Panel Decision for dispute CAC-ADREU-003396

Case number	**CAC-ADREU-003396**
Time of filing	**2006-10-23 10:33:34**
Domain names	**citycafe.eu**

Case administrator

Name	**Josef Herian**

Complainant

Organization / Name	**City Inn Limited, Miss Pauline Anne McFarlane**

Respondent

Organization / Name	**World Online Endeavours Limited, World Online Endeavours Limited**

INSERT INFORMATION ABOUT OTHER LEGAL PROCEEDINGS THE PANEL IS AWARE OF WHICH ARE PENDING OR DECIDED AND WHICH RELATE TO THE DISPUTED DOMAIN NAME

1. The Panel is not aware of any pending or decided proceedings related to the disputed domain name.

FACTUAL BACKGROUND

2. The Respondent registered the disputed domain name on 7 April 2006, the first day of the Landrush registration period.

3. The Complainant is the City Inn contemporary hotel business. It operates four City Inn hotels in four major cities in the UK— London, Birmingham, Bristol and Glasgow. It operates restaurants in each of the hotels under the name “City Café.” It has registered three Community Trademarks (CTMs), all device or figurative marks, containing the word elements, City Café. The first CTM was applied for in August 1999 and the Complainant began trading in 1999.

A. COMPLAINANT

4. The Complainant contends it has rights in the name City Café, to which it says the disputed domain name is identical or confusingly similar. It contends the Respondent lacks any rights or legitimate interests in the disputed domain name, which it says was registered in bad faith.

5. The Complainant relies on the following to support its claim to rights.

5.1. The CTMs, for which registration certificates were provided: Mark no. 001284942 for “CITY CAFé” and device filed on 17 August 1999 (the First CTM), Mark no. 002063089 for “CITY CAFé restaurant.bar.terrace” and device, filed on 18 January 2001; and Mark no. 003168515 for “CITY CAFé restaurant.bar.terrace” and device, filed on 15 May 2003.

5.2. Rights to the common law or unregistered mark protected in English law by the cause of action for passing-off, based on goodwill and reputation arising from its use of the name City Café in trade. The Complainant submitted extensive evidence going to use, including some 91 pages of press releases, press coverage and cuttings concerning the hotels and the restaurants and restaurant reviews and listings. Evidence was also given of awards bestowed on the restaurants in Bristol, Birmingham and Glasgow. It also relies on figures for its promotional spending, some £200,000 per annum in 2004 and 2005. In addition, the Complainant relies on its use of the name online at websites such as toptable.co.uk, London-eating.co.uk, London-drinking.co.uk, Eat-in-the-midlands.com, lastminute.com, squaremeal.co.uk, toptable.com londontown.com, etc. It also submitted its website pages at www.cityinn.com and www.cityinn.com/citycafe. It provided traffic figures for the general website, which stood at 69,042 for the month of March 2006. Turnover figures were also given and for the year ending March 2004, the food and alcohol turnover was £4,870,978.

6. The Complainant submits the Respondent has no rights or legitimate interest in the disputed domain name on the basis that none of

the factors in §B11(e) of the ADR Rules apply to the Respondent. As to the Respondent's non-use, the Complainant says online searches indicate the disputed domain name cannot be found. It also submitted evidence of postings on various online message boards, which it maintains demonstrate the Respondent, and its principals, are in the business of warehousing domain names.

7. As to bad faith, the Complainant relies on a number of factors from §B11(f), namely circumstances indicating the registration was primarily for selling, renting or transferring the name to rights holders and as part of a pattern of blocking registrations—relying on the message board evidence referred to above. The Complainant also relies on the additional factor, §B11(f) being non-exhaustive, that at the time of the registration, the Respondent likely knew of the Complainant's rights which combined with the Respondent's non use, it says means the Respondent, and its principals, are engaged in warehousing.

B. RESPONDENT

8. The Respondent has not submitted a Response.

DISCUSSION AND FINDINGS

9. Article 22(1)(a) of Commission Regulation (EC) No 874/2004 of 28 April 2004 ("the Policy Regulation") allows a party to initiate an ADR procedure where a registration is speculative or abusive as defined in Art. 21, which provides for revocation where the name is identical or confusingly similar to a name in respect of which a right is recognised or established by national and/or Community law, such as the rights in Art 10(1), and where it: (a) has been registered without rights or legitimate interest in the name; or (b) has been registered or is being used in bad faith.

