# Panel Decision for dispute CAC-ADREU-002879

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| Case number | **CAC-ADREU-002879** |
| Time of filing | **2006-08-28 11:27:36** |
| Domain names | **gema.eu** |

## Case administrator

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| Name | **Kateřina Fáberová** |

## Complainant

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| Organization / Name | **GEMA - Gesellschaft für musik. Auff. und mech. Vervielf.rechte, Dipl.-Oec. Rainer Hilpert** |

## Respondent

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| 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 which relate to the disputed domain name.

FACTUAL BACKGROUND

GEMA Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte (“the Complainant”) is the only existing collective copyright administration society for musical performing and mechanical reproduction rights in Germany. The Complainant represents the rights of about 60,000 composers, lyricists and publishers of works of music and his task and work as a collective copyright administration society is based on public law. The legal basis for Complainant’s activities is the German Law on the Administration of Copyright and Neighbouring Rights, which contains the obligation to conclude a contract with the Complainant. The monopoly was created by a federal legal act on September 28, 1933. On the basis of federal public law, the Complainant has used it’s current name since August 24, 1947. Due the monopoly position granted by law, all relevant trade circles know the Complainant under the designation "GEMA".

The Complainant is the owner of three valid German trademarks, namely of the word-/figurative mark No. 1024164 "GEMA" filed on September 14, 1981, the word mark "GEMA", No. 1024165 filed on September 14, 1981 and finally the word-/figurative mark "GEMA", No. 1026214 filed on November 21, 1979. Furthermore, the Complainant enjoys protection under the Madrid Agreement for the International Trademarks Nos. 467751 (word mark "GEMA"), 457752 (word mark "GEMA") and 467753 (word-/figurative mark "GEMA"). The International Trademarks have been registered for a large number of European countries.

Genera Lynx d.o.o. (“the Applicant”) is the owner of a national Slovenian Trademark “GEMA” filed on October 23, 2003 with the Patent Office in Slovenia and registered on October 31, 2004.

The Applicant applied for the domain name “gema.eu” on December 15, 2005, while the Complainant applied for the same domain name on February 7, 2006. The domain name was registered by the EURid (“the Registry”) in the name of the Applicant. The Complainant is seeking (1) the annulment of the decision of the Registry according to which the domain name “gema.eu” is allocated to the Applicant and (2) attribution of the domain name “gema.eu” to the Complainant.

A. COMPLAINANT

There is certainly no doubt that the name "GEMA" is not only a mere right to a name according to German Civil Law with priority of August 24, 1947, but also a protected designation which has been known to a high degree in at least Germany for decades or as a notorious mark since at least the beginning of the 70ies amongst the relevant trade circles. The Complainant provided several documents (affidavit, declarations from well-known companies, press articles, etc) as an evidence of the position of the “GEMA” designation.

The Complainant is the owner of predating trademark rights. The sunrise period for domain applicants was interpreted in such a way that the domain was granted irrespective of the question of who was the owner of the elder right. Rather, the Registry decided just to focus on the date and time of receipt of the application for the domain and the subsequent submission of a proof of the existence of a trademark right. With respect to the existence of predating rights, such decisions are to be characterized as extremely unreasonable and legally doubtful if the domain applied for reflects a designation that is obviously predating and a notorious trademark.

There should not be any justified reason why the Applicant should be at all permitted to use the designation “GEMA“, while the company name is “Genera Lynx d.o.o.” and not “Gema d.o.o”. A reasonable interest in a “eu-domain” would only be justified if the Applicant wanted to use their own company name not only as a “com-domain” but also as a “eu-domain”. Insofar, it does not make any sense that somebody chooses to use a different domain although his own company name may already be known in Europe. The Applicant can only argue having one single trademark right in Slovenia. The Applicant could not ascertain the existence of any registrations/applications in other territories, such as for example in Germany or before the OHIM.

The Complainant is concerned that they may be blackmailed by the Applicant and pressed to pay considerable amounts of money for the purchase of the domain “gema.eu”.

The Complainant objects to the fact that in the course of the "prima-facie-examination" during the grant procedure it was completely ignored that (a) the designation of the Complainant is a notorious mark and (b) the national and international trademark rights of the Complainant are in any case 20 years older than the Slovenian mark of the Applicant, (c) finally, the Complainant objects to the fact that because of this factual situation the grant of the domain “gema.eu” in favour of the Applicant represents an obvious illegal arbitrary act which disregards all principles of constitutional law and procedure. It is the task of the Registry to examine whether the different applicants for the domain “gema.eu” are in a position to prove that they are the owner of an elder right. Section 21, Subsection 2 and Section 10, Subsection 2, lit (iii) requires to examine whether an elder right is indeed present. The Registry violated these examination criteria, since the trademark right of the Applicant is considerably younger than the trademark rights of the applicant.

