Panel Decision for dispute CAC-ADREU-003043

Case number	**CAC-ADREU-003043**
Time of filing	**2006-09-19 12:40:56**
Domain names	**kendo.eu**

Case administrator

Name	**Tereza Bartošková**

Complainant

Organization / Name	**expert AG**

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 other legal proceedings that relate to the disputed domain name.

FACTUAL BACKGROUND

1. On 7 December 2006 the company Roos IT applied for the domain name “kendo.eu”. This application during the phased registration period pursuant to Articles 10-14 of Commission Regulation (EC) No 874/2004 (the “Public Policy Rules”) was based on a trademark “K&E&N&D&O”, which had been registered by the Maltese Ministry for Competitiveness and Communications with effect of 19 October 2005 in the name of Roos IT (registration number 44406).

2. On 30 December 2006 the processing agent received, as Roos IT’s documentary evidence in support of this application, a copy of the Maltese “Notification of Registration” for the trademark mentioned above. The validation agent concluded from this documentary evidence that Roos IT was the holder of a suitable prior right. EURid therefore accepted Roos IT’s application for “kendo.eu”.

A. COMPLAINANT

3. Complainant requests (i) annulment of EURid’s decision to attribute the disputed domain name to Roos IT and (ii) attribution of this domain name to the Complainant.

4. Complainant contends that the validation agent should not have accepted the trademark “K&E&N&D&O” as a prior right to justify the registration of “kendo.eu” pursuant to Articles 10(2) and 11 of the Public Policy Rules. Complainant specifically argues that Article 11(2) of the Public Policy Rules requires that special characters like the ampersand have to be rewritten “if possible”, and can not be eliminated entirely or replaced with hyphens. Complainant therefore contends that the trademark “K&E&N&D&O” could well have served as a prior right for domain names like, for example, “kandeandnanddando.eu” by rewriting the special character “&” as “and”, but not for “kendo.eu”.

5. Complainant points out that the Maltese Notification of Registration for the trademark “K&E&N&D&O” explicitly includes the following disclaimer: “Registration [of the trademark] gives right to the exclusive use of the word ‘Kendo’ only when used with the symbols ‘&’ as shown on the mark”.

6. Complainant further mentions that Roos IT has registered a number of other trademarks containing ampersands at the Benelux Trade Mark Office, namely “N&B&A”, “O&P&E&N&S&O&U&R&C&E”, “S&T&O&C&K&P&H&O&T&O”, “X&M&L”, “c&o&m&m&e&r&c&i&a&l&s”, “f&e&u&e&r&w&e&r&k”, “f&e&u&e&r&w&e&r&k&e”, “lotte&rie” and “s&t&a&t&i&s&t&i&c&s”. Complainant contends that Roos IT has registered these trademarks as well as the “K&E&N&D&O” trademark only to abuse the technical rules contained in Articles 10 and 11 of the Public Policy Rules. Registration of “K&E&N&D&O” as a trademark in Malta by the Dutch company Roos IT is described as totally

unreasonable and therefore interpreted as an indication of Roos IT's bad faith when applying for the domain name "kendo.eu".

7. Complainant contends that EURid itself had rejected Roos IT's application for the domain name "lotterie.eu", which was based on the Benelux trademark "lotte&rie" just mentioned. According to Complainant EURid should also have rejected Roos IT's application for "kendo.eu" had it applied consistent validation standards for the phased registration period.

8. Complainant finally contends that EURid's decision to register "kendo.eu" in the name of Roos IT not only violates Articles 14, 10(1), 10(2) and 11 of the Public Policy Rules, but also Article 21 of the Public Policy Rules.

9. Complainant requests attribution of the disputed domain name to itself because it is owner of the German trademark registration no. 1022517 "Kendo" and the European Community Trademark registration no. 3493434 "Kendo".

B. RESPONDENT

10. Respondent contends that Article 11 of the Public Policy Rules primarily means that, given the technical restrictions of the domain name system, an applicant is unable to claim a prior right where the name at issues contains special characters. Article 11 therefore leaves three options for the applicant to still apply for a domain name on the basis of a name containing special characters. According to Respondent the applicant is free to (i) either eliminate the special character entirely from the corresponding domain name, (ii) replace it with a hyphen, or (iii) rewrite it if possible. The words "if possible" in Article 11(2) refer to the situation that not all special characters can be easily rewritten (e.g. "*"). If, however, the special character can be easily rewritten (e.g. AND, ET, UND etc. for "&") the applicant has – at least in Respondent's view – not only two but three options to deal with the special character(s) contained in the prior right. Respondent emphasizes the word "or" before the words "if possible" in Article 11(2) and argues that this indicates an alternative choice between the three options.

11. Respondent further contends that neither itself nor the validation agent are in a position to decide whether or not an ampersand contained in a specific trademark has to be transcribed or not. According to Respondent the Public Policy Rules do not intend to leave any discretion or interpretation to Respondent insofar as the content of the prior right is concerned, but rather require Respondent to – more or less mechanically – apply the substitution mechanism provided for by Article 11(2).

