Panel Decision for dispute CAC-ADREU-002970

Case number	**CAC-ADREU-002970**
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Domain names	**zakopane.eu**

Case administrator

Name	**Tereza Bartošková**

Complainant

Organization / Name	**Urząd Miasta Zakopane, Maria Ringer**

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 unaware of any such proceedings.

FACTUAL BACKGROUND

The Complainant is the office of the Polish town of Zakopane (Urząd Miasta Zakopane).

On 7 December 2005, the municipal administrative unit of Zakopane (Gmina Miasto Zakopane) applied for domain name zakopane.eu (hereinafter the „Domain Name“) based on Geographical Indication / Designation of Origin prior right, however such application expired due to the lack of proper documentation.

On 7 February 2006, a Dutch company Depmarc with its seat at Amsterdam (hereinafter “Depmarc”) applied for registration of the Domain Name on the basis of the trade name Z&A&K&O&P&A&N&E as the asserted prior right.

On 14 February 2006 Gmina Miasto Zakopane reapplied for the Domain Name as a Public Body. This application was on the second place in the queue after Depmarc’s aforesaid application.

By its decision dated 29 July 2006 (hereinafter the “Decision”) the Respondent accepted Depmarc’s application.

On 5 September 2006, and thus within the Sunrise Appeal Period as set forth by the Sunrise Rules, the Complainant filed the complaint against the Decision (hereinafter the “Complaint”) seeking the Decision be annulled and Domain Name attributed to the Complainant.

A. COMPLAINANT

Complainant contends the following:

(a) the Decision is in contradiction of Article 10 in connection with Article 11 of the Commission Regulation No. 874/2004 (hereinafter the „Public Policy Rules“) stipulating that the registration on a basis of a prior right shall be made for the complete name for which the prior rights exists. According to Article 11 paragraph 2 of the Public Policy Rules, when the prior right contains special characters (such as “&” in the case at hand) these characters should be (i) eliminated entirely from the domain name or (ii) replaced with hyphens or, if possible, (iii) rewritten. In Complainant’s opinion this provision must be interpreted in the way that the special characters must be, where possible, rewritten and only in cases where it is not possible to rewrite them they can be replaced with hyphen or eliminated. Therefore, Depmarc’s application for the Domain Name should have been rejected by the Respondent as the name Z&A&K&O&P&A&N&E could be easily rewritten as ZandAandKandOandPandAandNandE. In support of this argument the Complainant refers to ADR cases no. 265 (LIVE), 394 (FRANFURT) and 398 (BARCELONA).

(b) It was obvious at the time of receiving documentary evidence from Depmarc by the validation agent that the application for the Domain Name based on the prior right in the trade name Z&A&K&O&P&A&N&E is blatantly abusive as it is hard to imagine any real trade name in this form. Having known about the scale of misuse of the European domain name system by domain name grabbers who registered many domain names thanks to the Benelux Trademark Office's express procedures the Respondent should have acted with special care and refuse the registration. The validation agent has also power for investigating into the application submitted (Section 21 (3) of the Sunrise Rules).

(c) The Complainant is aware that bad faith of a domain name applicant is not a valid ground for domain name revocation in the proceedings against the Registry. Notwithstanding the foregoing the Complainant indicates that the behavior of Depmarc is not in line with the registration agreement concluded with the Registry, which prohibits domain name warehousing (Article 3 and Article 4 paragraph 5 of the said agreement).

B. RESPONDENT

Respondent's Contentions:

The Respondent contends the following:

(a) the Respondent disagrees with the view of the Panels in ADR cases no. 265 (LIVE), 394 (FRANKFURT) and 398 (BARCELONA) that Article 11 paragraph 2 of the Public Policy Rules required the Respondent to examine which of the special characters transliteration options is appropriate and to make the choice between these options for the applicant. If the Respondent should be obligated to make such choice the Public Policy Rules would have to expressly constitute such obligation. The Respondent also disagrees with the Complainant's opinion that Section 11 paragraph 2 of the Public Policy Rules prefer rewriting of special characters to their elimination or hyphenation. In this respect the Respondent refers to ADR cases no. 188 (123.eu), 1867 (OXFORD) and 2416 (TIMESONLINE) where the Panels stated the three transliteration methods of special characters as stipulated in Article 11 paragraph 2 of the Public Policy Rules are equal to one another and choice among these three transliteration methods is with the applicant.

