number	**CAC-ADREU-002712**
Time of filing	**2006-08-11 12:30:22**
Domain names	**futaba.eu**

Case administrator

Name	**Kateřina Fáberová**

Complainant

Organization / Name	**FUTABA (Europe) GmbH, ./. Thomas ./. Horschmann, ./.**

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

The Panel is not aware of any legal proceedings that are pending or decided and which relate to the disputed domain name.

FACTUAL BACKGROUND

On 16 March 2006, at 9:52:28, the Complainant filed a request for the registration of the domain name "futaba.eu" during phase one of the restricted registration period. The documentary evidence provided in support of the application consisted of a certificate of registration of the Complainant´s company, a list of trademarks registered for the in the Japanese language and a Licence declaration for a registered trademark (German Trademark register, No. 1061068) between the parent trade mark holder and the Complainant licensee. The Respondent received this documentary evidence on 17 March 2006.

By decision dated 28 June 2006, the Respondent rejected the Complainant´s request on the grounds that the prior right was not proven sufficiently.

A. COMPLAINANT

The Complainant contended that although it did not produce sufficient documentary evidence for the registered trademark, the Respondent received sufficient knowledge of the existence of the prior right by reason of its own research. According to the Complainant, the decision rejecting the application ought to be annulled and the domain name registered to it.

The Complainant's evidence was: "Through its own investigations the Respondent knew about the existence of the registered German trademark No. 1061068 and its registered holder. In the Respondent´s e-mail dated 3 August 2006 is laid down, that the Respondent researched the official databases of the DPMA, OHIM and WIPO with reference to the trademark "FUTABA" and found two registered trademarks in the register of the DPMA both owned by FUTABA Denshi Kogyo Kabushiki Kaisha. These trademarks have the No. 1186863 and No. 1061068 and both are Wordmarks with the single word "FUTABA"."

Later, in a further submission requested by the Panel, the Complainant gave in evidence an (unofficial) translation of the email dated August 3, 2006, from the Respondent to the Complainant, the material part of which said: "[The Validation Agent] has informed us, that you did not attach a copy of the trade mark certification or an extract from an official database operated by the relevant trade mark office. We have checked the trade mark FUTABA in the databases of DPMA, OHIM and WIPO and have found two German trade marks. However, these are not owned by the Applicant, but by a company based in Japan."

The Complainant claimed out that the trade marks referred to (but not identified by) the Respondent in the foregoing email are the ones covered by the License Declaration included in the Documentary Evidence submitted by the Complainant.

Finally, during course of further submission, and in response to the Respondent's emphatic contention that it, the Respondent, has an unfettered discretion whether (or not) to investigate an application, the Complainant pointed out that "... it is not decisive, whether the Respondent should have used its discretion to undertake investigations in the prior right claimed or whether the Complainant suggested that. [The] fact is, that the Respondent did use its discretion and did check to see, whether the Complainant has rights in the name FUTABA."

B. RESPONDENT

The Respondent in defence contended that it and the Validation Agent acted properly.

In its evidence it said, "Futaba Europe GmbH (hereafter "the Complainant") applied for the domain name FUTABA on 16 March 2006. On 17 March 2006, which was before the 25 April 2006 deadline, the processing agent received the documentary evidence. This documentary evidence consisted of a licence declaration and an extract from the German Companies Register."

It added futher that "The validation agent concluded from its examination that the Complainant had not proven that it was the holder of a trademark and that the domain name did not consist of the complete name of the company name."

However, the Respondent did not address the issue of the email. The Panel regarded that there was material factual matter in issue and asked for futher submissions from the Respondent on the status and effect of the email of August 3, 2006 ("the email").

Initially the Respondent was unable to produce the email, but averred that with regard to the merits of the Complainant's contention, the Respondent "did not see how this should result in its decision being annuled, because it is undisputed that the Complainant did not provide all documents to the Respondent as itself declares ...".

Later, in a second futher submission, it duly produced the email (in original German) with the following commentary:

[START OF QUOTATION]
"the support officer [a Registry employee] informs the sender that the validation agent – PwC – informed the Registry (The Respondent) that his application was rejected as he did not submit a copy of the trademark certificate or an online printout of an official database.

"The mentioned email has two parts: a) The reason why the application was rejected based on the findings of PwC and b) The reference to an additional search.

"Investigating into the circumstances of the search referred to in point 4,b), the respondent found out that such search was performed by the support officer who replied to the email and on its own initiative. He supported his action on what he considered to be part of his customer service task. It is important to stress that this extra service cannot, in no way, be considered as a reason to believe that the sole discretion of the validation agent was used to conduct further investigations, especially if the service provided was not conducted by PwC as validation agent. Therefore, section 21, 3 of the Sunrise Rules was not applied by the validation agent in this case. Consequently, a search performed by an employee of the Respondent cannot be deemed to have been done by the validation agent pursuant section 21, 3 of the Sunrise Rules.

"One of the validation agent’s task is to assess whether the documentary evidence submitted by an applicant does or does not substantiate a prior right and to inform the Registry about it (art.14 Regulation EC 874/2004). The Respondent as Registry cannot act as Validation Agent as it cannot act as Registrar.

"The Respondent’s decision was taken based on the findings of the validation agent, which it found to be correct as the applicant did not demonstrate he was the holder or licensee of a prior right and he did not prove the existence of a trademark as it can be determined by the documentary evidence submitted. Pursuant to the Sunrise Rules, a license declaration alone is not considered a sufficient proof to deem an applicant as the holder or licensee of a prior right."
[END OF QUOTATION]

DISCUSSION AND FINDINGS

This proceeding concerned the use by the Respondent of its discretion to investigate the existence of Prior Rights that are relied upon in support of an application for a domain name. The Respondent strongly defends the scope and use of its discretion to the extent that it resists the suggestion that it has any obligation to use it.

