Panel Decision for dispute CAC-ADREU-003668

Case number	CAC-ADREU-003668
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Domain names	123.eu

Case administrator

Name	Josef Herian

Complainant

Organization / Name	123.ie Internet Services Limited

Respondent

Organization / Name	Minerva Consulting GmbH, Ilka Wormer

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

Decided case ADR EU Case No. 00188 (12 June 2006) regarding "123.eu"

FACTUAL BACKGROUND

The Complainant is a registered company incorporated under Irish law and established in Ireland carrying on business as an insurance provider offering home, motor, travel and life insurance.

The Complainant is the owner of the following registered trade marks:

i) UK registered trade mark 123, registration number 2243533, filed on 25 August 2000, registered on 15 November 2000 for goods and services in Class 36, namely “Insurance; financial affairs; monetary affairs, real estate affairs, insurance, financial affairs, monetary affairs and real estate affairs, all provided over the Internet”; and

(ii) Irish registered trade mark 123.ie, registration number 220654, dated 28 February 2000 and published on 2 April 2003, for the following services in Class 36: Insurance services; services relating to credit provision; investment services; Provision of on-line services by means of a global computer network, the internet and provision of access to computers all being for the purpose of advisory, consultancy and information services relating to insurance and credit provision; and in Class 42: Computer services; network services relating to insurance; leasing access time to computer databases, computer bulletin boards, computer networks and computerised research and reference material;

The Complainant applied to register the Internet domain name 123.eu during the Sunrise Period, based on its UK registered trade mark 123.

A third party Etam SA also applied to register the domain name 123.eu. The Etam SA application was received by the registry ahead of the Complainant’s application on the same date.

On 3 March 2006 the Complainant initiated an ADR proceeding against the Registry challenging the decision to register said Etam SA as owner of said domain name and requesting the transfer of the domain name to the Complainant. (ADR EU Case No. 00188.).

In ADR EU Case No. 00188 the Complainant successfully argued, inter alia, that the word element of Etam SA’s “1.2.3.”-trademark was not the predominant element of the figurative trademark and that the trademark could thus not form the basis for a sunrise-registration.

On 12 June 2006, in, the ADR Panel found in favour of the Complainant and annulled the decision to grant the registration to Etam SA,

but refused to transfer the domain name to the Complainant as requested because the Complainant was not the next applicant in line.

Said domain name was transferred to the Respondent, being the next applicant in line, in accordance with the ADR Rules.

The Respondent is a Gesellschaft mit beschränkter Haftung (GmbH) established in Munich, Germany and carries on a marketing business. The Respondent is the owner of Benelux registered trade mark 123, registration number 0776142, filed on 3 November 2005 and registered on 7 November 2005, for goods in Class 3 ('Wierook' which is the Dutch word for 'incense')

The Respondent made 245 other applications for..eu domain names during the Sunrise period based on Benelux registered trade marks.

A. COMPLAINANT

The Complainant submits that the registration of the domain name 123.eu by the Respondent is speculative or abusive within the meaning of Article 21 of Commission Regulation (EC) No 874/2004 of 28 April 2004 laying down public policy rules concerning the implementation and functions of .eu Top Level Domain and principles governing registration (hereinafter Regulation 874/2004) and within the meaning of Rule B 11 of the.eu Alternative Dispute Resolution Rules (hereinafter) the "ADR Rules") and requests transfer of the domain name at issue to the Complainant.

The Complainant submits that the domain name in dispute is identical to the above referenced UK registered trade mark and is confusingly similar to the above referenced Irish registered trade mark.

The Complainant submits that that the domain name has been registered by the Respondent without rights or legitimate interest in the name. The Complainant has carried out extensive searches on the Internet and has been unable to find any reference to the activities of the Respondent in respect of the 123 mark.

The Respondent is engaged in the business of branding in respect of its clientele. On its website at www.minerva.tm, the Respondent describes the services it provides as follows: "[w]e develop and check brandings for products, for services and businesses - from the idea to the registered trademark. All duties and tasks in the field of preparation are done by us, the finished product is handed over to you - made to measure, irreproachable, perfect."

This would indicate that the Respondent carries out both trade mark and domain name applications on behalf of its third party clientele. If it is the case that the domain name at issue has been registered by the Respondent on behalf of one of its clients, which is the natural conclusion that must be reached following a review of its website, it is submitted that this fact of itself would provide the Panel with sufficient evidence that the Respondent itself does not have sufficient rights or legitimate interest in the domain name but rather that these rights belong to a third party.