(b) Depmarc applied for the Domain Name on the basis of the trade name prior right. The documentary evidence submitted by the Applicant contained an extract from the official register of the Chamber of Commerce in Amsterdam stating that Depmarc was a company set up recently with 23 registered "trade names" all of which contain an ampersand between each letter. Unlike the registration of trademarks, the registration of a trade name with a commercial chamber is not subject of examination process before being registered. As a result, before a trade name may be protected (and serve as a prior right) the law requires a certain durable and continuous use in public by the holder of the trade name to identify its business and the Chamber of Commerce is not responsible to examine whether this condition of public use is fulfilled by the name in question. Therefore the validation agent must verify this condition of a public use before the validation agent may find that the applicant is holder of a prior right consisting of a trade name. To this regard the mission of the validation agent with respect to trade names requires more investigations than in case where the asserted prior right is based on a trademark. In the case at hand the documentary evidence consisted of a three webpages containing the alleged trade name Z&A&K&O&P&A&N&E, invoice for hosting of these webpages and a business card. Although this documentary evidence could formally establish a prior right the validation agent should have assessed whether it could substantially establish a prior right, i.e. whether it could establish that Depmarc made certain durable and continuous use in public of the name Z&A&K&O&P&A&N&E. In addition to the above, as the documentary evidence shows, Depmarc has registered 23 "trade names" most of which consist of famous names (cities or other companies) with ampersand between each letter should have constituted another indication for the validation agent to conduct deeper investigation into the substantial requirements of trade name protection. As a result of the foregoing the Respondent contends that Depmarc was not the holder of a prior right consisting of the trade name Z&A&K&O&P&A&N&E.

(c) Even if the Panel should annul the Decision, the Panel is not empowered to order the direct attribution of the Domain Name to the Complainant because the Respondent must first assess whether the registration criteria were met by the next applicant in the queue via the regular validation process (Section 27 (1) paragraph 2 of the Sunrise Rules and Section B 11 (c) of the ADR Rules).

DISCUSSION AND FINDINGS

The Panel noted that Gmina Miasto Zakopane as the Domain Name applicant is different from Urząd Miasta Zakopane as the Complainant. From the online information sources the Panel consulted in this respect (pursuant to Section B 7 (a) of the ADR Rules) it appears to the Panel that Gmina Miasto Zakopane is the self administration unit while Urząd Miasta Zakopane is the office of such unit. It may very well be that according to Polish administrative law an „Urząd" is authorized to act on behalf of a „Gmina", however, the Panel is not in position to ascertain whether such assumption is correct. The Panel however decided not to investigate further into this discrepancy as it does not preclude the Panel from taking the decision on the Complaint. The right to initiate the ADR proceedings

against the Registry is vested in “any party” (Article 22 (1) of the Public Policy Rules), “any interested party” (Section 22 (2) paragraph 2 of Sunrise Rules), “the Applicant or any other interested party” (Section 26 (1) of the Sunrise Rules), “any person or entity” (Section B (1) (a) of the ADR Rules). Notwithstanding the ambiguity of the aforesaid provisions (which would most probably have to be resolved in favor of Public Policy Rules) the Panel concludes that under the circumstances of the case at hand the Complainant would have to be regarded as an interested party with respect to the registration of the Domain Name. Therefore the Panel went on examining the merits of the case.