10. This is reflected in §11(d) of the ADR Rules which provides: "The Panel shall issue a decision granting the remedies requested under the Procedural Rules in the event that the Complainant proves;

(1) In ADR Proceedings where the Respondent is the holder of a .eu domain name registration in respect of which the Complaint was initiated that:

(i) The domain name is identical or confusingly similar to a name in respect of which a right is recognized or established by the national law of a Member State and/or Community law and; either

(ii) The domain name has been registered by the Respondent without rights or legitimate interest in the name; or

(iii) The domain name has been registered or is being used in bad faith."

Art. 21(2) provides examples whereby the Respondent's legitimate interest may be demonstrated (echoed in §B11(e) of the ADR Rules), and Art. 21(3) provides examples whereby bad faith may be demonstrated (echoed in §B11(f)).

11. The first issue is the Complainant's rights. The CTMs relied upon by the Complainant are all figurative marks –that is, composite marks made up of word elements and graphic or device elements. Ignoring for now the two CTMs which include the additional words, "restaurant, bar, terrace" – and turning to the First CTM; the device elements are a border, the use of capitals for CAF, a stylized grave accent over the e in red, and a red graphic representation of a loop of some kind at the bottom of the square border.

12. Special rules were made dealing with composite marks at the registration stage. Article 10(2) of the Policy Regulation provides: "The registration on the basis of a prior right shall consist of the registration of the complete name for which the prior right exists, as written in the documentation which proves that such a right exists" (emphasis added). §19 (2) of the Sunrise Rules clarifies Art. 10(2), stating: "Documentary Evidence must clearly depict the name for which a Prior Right is claimed. A Prior Right claimed to a name included in figurative or composite signs (signs including words, devices, pictures, logos, etc.) will only be accepted if (i) the sign exclusively contains a name, or (ii) the word element is predominant, and can be clearly separated or distinguished from the device element, provided that (a) all alphanumeric characters (including hyphens, if any) included in the sign are contained in the Domain Name applied for, in the same order as that in which they appear in the sign, and (b) the general impression of the word is apparent, without any reasonable possibility of misreading the characters of which the sign consists or the order in which those characters appear (emphasis added). See cases (Santos), 1438, (Ellison), 713 (Huettinger), 1393 (Hansa), 2813 (Noble), 2061 (Modline), 2293 (BAT), 2670 (J4),2659 (Promed), 3492 (Mapco), and others applying these rules.

13. While we are not concerned here with a registration in the phased period, these rules are worth noting as they recognise selective

reliance on words from marks and device marks is not a proper basis for priority as the holder may lack exclusive rights to the same.

14. This dispute is concerned with rights as employed in §11(d)(1)(i) of the ADR Rules—"The domain name is identical or confusingly similar to a name in respect of which a right is recoqnised or established by the national law of a Member State and/or Community law." It is enough then that the Complainant relies on a validly registered CTM for its prior right under §11(d)(1)(i)—the First CTM satisfies even the phased registration rules, as all alphanumeric characters in that mark are included in the disputed domain name and the use of a plain e rather than é is sanctioned by Art. 11 of the Policy Regulation. However, it is relevant to note that were it not for the device elements of the Complainant's CTMs, issues may have arisen as to whether the word element, City Café, had the distinctiveness necessary for a CTM due to its descriptive quality.

15. In addition to the rights based on the CTMs, the Complainant also relies on unregistered rights arising from its use of the name in trade protected in England under English law—which will suffice for §11(d)(1)(i). See also Art. 10(1) of the Policy Regulation and its definition of prior rights. The law of passing-off also discriminates against descriptive names and businesses choosing names made up of ordinary words in common use that describe the goods and services, do not get a monopoly in that name, even after lengthy use. Whether a name is descriptive is a question of degree decided on a case by case basis. Turning to the evidence submitted; while extensive, much of it is in the trade press for the hospitality industry, some concerns the City Inn hotels often with only one mention of the name City Café, some are listings of contact and basic information, others are announcements of prizes of weekend stays or meals. Some is however in the mainstream press and there are some full reviews of the restaurants. It is clear that the Complainant has conducted an intensive and sustained press campaign. Whether the name has achieved any sort of recognition with the general public is a very different question and may differ on a national and regional level. Very little evidence may be required to show a reputation that the law of passing-off will protect however and in the context of this type of proceeding, the threshold may not be very high.

16. As the CTMs are sufficient to establish rights, the Panel makes no finding on the unregistered mark. It is important to note however the Complainant's rights are, in the view of the Panel, very weak. The Complainant does not have exclusive rights to the words City Café within Europe or the UK. This in turn impacts the issues of legitimate use and bad faith below.