The Complainant notes however, that the Respondent is the registered owner of Benelux trade mark registration "123" filed on 3 November 2005 and registered on 7 November 2005, for goods in Class 3 ('wierook' which is the Dutch word for 'incense').

The Complainant has submitted as an annex to the Complaint what it describes as a non-exhaustive list of 245 other .eu Sunrise applications made by the Respondent on the basis of registered Benelux trade marks, which the Complainant submits is evidence that the Respondent has no legitimate interest in the domain name 123.eu.

Many of these applications are also registered for goods in Class 3 ('incense') while others are registered in Class 1 ('strontium' which is a chemical element in the periodic table). To date in its research the Complainant has not found any reference to the activities of the Respondent in respect of any of the 245 marks detailed in the annex to the Complaint

The Complainant then addresses each of the circumstances set out in paragraph B11(e) as the non-exhaustive list of circumstances that may demonstrate the Respondent's rights or legitimate interests to the domain name for the purposes of paragraph B11(d)(ii) as follows:

Rule B 11(e)(1) of the ADR Rules states:

"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;"

Extensive searches carried out by the Complainant to date have revealed no reference to any activities of the Respondent in respect of the 123 mark. For illustrative purposes, it is noteworthy that the Complainant has found no reference to any activities of the Respondent

in respect of any of the marks listed in the annex to the Complaint. In fact, the Respondent is in the business of providing name services for third parties and not, as its Benelux trade mark would indicate, in the business of marketing incense under the 123 brand.

Paragraph B 11(e)(2) of the ADR Rules states:

"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 the national and/or Community law ;"

The Respondent has, to the knowledge of the Complainant, never been known by the name 123. It is known by the name Minerva GmbH Consulting. As previously outlined, the Complainant has carried out extensive internet searches in order to establish the precise nature and extent of the Respondent's business activities. As will be discussed in further detail below, the manner in which the Respondent markets itself renders this task difficult, however the Respondent would appear to be also known variously as ENOM and NAME-SERVICES but not as 123.

Paragraph B 11(e)(3) of the ADR Rules states:

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

The Complainant has found no evidence of any use of the mark 123 by the Respondent. The domain name 123.eu was activated on behalf of the Respondent on 2 August 2006 yet to date the Respondent is not using the domain name.

The Complainant submits that the domain name has been registered by the Respondent and is being used in bad faith. In support of its submission the Complainant addresses each of the circumstances listed in paragraph B11(f) that if found by a panel, may, in particular but without limitation, be evidence of the registration or use of a domain name in bad faith.

Paragraph B 11(f)(1) lists:

"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;"

The above description of the Respondent's services on its www.minerva.tm website gives a primary indication that the Respondent is in the business of brand protection and of providing its clients with registrations in respect of name rights.

The Respondent made at least 245 applications for .eu domain names during the Sunrise period based on Benelux registered trade marks. The Complainant has no means of establishing how many more domain names were applied for by the Respondent during the Sunrise and Land Rush periods as there is no applicant-based search index on the EURid WHOIS database. It is open to the Panel to establish this fact itself with EURid. Many of the Respondent's Benelux trade mark registrations, such as 123, are registered for goods in class 3 ('incense') while other marks are registered for goods in class 1 ('strontium'). The Complainant has not been able to find any use by the Respondent of the mark 123 or indeed any of its other marks in relation to incense or strontium.

The Complainant contends that the Respondent has taken advantage of the deposit-based trade mark system employed by the Benelux Office for Intellectual Property in order to secure rights to marks in which it has no legitimate interest to form the basis of applications for .eu domain names which can be sold on to interested parties. In this regard, it is notable that all of the Benelux applications were made after 1 November 2005, in good time for the Sunrise application phase for .eu domain names which commenced on 7 December 2005. The Complainant further submits that the large volume of .eu domain name applications made by the Respondent on the basis of dubious Benelux trade mark registrations, along with the fact that it provides 'finished product' name services to its clients, is strong evidence of the contention that the domain name 123.eu, together with many other domain names registered by the Respondent, have been registered for the purpose of transferring the domain names to its clients, whether by selling, renting or otherwise.