First, having regard to the documentary evidence presented by Depmarc itself in the course of Domain Name registration process, the Panel is convinced that the Depmarc’s registration of the Domain Name is apparently abusive and the Panel had a great difficulty to find any other motivation for Depmarc to register the Domain Name than prima facie cybersquatting. On the other hand the Panel understands that the sole purpose of the proceedings against the Registry is to verify whether the decision of the Registry conflicts with the Public Policy Rules or Regulation (EC) No. 733/2002 and cannot be used for protection against speculative or abusive domain name registrations (as it ensues from Article 22 (11) paragraph 2 of the Public Policy Rules, Section 26 (2) of the Sunrise Rules and as it was correctly stated by the Panels in the ADR proceedings no. 12 (EUROSTAR), 191 (AUTOTRADER), 323 (BEAUTY and others) and several other subsequent decisions. Therefore the scope of review of the Decision by the Panel is limited to verifying whether the Registry complied with Public Policy Rules and Regulation (EC) No. 733/2002 when rendering the Decision. For the same reason, the Panel also cannot examine whether the Depmarc’s behavior violated the contract with the Registry.

The Complainant asserts that the Decision conflicts the Public Policy Rules in the following two respects:

(a) Article 11 pargraph 2 of the Public Policy Rules was not complied with; and

(b) the prior right to the trade name Z&A&K&O&P&A&N&E was not sufficiently demonstrated by Depmarc.

The Respondent joins the Complainant on the argument under (b) above, however disagrees with the argument under (a) above.

The Panel does not find the breach of Article 11 paragraph 2 of the Public Policy Rules, however, the Panel concurs with the Complainant and the Respondent that the public use of the trade name Z&A&K&O&P&A&N&E was not sufficiently demonstrated by Depmarc.

With respect to the asserted breach of Article 11 paragraph 2 of the Public Policy Rules, the Panel finds the following. Article 11 (2) of the Public Policy Rules reads:

“Where the name for which prior rights are claimed contains special characters, spaces, or punctuations, these shall be eliminated entirely from the corresponding domain name, replaced with hyphens, or, if possible, rewritten“.

In the Panel’s view this provision does not prefer any transliteration method of special characters to another. The wording “if possible, rewritten” does not mean that anytime it is possible to rewrite a special character, the applicant must do so and is precluded from the other two transliteration options. The wording “if possible, rewritten” actually means that this option is only available in cases where there is a common and generally accepted way to rewrite such character (as it is, for example, possible and generally accepted to rewrite “&” with “and”). However in cases where the rewriting is available it does not prevail over the other two transliteration options. Therefore the Panel respectfully disagrees with the view of some other Panels (for example the Panel in case no. 394 (BARCELONA)) that the Public Policy Rules require rewriting of the special character as a method of transliteration, in any case where such rewriting is possible.

On the other hand, it must be emphasized that, pursuant to Article 10 (2) of the Public Policy Rules, the registration of a domain name in Sunrise Period must consist of the registration of the complete name, for which the prior right exists (the identity rule). The question arises whether the three transliteration methods available according to Article 11 paragraph 2 of Public Policy Rules are equally compliant with the identity rule in any given case. The Panels in previous ADR cases appear to differ on this issue. According to the first view, expressed by the Panel in ADR case no. 265 (LIVE) and 394 (FRANKFURT), it is possible that some of the transliteration methods according to Article 11 paragraph 2 of Public Policy Rules may, in particular case, comply with the identity rule, while other may not, and it is the duty of validation agent to examine the choice made by the applicant. According to the second view, expressed by the Panels in ADR cases no. 188 (123.eu), 1867 (OXFORD) and 2416 (TIMESONLINE), Article 11 paragraph 2 of the Public Policy Rules provides for three equally appropriate transliteration methods, choice among them is with the applicant, and the identity rule is complied with in any case regardless of which one of these methods is chosen. The Panel in the case at hand adheres to the latter view. Should the possibility exist that any of the transliteration methods according to Article 11 paragraph 2 of the Public Policy Rules be incompliant with the identity rule and that the compliance of the transliteration method chosen by the applicant with the identity rule would have to be examined by the validation agent, the Public Policy Rules would have to expressly state so. Instead, Article 10 (2) of the Public Policy

Rules sets forth the identity rule while Article 11 paragraph 2 of the Public Policy Rules further clarifies the identity rule by stating that in cases where the prior right contains special characters the identity rule is complied with by either elimination, hyphenation or rewriting of these special characters. Nothing in the said Articles or in any other provision of Public Policy Rules can be interpreted in the way that the choice of transliteration method shall be subject to any examination by the validation agent or the Registry as to its compliance with the identity rule.