The European Trademark Act provides regulations to reject ex officio trademark applications which are of such a nature as to deceive the public especially as to the kind, quality or geographical origin of the goods or services. The member states of the European Community have expressly imposed the obligation on the registration authorities for trademarks not to grant arbitrary registrations which would obviously cause a danger of deception of origin. It is the sense and purpose of this obligation to respect the constitutional duty to avoid arbitrary acts that are directed against the rightful owners of such designations and to guarantee this constitutional duty. These basic constitutional principles apply for all member states of the European Union. This is to be understood as a guarantee for any individual or company in Europe. This principle also applies to European institutions granting domain names, such as the Registry, and the corresponding sunrise regulations. The Registry obviously violated their obligation for a correct examination procedure, since they disregarded the elder national and international trademark rights of the applicant. An obvious violation can also be seen in the fact that the Registry disregarded the fact that the designation “GEMA” is a notorious mark and granted the domain to the Applicant.

The right of the applicant to a undisturbed and free use of the designation “GEMA”, which has existed since August 24, 1947, is massively impaired by the new “eu-domain” of the Applicant. A reasonable participation in European competition should have been made possible to the entitled owners for their elder trade designations. At least this was the original purpose of the introduction of the new top-level domain for Europe and the corresponding sunrise period. This right is foiled and blocked by awarding this domain to the Applicant. The Applicant will certainly not be in a position to explain a reasonable interest in the domain since their company name is different.

This is contrasted by an enormous public recognition of the designation “GEMA” owned by the Complainant. The trade circles concerned will even be more familiar with the term “GEMA” than the general public with terms such as “Shell” or “Boris Becker”. The obligation to conclude a contract with GEMA creates a much higher degree of recognition than in the case of well-known athletes or companies. Finally, the protected designation “GEMA” is also intensively mentioned in the daily press and therefore also well-known to the general public.

According the “shell.de” decision of the German Supreme Court (dated November 22, 2001), the mere registration of a third party's trade designation as a domain name represents an unlawful use of this name regardless of whether the domain is used in the course of business or for private purposes. In the present case, the Applicant is not the authorized owner of the designation “GEMA”. Following the Supreme Court's Decision, the Applicant cannot be the authorized owner of the designation “GEMA”, since they use a different company name and their own Slovenian trademark is obviously younger than the national and international trademark rights of the applicant.

B. RESPONDENT

The Applicant applied for the domain name GEMA on 15 December 2005. The Registry concluded from the documentary evidence that the Applicant was the holder of a prior right. On the basis of this recommendation, the application was accepted.

The domain name should be attributed to the first applicant who proves that it is the holder of a prior right according the Commission Regulation (EC) No 874/2004 of 28 April 2004. If an applicant does not prove that it is the holder of a prior right, its application will be rejected and the validation agent will assess the application of the next applicant in the queue until it finds that an applicant has proven that it is the holder of a prior right. In the case at hand, the Applicant was the first in the queue to have proven that it was the holder of a prior right and the domain name GEMA was subsequently granted to the Applicant. The validation agent must not engage in a comparison between the prior rights submitted by the various applicants for the same domain name. Instead, the validation agent must validate the applicant which was first to apply for that domain name and to show that it is the holder of a prior right. Validating applications for domain names under the .eu tld is not about determining which prior right predates another.

The Panel in ADR 945 (CWI) clearly addressed this type of arguments by explaining that: "'Prior Right' must be understood as any existing right, of the kinds defined in Article 10 of the Commission Regulation (EC) No 874/2004, already existing at the moment where the phased registration period or sunrise period initiated. The Complainant seems to misunderstand the concept and mistakes 'prior right' with 'older right'. The concept of 'Prior Right' does not imply a comparison between different rights based on the moment of their acquisition, giving preference to the party which obtained it at an earlier moment. Prior relates only to a fixed date, i.e., the day on which the phased registration period or sunrise period started, and the Regulation puts in equal standings all of the rights existing 'prior' to that date. Priority amongst them will be established on a "first come, first served" basis, taking into account only the date of the applications; the dates of acquisition of the rights are irrelevant."

The Panel in ADR 1867 (OXFORD) also stated that the philosophy of the Sunrise period is not "when two persons claim a prior right on the same domain name, who is best entitled to this name?" but "when two persons claim a prior right on the same name, who was the first to apply?""

There is no priority between the national trademarks. A German or Community trademark does not have more value than a Slovenian trademark. Slovenian trademark holders should be granted the same opportunities as German or Community trademark holders.