An example of the above can be illustrated by the domain names anything.eu and assurances.eu. These domain names were applied for and are owned by the Respondent, yet the websites themselves are now run by a US registered company called Reunion.com Inc. with an address at 12100 Wilshire Blvd. Suite 150, Los Angeles, CA 90025, USA. These domains have clearly been sold by the Respondent to the US company.

The Respondent made five separate applications for the domain name 123.eu of which only one was accepted by the Registry. This was

not an isolated occurrence as the Respondent made multiple applications in respect of its other .eu applications.

For the domain name sex.eu, the Respondent made four separate applications, while for the domain name for shit.eu, the Respondent made nine applications. It is submitted by the Complainant that this practice of duplicating applications was an attempt by the Respondent to 'spam' the EURid system and gain an unfair advantage over other applicants and that this demonstrates further evidence of bad faith on the part of the Respondent in the application process. Furthermore, it could be said that the subject matter of some of the domain names applied for by the Respondent, such as the two mentioned above, are of dubious moral content which could be further evidence the bad faith of the Respondent.

As previously stated, the Complainant has carried out various internet searches in order to establish the nature and extent of the Respondent's business activities. When the Complainant carried out a search for "Minerva GmbH Consulting" on the search engine Google.com it was directed to the website www.enom.de. The Complainant carried out a WHOIS search and found that this website is owned by the Respondent.

The enom.de website is run by a separate entity called CTS GmbH. The registration details for the domain name 123.eu on the EURid WHOIS database indicate that the contact email address for the Respondent is "trademarks@name-services.com". The domain name "name-services.com" is owned by eNom, Inc., a US registered company with an address at 2002, 156th Avenue NE, Suite 300, Bellevue, WA 98007, USA. This company owns the website enom.com which is a US-based domain name services website with almost 7,000,000 domain names on its platform.

The registrar listed on the Respondent's application for the Domain Name 123.eu is Kingdomains, Inc., a company which has the same registered office as eNom, Inc. in Washington, USA. The contact details for the registrar is the email address info@enom.com. Other registrars used by the Respondent in some of its other .eu applications include Afterdark Domains, Inc. (for birdflu.eu), Traffic Names, Inc. (for baby.eu) and Mark Barker Names, Inc. (for computers.eu). All of these registrars have the same registered address and contact details as eNom Inc.

Finally, it is possible to submit an offer to buy the Domain Name 123.eu through the enom.com website. All of this evidence leads to the Complainant to believe that the Respondent appears to be cooperating with or acting on behalf of eNom in order to circumvent the eligibility requirements set out in Regulation 874/2004.

B. RESPONDENT

The Respondent submits that there are no grounds for a revocation or transfer of the domain name "123.eu" ("the domain name"). The requirements for the revocation of a domain name provided for in Art. 21 of Regulation 874/2004 EC and in the equivalent provisions of Sec. B 11 of the ADR Rules are not fulfilled.

The Respondent accepts that the domain name is identical or confusingly similar to the Complainant's trade mark, but submits that the further requirements for the revocation of a domain name are not proven.

The Respondent asserts that it has rights and legitimate interests in the domain name. The Respondent applied for the domain name 123.eu in the course of its business of building up brand concepts, into which trade marks and domain names are integrated. The Respondent also chose this generic term in order not to conflict with third parties rights. EURid approved the Respondent's application and eligibility. Following the Complainant's successful challenge to the Etam SA registration, the domain name was attributed to the Respondent, as he was the second applicant in line and he fulfilled the application and eligibility requirements.

The Respondent states that at the time of registration it was not aware of either the Complainant or its registered trade marks. The Respondent submits that this is unsurprising, as the Complainant obviously is a company of which the activities are restricted to Ireland or at least to Ireland and the UK. The website of the company, www.123.ie only points to an activity in Ireland. Only the area code and not the international pre-dial code are mentioned, the address only states the town name "Dublin" and not the country "Ireland" and on the web site there is only the possibility to select a county of Ireland and not a (region of) any other European country. The Respondent has submitted screenshots from the Complainant's website www.123.ie as an annex to the Response.