Therefore it must be concluded that Article 11 (2) of the Public Policy Rules provides for three equally appropriate methods of transliteration of special characters, the choice among them is with the applicant and the validation agent is not empowered to examine such choice.

The Panel concurs with the Complainant as well as with the Respondent that the documentary evidence submitted by Depmarc has not sufficiently demonstrated the public use of the trade name Z&A&K&O&P&A&N&E. According to Section 16.5 of the Sunrise Rules, if a trade name is subject to registration in official register, the applicant must submit an extract from that register and proof of public use of the asserted trade name. Therefore, a conclusion has to be drawn that not mere registration in the public register but also the actual public use of the trade name must be documented in order for the domain name application to be accepted in the Sunrise Period. Depmarc submitted couple of screenshots from an obscure website, the invoice for hosting of such website and the business card. The Panel is of the view that such documents are clearly insufficient to demonstrate the public use of the trade name Z&A&K&O&P&A&N&E. In addition to the above, the validation agent, even when exercising prima facie review of the documentary evidence (Section 21 (2) of the Sunrise Rules), should have noticed that, according to the extract from the official register maintained by the Chamber of Commerce in Amsterdam, Depmarc registered 23 “trade names” most of which consist of famous names (cities or other companies) with ampersand between each letter; such fact alone casting a great amount of doubt on the actual public use of such “trade names”.

For the foregoing reasons the Panel decided to annul the Decision. The Panel is also aware that in the proceedings against the Registry the Panel is not empowered to order direct attribution of the domain name to the next applicant in queue as such attribution is subject to the regular validation procedure. As stated above, it is also doubtful, whether the Complainant (Urząd Miasta Zakopane) is the same entity as the next applicant in queue for the Domain Name (Gmina Miasto Zakopane). Therefore the Panel limited itself to annulment of the Decision. The Registry will subsequently decide whether or not to register the Domain Name in the name of the next applicant in the queue (Section 27 (1) paragraph 2 of the Sunrise Rules).

DECISION

For all the foregoing reasons the Panel orders that:

the EURID's decision be annulled.

PANELISTS

Name	Michal Matejka

DATE OF PANEL DECISION 2006-11-25

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Dutch company Depmarc applied for registration of the domain name “zakopane.eu” on the basis of an asserted prior right to trade name Z&A&K&O&P&A&N&E. The Registry accepted Depmarc’s application. The office of the Polish town of Zakopane lodged a complaint against such decision arguing that (i) the trade name Z&A&K&O&P&A&N&E does not constitute a prior right to the domain name zakopane.eu because according to Article 11 paragraph 2 of the Public Policy Rules the special characters “&” should have been rewritten with “and” and not eliminated from the domain name (ii) Depmarc has not sufficiently demonstrated the public use of the trade name Z&A&K&O&P&A&N&E and (iii) Depmarc breached registration agreement with the Registry.

The Panel found no breach of Article 11 paragraph 2 of the Public Policy Rules, because such article provides for three equally appropriate transliteration methods, choice among them is with the applicant and nothing in the Public Policy Rules stipulates that such choice should be subject to examination by the validation agent or by the Respondent. The Panel, however, found that Depmarc failed to sufficiently demonstrate the public use of the trade name Z&A&K&O&P&A&N&E. Therefore the Panel annulled the decision of the Registry to accept Depmarc’s application.

In the proceedings against the Registry the Panel was not able to examine the asserted breach of a registration contract concluded between Depmarc and the Registry.