12. Regarding the domain name "lotterie.eu" Respondent argues that this application was not rejected because of the ampersand contained in the trademark "lotte&rie", but because this trademark had only been applied for and was not yet registered when EURid received the application for "lotterie.eu". The Panel in the ADR case no. 2180 (LOTTERIE) had confirmed this decision.

13. Respondent finally contends that Article 21 of the Public Policy Rules cannot be invoked in an ADR proceeding against the Registry, and that even if EURid's disputed decision should be annulled the domain name can not be directly attributed to Complainant by the Panel as this requires a prior assessment by the Registry and the validation agent.

DISCUSSION AND FINDINGS

REGARDING ANNULMENT OF EURID'S DECISION

14. The question at the core of this dispute is whether Article 11(2) of the Public Policy Rules actually requires that the ampersands contained in the trademark "K&E&N&D&O" are rewritten as "and", "et", "und" or the like, or whether they can also be eliminated entirely or replaced with hyphens to form the corresponding domain name.

15. Several previous ADR Panel decisions have held that the ampersands in such trademarks cannot be eliminated but rather have to be rewritten:

-- The trademark "LI&VE" was not accepted as a basis for "live.eu" (case no. 265);
-- the trademark "FRANK & FURT" was not accepted as a basis for "frankfurt.eu" (case no. 394);
-- the trademark "BARC & ELONA" was not accepted as a basis for "barcelona.eu" (case no. 398);
-- the trademark "N&ICE" was not accepted as a basis for "nice.eu" (case no. 735);
-- the trademark "FI&VE" was not accepted as a basis for "five.eu" (case no. 1049);
-- the trademark "Liecht & enstein" was not accepted as a basis for " liechtenstein.eu" (case no. 1255);
-- the trademark "COL & OGNE" was not accepted as a basis for "cologne.eu" (case no. 1523);
-- the trademarks "A&R&Z&T", "B&L&U&M&E&N", "A&N&A&L", "B&O&X&E&N" etc. were not accepted as a basis for "arzt.eu", "blumen.eu", "anal.eu", "boxen.eu" etc. (case no. 1717);
-- the trademark "ANTWERP&!" was not accepted as a basis for "antwerp.eu" (case no. 2185); and

-- the trademark "reykja & vik" was not accepted as a basis for "reykjavik.eu" (case no. 2221).

Other Panels, however, have held that elimination of “&” in such trademarks is one of the three possibilities created by Article 11 that is just as good as the other two solutions (i.e. rewriting the ampersand it or replacing it with a hyphen):

-- The application for "oxford.eu" could successfully be based on an "OXF & ORD" trademark (case no. 1867);
-- the application for "petrom.eu" could successfully be based on a "PET & ROM" trademark (case no. 2194); and
-- the application for "timesonline.eu" could successfully be based on a "TIMESON & LINE" trademark (case no. 2416).

16. The Panel notes that the trademark “K&E&N&D&O”

-- was applied for after the Public Policy Rules, and particularly the mechanism provided for by Article 11, had been published,
-- contains special characters that the public would usually enunciate (e.g. as “and”, “und”, etc.) and not merely regard as a decorative element of the mark (unlike the trademarks discussed in the cases 123 (case no. 188) and URLAUB (case no. 532)),
-- can hardly be pronounced when it is read literally, i.e. including the special characters (e.g. as “K and E and N and D and O”),
-- is concatenated as a sequence of segments that do not have any individual meaning (which may, albeit disputably, have been different in the PETROM decision (case no. 2194)), and
-- is reduced to a descriptive word if the special characters contained in the trademark are eliminated.

Given these circumstances the Panel feels it is evident that the trademark “K&E&N&D&O” was never meant to be used in commerce as a mark, i.e. to distinguish its owner’s goods and services from the offerings of others, but only as a tool to apply for the domain name “kendo.eu” during the phased registration period.

17. The Panel does not believe that Article 11(2) of the Public Policy Rules requires that in every case where the invoked trademark contains an ampersand this ampersand has to be transcribed. There are cases where both the wording and the spirit of Article 11 should permit the owner of such trademark to freely choose between the three different options provided for by Article 11(2). As a fictitious example, if the law firm Allen & Overy had relied on an “Allen & Overy” trademark during the phased registration period it would seem adequate to accept applications for “allenovery.eu” based on such trademark just as well as applications for “allen-overy.eu”, “allenandovery.eu”, etc. The Panel therefore respectfully disagrees with the fairly strict view expressed in, among others, the BARCELONA decision (case no. 398) that the rewriting of special characters should be the only option available to trademark owners “if possible”.