Other websites consisting of the Second Level Domain "123" or "123.ie", such as "123.com", "123.net", "123.org", "123.de", "123.co.uk", "123.ie.com", "123.ie.net" or "123.org", "123ie.de", "123ie.co.uk" are not used by the Complainant. Instead they are used by a number of different users, which are either not very large, or the domain names are not used at all. The Respondent has submitted screenshots of the respective websites,

Furthermore, there is also a large number of other companies that own a right to the name 123. The name 123 is obviously generally very

popular as trade mark in the European Union. There are 59 Community trade marks that contain the designation “123”. Three of these are pure word marks consisting of 123 only. One other trade mark contains “123” as only word element. The British national online trade mark register shows hits for over 80 trade marks containing the word element 123. Nineteen of these contain the numbers 123 as the only word element, while seven are word marks consisting of 123 only. In addition, there are 30 hits for Benelux trade marks which contain the element 123. Seven of these contain the numbers 123 as the only word element. On the German national trade mark register there is a total of 50 trade marks with the element “123” can be found. Four of these contain the numbers 123 as the only word element. A search of the International WIPO-Register showed 17 hits for trade marks containing the element “123”. Five of these contain “123” as only word element. In support of its submission, the Respondent has provided the results of searches for the element 123 in the online Community trade mark registry, the UK register, the Benelux register, the German register and the WIPO register as annexes to the Response

The Respondent comments that the Complainant’s trade marks are thus only two of many different 123-trade marks which are protected within the European Union.

Art. 21 of Regulation 874/2004 sets out the requirements under which a domain name shall be subject to revocation. These requirements are not given in the case at hand.

The Respondent submits that it has a right to the name 123 as it is the holder of the Benelux national wordmark 123, registration-no. 0776142. A national trade mark corresponding to the domain name in question is a right in the sense of Art. 21(1)(a) of Regulation 874/2004. This was confirmed by the Czech Arbitration Court in the decision ADR EU Case 00283 (lastminute.eu). In that decision, the distinguished three-member-panel held that even in cases in which the purpose of a trade mark registration was made to be able to apply for the respective domain name in the sunrise period only, the respective trade mark would generally have to be considered as a right in the sense of Art. 21(1)(a) of Regulation 874/2004.

Only if the trade mark was as such registered in bad faith, meaning for the purpose of unfairly obstructing the use of the trade mark by a complainant, would a respondent be unable to rely on his trade mark as a right in the sense of Art. 21 of Regulation 874/2004. If the scope of protection of the younger trade mark of a respondent does not overlap the scope of protection of the older trade mark of a complainant because the goods are dissimilar, there would be no indication that the prior purpose of a trade mark application of the respondent was the obstruction of the use of the trade mark of the complainant. In such a case the registration of the (younger) trade mark by the respondent would not lead to a restriction, let alone a hindrance of the use of the (prior) trade mark of the complainant.

In the case at hand the Respondent did not register the trade mark for the purpose of unfairly obstructing the use of the trade mark of the Complainant and so it was not registered in bad faith.

The sign 123 is generic. There is a large number of trade marks consisting of the sign 123 in the European Union. The Respondent had no idea that the Complainant was the owner of the trade marks the Complainant is referring to. He did not even know of the existence of the Complainant. He had no intention to obstruct the use of the trade marks of the Complainant by applying to register the trade mark 123. And the Respondent would not even be able to obstruct the use of the trade marks the Complainant refers to because these are protected for completely different products than those the Complainants’ trade marks are protected for.

Consequently, the respective trade mark has to be considered as a right in the sense of Art. 21(1)(a) of Regulation 874/2004.

Addressing the issue as to whether the Respondent has a legitimate interest in the domain name, the Respondent submits that the legitimate interest automatically follows from the Respondent’s right to the trade mark 123. (ADR EU Case 00283 (lastminute.eu))

Contrary to the allegations of the Complainant, the Respondent did not register the domain name in order to transfer it to a holder of a right to the name. The domain name 123.eu is a generic domain name. The Respondent did not know of the existence of any trade marks of the Complainant at the time of registration. According to the jurisprudence of the Czech Arbitration Court and the UDRP, the registration of a generic domain name generally cannot be considered as a registration in bad faith, if the registrant did not know of the existence of third party rights and thus could not have any intention of obstructing these.

Art. 21(3) of Regulation 874/2004 enumerates under which circumstances bad faith may be demonstrated. None of these circumstances are given in the case at hand.

The Respondent submits that it did not acquire the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name to the Complainant (Art. 21(3)(a) of Regulation 874/2004).