17. Turning now to these remaining issues, §B11(e) provides:

"Any of the following.. shall demonstrate the Respondent's rights or legitimate interests to the domain name for purposes of Paragraph B11(d)(1)(ii):

(1) prior to any notice of the dispute, the Respondent has used the domain name or a name corresponding to the domain name in connection with the offering of goods or services or has made demonstrable preparation to do so;

(2) the Respondent, being an undertaking, organization or natural person, has been commonly known by the domain name, even in the absence of a right recognized or established by national and/or Community law;

(3) the Respondent is making a legitimate and non-commercial or fair use of the domain name, without intent to mislead consumers or harm the reputation of a name in which a right is recognized or established by national law and/or Community law. "

18. The Complainant relies on three types of evidence: the disputed domain name was registered after its CTMs and after its reputation was established; an internet search of the disputed domain name shows it cannot be found; and the internet postings evidence. The Panel was able to replicate the Complainant's search on two different dates. It is accepted the disputed domain name is not currently in use and there is no evidence before the Panel to suggest it has ever been used or that any preparations have been made towards use. It has therefore been registered and not used for 10 months. The Panel notes that §B11(f) requires a minimum of 2 years. As to the postings evidence, the Complainant contends this indicates the Respondent's principals, the director, Mr Raymond King, and the company secretary, Jay Westerdal, and other companies controlled by them are allegedly shell companies engaged in warehousing large numbers of domain names. Exhibit 5 is a thread of emails complaining about the Landrush, most of it focused on parties with no connection to this proceeding. A number of unidentified individuals participate, one of whom is "Fred Bloggs." The gist of the thread is that the Respondent and its principals are American and have employed shell companies in Europe to register .eu names, have given false addresses and registered large numbers of .eu names and are wrongfully warehousing. This does not meet the necessary evidentiary standard to establish any of those allegations. While the ADR procedure is relaxed in comparison to a court, mere unsubstantiated rumor and speculation by persons unknown is not sufficient. Exhibit 6 is 37 pages of similar material. The Panel notes that a similar view was taken in Case 2438(ASK!). Generic and descriptive words have acquired considerable commercial value and a market exists in the same. Parties have a legitimate interest in the Panel's view in registering such names. It should also be remembered that the Landrush was first come first served and a registration will only be revoked if speculative or abusive. This factor is not made

out.

19. As to bad faith, §B11(f) provides:

“For purposes of [§] B11(d)(1)(iii), the following… may be evidence of the registration or use of a domain name in bad faith:

(1) circumstances indicating that the domain name was registered or acquired primarily for the purpose of selling, renting, or otherwise transferring the domain name to the holder of a name, in respect of which a right is recognized or established by national and/or Community law, or to a public body; or

(2) the domain name has been registered in order to prevent the holder of such a name in respect of which a right is recognized or established by national and/or Community law, or a public body, from reflecting this name in a corresponding domain name, provided that:

(i) the Respondent has engaged in a pattern of such conduct; or

(ii) (ii) the domain name has not been used in a relevant way for at least two years from the date of registration;..”

20. There is no evidence of any offer of sale, or intent to offer, the disputed domain name to the Complainant or anyone else with rights. As to a pattern of bad faith blocking registrations, as discussed above, the internet postings evidence is not satisfactory. There is nothing inherently abusive about multiple registrations of descriptive and generic names –nor has it been proved that the Respondent has done this. .

21. Nor in relation to the additional factor is the Panel persuaded. For completeness, the Panel notes the Complainant’s website headed a Google search the Panel performed on 16 February 2007. Ordinarily, it might be expected that before paying registration fees, a Respondent would take the trouble to carry out the precursory exercise of entering the relevant domain name into a search engine and would therefore become aware of the existing rights, if any. That may not be applicable where large numbers of domain names are registered simultaneously such as in the Landrush.

22. The failure of a Respondent to defend its registration or protest its innocence can be telling, suggesting it lacks an innocent explanation for its selection of a domain name. However the burden is the Complainant’s. The Panel is not satisfied bad faith is made out.

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	Victoria McEvedy

DATE OF PANEL DECISION 2007-02-13

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant sought the transfer of the domain name <citycafe.eu> based on 3 Community Trade Marks all of which were figurative marks which employed those words together with graphic elements. The Complainant also relied on its unregistered trade mark based on its use of the name in trade in the UK. The Complaint alleged lack of rights or legitimate interest and bad faith on the basis that the Respondent was warehousing domain names. The Respondent did not participate. The Panel found the Community Marks gave rights but not exclusive rights to the word elements which were descriptive. No finding was made as to the unregistered mark. The Panel found the Respondent had a legitimate interest in registering a descriptive domain name and that the Complainant’s evidence was insufficient to support bad faith. The Complaint was denied.