Actually, whether or not the Respondent has a discretion was not in dispute. Both parties say that it has. The Complainant main

contention was, having used its discretion, the Respondent should not be permitted to ignore facts that it learns in the course its discretion, which knowledge may be of benefit to an applicant. As the Panel indicated in its second Interim Decision, the Respondent presented a persuasive argument.

Whilst persuasive, the Panel felt it was not able to reach a decision without receiving evidence with regard to the email dated August 3, 2006 from the Respondent to the Complainant concerning the latter's application. In effect the proceeding turned on an issue of fact.

The Panel sought further submissions from the Respondent on the status and effect of the email. The Respondent was unable to produce for reasons the Panel accepts. Instead, the Respondent produced what turned out to be an extract (translated unofficially but adequately for the Panel's purposes). This extract strongly indicated that the Respondent had exercised its discretion to investigate the Complainant's prior rights to the domain.

However, the extracted text from the email was ambiguous. It implied that there were in existence registered trade marks that related to the domain name relied upon. The Panel draws this implication because; firstly, the Respondent does not go on to point out that they do not establish the necessary prior rights in principle to the domain name. Secondly, it adds that they are registered to a company based in Japan and not to the Complainant.

Coincidentally this compares to the fact that the License Declaration originally submitted by the Complainant reveals that the Licensor was a Japanese company, and on balance it would seem that the two references to Japanese companies are in fact references to the same company. If this was right then it appeared to the Panel that the Respondent was in possession of evidence that supported the Complainant's application. Indeed this was the thrust of the Complainant's contention.

The difficulty for the Panel at this point in the proceeding was that it had not established a full version of the facts in dispute, since the Complainant had failed to produce evidence in support of its defence. The Panel considered whether it should proceed to a decision as best it could. However, the Panel concluded that the Respondent should be given a further opportunity to address the key question posed in the Panel's Interim Decision; this being, if the Respondent does decide to exercise its discretion to investigate an application, is it required to take notice of the information it obtains, even if this information supports an application.

Subsequently, the Respondent was able to produce the email of August 3, together with an explanation as to its relevance.In the Respondent's submission, the fact that an employee of the Registry, carrying out a "customer service" function on his own initiative "cannot be deemed to have been done by the validation agent pursuant section 21, 3 of the Sunrise Rules"

The Panel is not convinced that this contention is right, nor is it clear how an investigation into an application can in one sense be the exercise of a discretion, and in another, be part of the Respondent's customer service function. Moreover, the Panel fails to see why the work of an employee of the Respondent acting in the course of his duties should be ignored. Finally, it is not clear how the Respondent can, on the one hand, claim an absolute discretion to investigate an application, but on the other assert that it "cannot act as Validation Agent as it cannot act as Registrar." The two positions appear to be mutually exclusive and not what the .eu Regulation intended.

Thus, on the basis of the foregoing it appeared that this was a case in which the scope and effect of the Respondent's discretion would need to be examined in light of the .eu Regulation and the Sunrise Rules. However, in the final analysis the Panel concluded that the content of the email should not decide the outcome of this proceeding.

A fact not expressly pointed out or relied upon by either party, but is obliquely touched upon by the Respondent, was that the email of August 3 was issued after the date of the Respondent's decision rejecting the application, which was issued on June 28, 2006. Thus even if the Respondent's discretion is absolute, and whether it was or was not duly or actually exercised, the fact is that the decision taken by the Respondent to reject the application was based entirely on the Documentary Evidence originally produced by the Complainant. As contended by the Respondent, and acknowledged by the Complainant, the Documentary Evidence was insufficient to show that the Complainant had Prior Rights to the domain name; thus it followed that the Respondent's decision was properly reached.

On reflection this no doubt will appear to the Complainant to be a harsh decision against it. However, the process of examining application is fixed by both .eu Regulation and the Sunrise Rules. Accordingly, the Panel is unable to agree with the Complainant that the Respondent was, at the time it rejected the Complainant's application, in possession of evidence proving the Complainant's Prior Rights to the domain name. Accordingly the Panel finds that it must reject the Complaint

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	Joseph Dalby

DATE OF PANEL DECISION 2006-11-19

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

This proceeding concerned the use by the Respondent of its discretion to investigate Prior Rights in support of an application for a domain names. Whether or not the Respondent has a discretion was not in dispute. The Complainant main contention was, having used its discretion, the Respondent should not be permitted to ignore facts that it learns in the course its discretion, which knowledge may be of benefit to an applicant. It was suggested that the Respondent had investigated the application and found evidence that supported the application.

Subsequently, the email was produced, and submissions made with regard to its status and effect. Although ambiguous it appeared to support the Complainant main contention.

In its defence, the Respondent's submitted that, as it had been "investigation" had been undertaken by an employee of the Registry carrying out a "customer service" function on his own initiative, the investigation "cannot be deemed to have been done by the validation agent pursuant section 21, 3 of the Sunrise Rules." It added further that the Respondent "cannot act as Validation Agent as it cannot act as Registrar.".

Although not convinced by these contentions, the Panel finally concluded that the content of the email did not decide the outcome of this proceeding.

Instead it noted that the date of the email of August 3 was issued after the date of the Respondent's decision rejecting the application, that is June 28, 2006. Thus even if the Respondent's discretion is absolute, and whether it was or was not duly or actually exercised, the fact is that the decision taken by the Respondent to reject the application was based entirely on the Documentary Evidence originally produced by the Complainant. As contended by the Respondent, and acknowledged by the Complainant, the Documentary Evidence was insufficient to show that the Complainant had Prior Rights to the domain name; thus it followed that the Respondent's decision was properly reached.