Contrary to the Complainant's submissions, the advertising on the Respondent's website, www.minerva.tm, cited by the Complainant,

"[w]e [Minerva] develop and check brandings for products, for services and businesses – from the idea to the registered trade mark. All duties and tasks in the field of preparation are done by us, the finished product is handed over to you- made to measure, irreproachable, perfect.",

does not suggest that the Respondent registered the domain name 123.eu or any other domain name in order to sell it to an owner of rights to the name, especially not to the Complainant. Instead, the Respondent registered the domain name 123.eu and the other domain names referred to by the Complainant in the course of his business of building up brand concepts, into which trade marks and domain names are integrated. Such branding business is legal and wide-spread in the European Union, as brands are becoming more and more relevant in our modern society.

Even if the Respondent had applied only for the national trade mark 123 as a basis for a corresponding domain name application, this does not imply that it primarily had the intention to transfer the domain to the Complainant or any other holder of a right to the name in the sense of Art. 21(3) Regulation 874/2004, as the Respondent did not know of the trade mark registration of the Complainant.

Even if it is assumed that Respondent registered the disputed domain name in order to sell it to the Complainant, this would not satisfy the requirements of Art. 21 (3) (a) of the Regulation (EC) 874/2004, if there is no evidence that Respondent registered the domain name knowing that it was the registered trade mark of Respondent. (ADR EU Case 00283 (lastminute.eu)).

Bad faith cannot be assumed if the domain name owner did not know of the Complainant or its trade mark at the time of the registration. In Newstoday Printers and Publishers (P) Ltd. v. InetU, Inc. WIPO Case No. D2001-0085) relating to the domain name newstoday.com, the Panel decided that the complainant had not proven bad faith with the argument that:

"[h]aving regard to the generic nature of the domain name and […] that [the Respondent] had no knowledge of the Complainant or its trade mark at the time of registration, Complainant's allegation of bad faith use and registration is successfully rebutted and the condition required by paragraph 4(a(iii) of the Policy [bad faith] is not satisfied".

In John Fairfax Publications Pty Ltd v. Domain Names 4U and Fred Gray (WIPO Case No. D2000-1403 (December 13, 2000) concerning the domain name financialreview.com the panel refused to make a finding of bad faith registration where the Respondent was "clearly a dealer in generic domain names". The Panel held:

"[r]egistering generic names, even with the intent to resell them, is a legitimate business activity. […]. The Complainant has not argued, much less provided evidence, that the Respondents registered the domain name specifically for the purpose of selling it to the Complainant or to a competitor of the Complainant.".

The Respondent submits that since the Complainant is located and obviously only active in Ireland in the insurance business, whereas the Respondent is located in Germany and engaged in the branding business, the Respondent did not know of the existence of the Complainant or its trade marks or any of the other owners of a right to the name 123. The Respondent certainly did not acquire the domain name to sell, rent or otherwise transfer the domain name to the Complainant.

Also the number of domain names applied for by the Respondent does not indicate that the domain name registrations were made primarily for the purpose of transferring them to the owner of a right to the respective name. In the field of building brand concepts it is necessary to provide for a number of trade marks and domain names which can be used as a brand, especially as it is not evident that a certain brand is successful from the beginning onwards.

Art. 21(3) of Regulation 874/2004 generally does not prohibit the registration of several generic domain names. That the registration even of a large number of generic domain names is generally permitted was already clarified by the case law on generic domain names established by WIPO.

In the case at hand, the Respondent registered a domain name in the belief that the domain name's value derives from its generic qualities. The Respondent specifically chose a generic domain name in order not to infringe third parties rights to the identical name. Above this, 123.eu is also neither identical nor confusingly similar to a famous or distinctive trade mark. Finally, the Respondent did not offer the domain name for sale. Therefore, bad faith would even have to be denied if the respondent had engaged in the business of registering and reselling domain names and not in the business of branding.

Even the registration of a number of domain names that are identical to trade marks would be insufficient evidence of the intent to profit

from or otherwise abuse third parties rights, as there is no obligation to carry out a prior trade mark search for conflicting rights. (Allocation Network GmbH v. Steve Gregory, WIPO Case No. D2000-0016 (March 24 2000)).
Furthermore, it cannot be assumed the Complainant intended to transfer the domain name, because it filed several applications for the same domain name through different providers. This was and still is common practice with .eu-domain name applications, as the first come first served-principle leads to a race against time. There is nothing illegal about it. The Complainant's allegations that the Respondent sold the domain names "anything.eu" and "assurances.eu" to a US company called Reunion.com Inc. lacks any factual basis whatsoever. It is also irreproducible how the Complainant came to the conclusion that the webpages www.anything.eu and www.assurances.eu are run by Reunion.com. They miss any reference to this company.