There is no legal ground in the Commission Regulation (EC) No 874/2004 for the Registry to reject an application for a domain name on the presumption that the application may have been made in bad faith or for speculative reasons. As there is no obligation for the Registry to assess the bad faith of the applicant and as article 22 (1) b states that a decision by the Registry can only be annulled when its decision conflicts with the Commission Regulation (EC) No 874/2004, the complaint must be dismissed. In case n° 00210 (BINGO), the Panel agreed that: "The Complainant points to Article 22(1)(a) of the Public Policy Rules as allowing a party to initiate an ADR procedure where the registration is speculative or abusive within the meaning of Article 21. However, in the Panel's view, such an ADR procedure would clearly envisage a procedure to which the holder of the domain name should be a respondent, not EURid."

In case n° 00012 (EUROSTAR), the Panel also agreed that: "With respect to a question whether or not the validation agent or the Registry are also obliged, before the decision on the registration of the domain name, to examine whether or not the application has been made in good faith, the Panel concluded that the Registry is not obliged to make such an assessment;(see also case n° 00210 (BINGO))". In the case of a speculative and abusive registration, ADR proceedings must be initiated against the domain name holder itself, not the Registry, as the Panels inter alia in cases n° 532 (URLAUB), 382 (TOS), 191 (AUTOTRADER), 335 (MEDIATION) and 685 (LOTTO). Such ADR proceedings are still open to the Complainant.

With regard to the Complainant's request to have the domain name transferred to it, the Registry refers to article 11 (c) of the ADR Rules. Two conditions need to be met before the Panel may order the transfer of a domain name: the Complainant must be the next applicant in the queue for the domain name concerned; and the Registry must decide that the Complainant satisfies all registration criteria set out in the Regulation. Therefore, the Respondent must first assess, via the normal validation procedure, whether the Complainant's application satisfies the requirements of the Regulation. Consequently, should the Panel consider that the Respondent's decision must be annulled, the Complainant's transfer request must be rejected.

DISCUSSION AND FINDINGS

I. FIRST-COME, FIRST-SERVED PRINCIPLE

According article 10 (1) of Commission Regulation (EC) No 874/2004 of 28 April 2004 ("Public Policy Rules"), the holders of prior rights and public bodies are eligible to apply to register domain names during a period of phased registration. Prior rights are understood to include, inter alia, registered national and community trademarks. According article 14 (4) of the Public Policy Rules, 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 11th

recital of the Public Policy Rules states, that the principle of first-come-first-served should be the basic principle for resolving a dispute between holders of prior rights during the phased registration. The 12th recital further clarifies the allocation of a domain name should take place on a first-come, first-served basis if there are two or more applicants for a domain name, each having a prior right.

The Applicant applied for the domain name “gema.eu” on the basis of a Prior Right – registered national (Slovenian) trademark – and his application was first in time.

The Panel agrees that “GEMA” designation is connected with the Complainant itself in certain trade circles for a long time and that the Complainant’s “GEMA” trademarks are older than “GEMA” trademark of the Applicant. However, this is not relevant in this case.

(1) “Prior Right” as defined in Article 10 (1) of the Public Policy Rules must be understood as any existing right, of the kinds defined in Article 10 of the Public Policy Rules, already existing at the moment where the phased registration period was initiated - see ADR decision No 945 (CWI). “Prior Right” in this sense means that its holder is privileged to apply for the registration of a domain name prior (before) the other potential registrants which are not the holders of such “prior rights”. The Public Policy Rules do not establish any kind of priority between the “Prior Rights”. There is no priority of “older Prior Rights” or “most known Prior Rights” and no priority of the owner of considerable amount of “Prior Rights”. The only one priority follows from two parts of phased registration, whereas only registered trademarks, geographical indications and the names and acronyms of the public bodies could be registered during the first part of the Sunrise Period, while the other Prior Rights (including trade names, company names and business identifiers) could be registered during the second part of the Sunrise Period only.

It’s obvious, that there should be a number of cases when two or more concurrent “Prior Rights” are used to register one domain name. The Public Policy Rules expressly solves the existence of two or more concurrent prior rights saying that a first-come, first-served principle should be used if there are two or more applicants for a domain name, each having a prior right. Therefore, only dates of applications for the domain name registrations are relevant, not other “quality issues” of Prior Rights, such as the dates of the acquisitions of the Prior Rights.

(2) There is no priority between the national trademarks. A German trademark does not have more value than a Slovenian trademark.