18. On the other hand, the Panel is also not convinced that Article 11(2) of the Public Policy Rules can be applied in the mechanical way proposed by the Respondent, thereby always offering a free choice how to handle an ampersand (eliminate it, replace it with a hyphen, or rewrite it). Article 11(2) of the Public Policy Rules has to be read in connection with Article 11(1), which indicates that the domain name and the trademark have to be “identical”, and in connection Article 10(2), which explicitly specifies that the domain name has to match “the complete name for which the prior right exists”. Article 11(2) is not a provision to be applied on its own, but merely explains the more general rule contained in Article 10(2). While in most cases the application of Article 11(2) will be consistent with the general rule in Article 10(2), there are cases where mechanically applying Article 11(2) would lead to a result that actually contradicts the general rule in Article 10(2). The Panel believes that in such cases the general rule in Article 10(2) must prevail. The Panel also believes that, given the circumstances described in paragraph 16 above, the word “kendo” and the trademark “K&E&N&D&O” are too different to assume that “kendo” is the complete name for which the prior right exists.

19. This reasoning is similar to the arguments laid out in the FRANKFURT decision (case no. 394). Respondent does not agree with that decision and has argued that the Public Policy Rules do not “command the Respondent to make a choice for the applicant”, but just to verify whether the applicant is the holder of a prior right that correctly translates into the requested domain name. So far the Panel agrees. The Panel does not agree, however, to Respondent’s following additional arguments:

“[T]he Regulation did not intend to leave some discretion or interpretation to the Respondent insofar as the content of the prior right is concerned. The Respondent is not empowered to rule on the merits of a prior right. Only courts and the competent Trademark Offices are empowered to rule on the merits of a trademark. In this case, the Maltese Industrial Property Office decided to register the trademark “K&E&N&D&O” and therefore the Respondent has to consider this trademark as a valid prior right, to which article 11 of the Regulation will apply.”

The Panel does not expect EURid or the validation agent to make a choice for the applicant or to rule on the merits of a trademark. The Panel believes, however, that EURid and the validation agent are well empowered to decide whether the – undoubtedly registered – trademark “K&E&N&D&O” is a sufficient prior right for the domain name “kendo.eu”. This assessment may imply some degree of

judgment instead of the automatic acceptance of the substitution method for which the applicant has opted under Article 11(2). But EURid and the validation agent are faced with similar judgment tasks in other constellations as well, for example regarding the question of “predominance” if the prior right is included in a figurative or composite sign (cf. Section 19(2) Sunrise Rules).

20. This Panel decision is entirely unrelated to Article 21 of the Public Policy Rules and/or the question whether Complainant could have successfully initiated an ADR proceeding under this provision against Roos IT. For the reasons provided above it is particularly irrelevant that Roos IT may have displayed a “pattern of conduct” by registering a number trademarks containing ampersands, or that the disputed domain name is identical to a trademark in which the Complainant has rights. The principles of due process and fair procedure require that Roos IT itself should have the opportunity to defend any allegations of bad faith before a decisions under Article 21 Public Policy Rules is rendered. Roos IT is not, however, a party to the present ADR procedure. The decision of this present dispute is therefore solely based on the assessment that the trademark “K&E&N&D&O” is not a suitable prior right to register the domain name “kendo.eu”.

REGARDING ATTRIBUTION OF THE DISPUTED DOMAIN NAME TO COMPLAINANT

21. Complainant’s own application for the disputed domain name has not been subject of this ADR proceeding. In particular, the Panel has not seen the documentary evidence that Complainant has submitted to the validation agent in support of its own application. EURid and the validation agent will therefore have to assess Complainant’s own application for the disputed domain and the corresponding documentary evidence before the domain name can be attributed to Complainant (cf. the second subparagraph of Section 27(1) Sunrise Rules).

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that EURID's decision be annulled.

PANELISTS

Name	**Enrique Batalla**

DATE OF PANEL DECISION 2006-12-11

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Dispute concerns the domain name “kendo.eu”, for which EURid has accepted an application that was made during the phased registration period on the basis of a Maltese trademark “K&E&N&D&O”.

The Panel decided that Article 11(2) of the Public Policy Rules does not require that in every case where the invoked trademark contains an ampersand this ampersand has to be transcribed as “AND”, “ET”, “UND” etc. The Panel also believes, however, that Article 11(2) of the Public Policy Rules cannot be applied in a mechanical way, thereby always offering a free choice how to handle an ampersand (eliminate it, replace it with a hyphen, or rewrite it). Article 11(2) of the Public Policy Rules has to be read in connection with Article 11(1), which indicates that the domain name and the trademark have to be “identical”, and in connection Article 10(2), which explicitly specifies that the domain name has to match “the complete name for which the prior right exists”. The Panel is convinced that Article 11(2) is not a provision to be applied on its own, but merely explains the more general rule contained in Article 10(2). While in most cases the application of Article 11(2) will be consistent with the general rule in Article 10(2), the Panel found that in this case the word “kendo” and the trademark “K&E&N&D&O” are too different to assume that “kendo” is the complete name for which the prior right exists.

The Panel therefore ordered that EURID’s decision to accept the application for “kendo.eu” based on the “K&E&N&D&O” trademark shall be annulled.