The respondent denies having sold the domain names "anything.eu" and "assurances.eu" to Reunion.com.

The Complainant's allegation that it is possible to submit an offer to buy the Domain name 123.eu through the website www.enom.com is also neither substantiated nor evidenced.

In fact, the website www.enom.com provides for a search service for domain names of different TLDs, such as .com, .net, .info, .eu, .co.uk and .nl. If one inserts the domain "123.eu" into the search function on the website, the website explicitly states that the domain name "123.eu is not available", cf. the extracts from the webpage www.enom.com,

One can submit an offer to buy and second level domain on the website www.afternic.com , however, there is no indication as to whether a domain name owner wants to sell the respective domain name. The service offered by the website www.afternic.com does not show any intention of the Respondent to transfer the domain name.

Finally, the Respondent generally did not agree to any sale of his domain names.

Therefore the Respondent did not act in bad faith in the sense of Art. 21(3)(a) of Regulation 874/2004.

None of the other examples of a registration or use in "bad faith" listed in Art. 21(3) of Regulation 874/2004 apply to the Respondent either.

The Respondent did not register the domain name in order to prevent the Complainant from reflecting the name 123 in a domain name in the sense of Art. 21(3)(b) of Regulation 874/2004. As the Respondent knew neither the Complainant nor the trade marks referred to by the Complainant when it registered the domain name 123.eu, The Responsent could not have had an intention of preventing the Complainant from reflecting his trade mark in a domain name. And by no means did it engage in a pattern of obstruction of third parties rights. The intention of the Respondent was rather to register a generic name, thus a domain name which, as it is generic, precisely does not interfere with third parties´ rights.

The domain name was not registered primarily for the purpose of disrupting the professional activities of a competitor in the sense of Art. 21(3)(c) of Regulation 874/2004. The Respondent did in no way intend to disrupt the activities of the Complainant. And he is not even a competitor of the Respondent.

Furthermore, the Respondent did not use the domain name to attract internet users by creating a likelihood of confusion with the 123 - designation of the Complainant. (Art. 21(3)(d) of Regulation 874/2004. Due to the differences of the business activities of the Complainant on the one hand and the Respondent on the other hand, it is even questionable whether such danger of confusion - precisely confusion as to the origin of the products promoted through a "123.eu"-website - could be created at all.

A situation as described in Art. 21(3)(e) of Regulation 874/2004 is not given either, as the domain name "123" is not a personal name.

Therefore the Respondent does not fulfill any of the examples of a bad faith registration and/or use in the sense of Art. 21(3)(a) to (e) of Regulation 874/2004.

Furthermore, the Respondent has not shown any conduct which could in any other way, not explicitly listed in Article 21 of Regulation 874/2004, lead to a bad faith-registration.

Registration of generic names without intention of obstruction does not amount to bad faith Generic terms are of special interest for a branding agency like the Respondent. The reason is that it is especially difficult to develop a brand, which does not collide with the rights of third parties. Generic terms are especially attractive because the danger that such terms are attributed to one single trade mark owner and thus infringe the rights of this trade mark owner is very low. At the same time generic terms can be turned into a trade mark for

products, for which they are not descriptive. As stated above, the generic term 123, for example, is a very popular trade mark within the European Union and was protected for a large variety of goods. Due to its generic nature and the high number of 123-trade marks, the general public hardly thinks that products labelled as 123 derive from one specific entity. The same applies for a website under the domain 123.eu. The general public would probably think that such a website is a portal on the alphabet. But it could also be the website of an internet service provider (as for instance, the website www.123.com, which is designed to serve the Latin American Market) or of partner agency (as www.123-flirt.com), of a legal consultant service (see www.123recht.net) or any other entity whatsoever, cf. the abstracts from the respective websites,

Finally, the Respondent submits that it should be noted that the European legislator deliberately and explicitly established the first come first serve principle for the registration of .eu-domain names in Regulation 874/2004.. A .eu-domain name can therefore not be revoked simply because an older trade mark with the identical word-element exists somewhere in the European Union. It was also the clear intention of the European legislator not to establish a cut-off deadline, by which all trade marks should have been registered in order to qualify as valid prior rights for sunrise applications. Therefore, also trade marks that were registered in the Benelux trade mark registry shortly before the beginning of the sunrise-period can form the basis of a domain name registration. This has been confirmed by the ADR-decisions of the Czech arbitration court, for example the decision in ADR EU case no. 00293 concerning the domain name “pool.eu”.