(3) There is no regulation saying that the “eu domain name” could be registered only by the applicant whose company name is identical to registered domain. Moreover, there is no legal ground in the Public Policy Rules to evaluate of the sense of registration of the domain name different from the company name of the registrant and refuse the application for the registration in the case such sense is missing.

(4) Arguments, that the European Trademark Act was breached by the disputed decision of the Registry are not relevant, as the Public Policy Rules is considered to be a “lex specialis” rule with its own provisions governing the domain names registrations during the sunrise period.

Therefore, the Registry’s decision granting the domain name “gema.eu” to the Applicant doesn’t conflict with the Public Policy Rules. The complaint has to be denied.

II. SPECULATIVE AND ABUSIVE REGISTRATION

The Complainant argues that the Applicant has acted in bad faith.

Article 22 (1)(b) of the Public Policy Rules states, that a decision taken by the Registry can only be contested if conflicts with the Public Policy Rules or Regulation No 733/2002. There is no legal ground in the Public Policy Rules to reject an application for a domain name on the presumption that the application may have been made in bad faith or for speculative reasons. Therefore, the complaint must be dismissed.

Article 22 (1)(a) of the Public Policy Rules states, that an ADR procedure may be initiated where the registration is speculative or abusive within the meaning of Article 21. However, such an ADR procedure would clearly envisage a procedure to which the holder of the domain name should be a respondent, not the Registry. The same conclusion follows from ADR No 210 (BINGO).

Moreover, the speculative and abusive registration could not be reviewed without the holder of the domain name (the Applicant) because he/she should be entitled to react to the Complainant’s arguments regarding his/her bad faith registration and propose the relevant evidence. Such conclusion clearly follows from ADR No 01772 (BADCREDITLOANS) – “The reason for such procedure is the fact that in the ADR-proceedings, where Respondent (Registry) is the accused party, Applicant is not a party to the ADR-proceedings and therefore

Applicant would be deprived of their rights as a party to the ADR-proceedings".

The Complainant is still entitled to initiate the ADR procedure according Article 22 (1)(a) of the Public Policy Rules. Such procedure (with the Applicant participating as a party of the procedure) shall examine if the Applicant's registration of domain name "gema.eu" is speculative or abusive within the Meaning of Article 21.

Therefore, the complaint has to be denied.

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

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| Name | **Petr Hostas** |

DATE OF PANEL DECISION 2006-11-08

## Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant disputed the registration of the domain name "gema.eu" for which prior right was claimed during the Sunrise Period on the basis of the registered national Slovenian trade mark "GEMA". The complaint was based on the following grounds:

(1) the Prior Rights of the Complainant (company name and several German and community trademarks) are well known and elder than the Prior Rights of the Applicant (only one Slovenian trademark); there is no link between the name of the Applicant and the designation "gema" and the Complainant may be blackmailed by the Applicant and pressed to pay considerable amounts of money for the purchase of the domain "gema.eu".

(2) The Applicant made the application in bad faith.

"Prior Right" as defined in Article 10 (1) of the Commission Regulation (EC) No 874/2004 of 28 April 2004 ("Public Policy Rules") must be understood as any existing right, of the kinds defined in Article 10 of the Public Policy Rules, already existing at the moment where the phased registration period was initiated - see ADR decision No 945 (CWI). "Prior Right" in this sense means that its holder is privileged to apply for the registration of a domain name prior (before) the other potential registrants which are not the holders of such "prior rights".

The Public Policy Rules do not establish any kind of priority between the "Prior Rights". There is no priority of "older Prior Rights" or "most known Prior Rights" and no priority of owner of considerable amount of "Prior Rights". It's obvious, that there should be a number of cases when two or more concurrent "Prior Rights" are used to register one domain name. The Public Policy Rules expressly counts with two or more concurrent prior rights saying that a first-come, first-served principle should be used if there are two or more applicants for a domain name, each having a prior right. Therefore, only dates of applications for the domain name registrations are relevant, not other "quality issues" of Prior Rights, such as the dates of the acquisitions of the Prior Rights.

There is no priority between the national trademarks; a German trademark does not have more value than a Slovenian trademark. There is no regulation saying that the "eu domain name" could be registered only by the applicant whose company name is identical to registered domain.

During the phased registration period, the decision by the Registry whether or not to register the domain name can only be taken on the ground of the findings whether or not the Applicant has demonstrated a prior right in due time. There is no legal ground to reject an application for a domain name on the presumption that the application may have been made in bad faith or for speculative reasons. Therefore, ADR proceeding based on "bad faith" of an Applicant must be initiated against the domain name holder itself, not the Registry.

Therefore, the Registry's decision granting the domain name "gema.eu" to the Applicant doesn't conflict with the Public Policy Rules and the Complaint is denied.