The domain name 123.eu can therefore not merely be revoked because the Complainant has older trade mark-rights to the same name somewhere in the European Union. A revocation would rather only be possible if the requirements specifically set out in Art. 21 of Regulation 874/2004 are met.

There are thus no grounds for a rejection or transfer of the domain name 123 to the Complainant with the consequence that the Complaint has to be rejected.

DISCUSSION AND FINDINGS

Article 21 of Regulation 874/2004 and Rule B 11 of the. ADR Rules require that the Complainant must prove 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
ii. the domain name has been registered by the Respondent without rights or legitimate interest in the name; or
iii. that the domain name has been registered or is being used in bad faith.

Both parties accept, as does the Panel that the domain name in dispute is identical to the Complainant’s UK registered trade mark 123 and is confusingly similar to the Complainant’s Irish registered trade mark 123.ie.

As to whether the Respondent has rights or a legitimate interest in the domain name, the Respondent is the owner of Benelux registration of the word mark 123, registration number 0776142 in class 3 of the register and registered on 7 November 2005 in respect of “wierook” (in English “incense”).

On the balance of probabilities, the Respondent registered the trade mark 123 solely for the purposes of securing priority in the application process for the domain name 123 on the .eu domain during the Sunrise Period. It would be difficult to disagree with the Complainant’s observation that the Respondent does not carry on any bona fide business as a manufacturer or merchant of “incense” and in fact the information provided by the Respondent in the Response would appear to support this conclusion.

The Complainant brings this application seeking a transfer of the domain name to the Complainant on the basis of Article 21 of Regulation 874/2004 and Rule B 11 of the. ADR Rules. The Complainant in this case does not challenge the validity of the Eurid decision to grant the domain name to the Respondent.

It is not open to this Panel to consider either the validity of the Belgian registration or the validity of Respondent’s priority application based on that registration and the consequent decision of Eurid to grant the domain name to the Respondent.

Article 10(1) of the Reguation defines “prior rights” inter alia as including registered national and community trademarks. It follows therefore that the domain name has not been registered by the Respondent without rights, contrary to Article 21 of Regulation 874/2004 and Rule B 11 of the. ADR Rules.

The question of whether the Respondent has a legitimate interest in the name is inextricably bound up in the present case with the questions of whether the Respondent registered or is using the domain name in bad faith.

On the issue of alleged bad faith, it is difficult to understand how the Respondent on the one hand states that it was unaware of the Complainant's registered trade marks when its own website boasts:

"We develop and check brandings for products, for services and businesses - from the idea to the registered trademark. All duties and tasks in the field of preparation are done by us, the finished product is handed over to you - made to measure, irreproachable, perfect."

It would seem to follow that the Respondent would have carried out searches of the Irish and UK registry and other databases prior to applying for its Belgian trade mark and the domain name in dispute in these proceedings. The results of such searches would have informed the Respondent of the Complainant's rights and most probably the corresponding rights of the owners of the 59 Community trademarks, 80 UK registered trademarks, 30 Benelux registered trade marks, 50 German national trade marks, and 17 marks on the WIPO International register that the Respondent clsims incorporate the element 123.

On the balance of probabilities therefore, despite its denial, given the nature of its business, the Respondent was aware of the Complainant's rights when it registered the domain name.

The Complainant has submitted a list of the domain names for which the Respondent has made application during the Sunrise Period. These domain names are generally what can be described as "generic", such as ABC, AUTO, AUTOS, BABY, BEER, BIER, BLOG. None of the domain names appear to be identical or similar to any famous marks.

However, unlike AUTO, AUTOS, BABY, BEER, BIER, BLOG, the numbers 123 are not "generic". The numbers 123 in combination do not refer to a genus or class of things.

Both Article 2 of Council Directive 89/104/EEC of 21 December, 1988, to approximate the Laws of the Member States relating to trade marks and Article 4 of Council Regulation (EC) 40/94 of 20 December, 1993, on the Community Trade Mark provide that a trade mark may consist of any sign capable of being represented graphically, particularly inter alia "numerals" provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.. It follows that numerals may have the capacity to distinguish and as such are not generic signs.

The trade mark 123 was registered as a word mark in the UK by the Complainant and the UK Patent Office accepted that it had sufficient distinctiveness to be registered.

While on the evidence adduced, it would appear that when the Respondent registered the domain name it was not its intention to attempt to sell the domain name to the Complainant in particular or to otherwise take advantage of the Complainants rights. Nonetheless it is obvious that the Complainant registered the domain name for the purposes of selling or renting it or otherwise making it available to third parties. This is evidenced by the fact that the Respondent has registered so many diverse domain names and it is admitted in the Response that the domain name was registered for the purposes of "building up brand concepts, into which trademarks and domain names are integrated".

Furthermore as the Respondent was aware of the Complainant's rights and perhaps the rights of the owners of the other trade mark registrations that incorporate the element 123, when it embarked upon a course of action to apply for a Belgian registration knowing that the Benelux registry operates a deposit system, it then made an application for the domain name 123.eu seeking priority based on the Belgian trademark and thereby seeking to steal a march on the Complainant and third parties who may have had rights in the 123 trade mark.

Turning to the UDRP cases cited by the Respondent: since the domain name 123 is not a generic name the decision of the learned panel in John Fairfax Publications Pty Ltd v. Domain Names 4U and Fred Gray (WIPO Case No. D2000-1403 (December 13, 2000) can be distinguished. Furthermore since on the balance of probabilities the Respondent was aware of the Complainants rights, Newstoday Printers and Publishers (P) Ltd. v. InetU, Inc. WIPO Case No. D2001-0085 can be distinguished.
Citing the decision in the UDRP case, Allocation Network GmbH v. Steve Gregory, WIPO Case No. D2000-0016 (March 24 2000) the Respondent submits that it is not obliged to carry out trade mark searches prior to applying to register a domain name. That is an overstatement of that panel's decision where it stated that "nothing in the (UDRP) can be construed as requiring a person registering a domain name to carry out a prior trademark search in every country of the world for conflicting trademark rights." In the present case the Respondent claims to be creating "made to measure, irreproachable, perfect" brands and it is reasonable to expect that as a brand creation organisation it would carry out trade mark searches within the EU.

The decision in a recent UDRP case, ATOL v. Namegiant - Moyobamba Pshp (WIPO Case No. D2006-1203 (November 16, 2006) is

helpful. In that case the panel addressed the issue bad faith where there is large scale registration of dictionary words as domain names by resellers in the following terms:

“it appears that the Respondent’s business is the registering and selling of domain names on a very large scale, whereby some of these domain names may correspond to dictionary words (which is the case of the Disputed Domain Name in some languages). From this perspective, it is useful to refer to a previous decision which held that “where a respondent has registered a domain name consisting of a dictionary term because the respondent has a good faith belief that the domain name’s value derives from its generic qualities, that may constitute a legitimate interest and the offer to sell such a domain name is not necessarily a sign of bad faith. Where, in contrast, a respondent registers large swaths of domain names for resale, often through automated programs that snap up domain names as they become available, with no attention whatsoever to whether they may be identical to trademarks, such practices may well support a finding that respondent is engaged in a pattern of conduct that deprives trademark owners of the ability to register domain names reflecting their marks”. See Mobile Communication Service Inc. v. WebReg, RN, WIPO Case No. D2005-1304 (this part of the decision has been referred to by subsequent Panels such as in Media General Communications, Inc. v. Rarenames, WebReg, WIPO Case No. D2006-0964).”

In the view of this Panel, the Respondent therefore, in the knowledge that the Complainant was the owner of the UK registered trade mark 123, embarked upon a course of action to secure the 123.eu domain name for the purposes of building up a brand concept to be sold to a third party notwithstanding the Complainant’s prior rights in the mark.

Article 21 3 (b) of Regulation 874/2004, provides that bad faith may be demonstrated where…”the domain name has been registered in order to prevent the holder of such a name in respect of which a right is recognised or established by national and/or Community law, or a public body, from reflecting this name in a corresponding domain name, provided that (i) a pattern of such conduct by the registrant can be demonstrated…”

In the view of this Panel the course of action taken by the Respondent and in particular the steps that the Respondent took to secure priority in the Sunrise period was inevitably intended to prevent the Complainant from reflecting the name 123 in a the corresponding domain name and as such demonstrates that the Respondent enaged in registration of the domain name in bad faith.

Alternatively, given the business of the Respondent, if the Respondent registered a large number of domain names with no attention to whether they may be identical to trade marks, this may be taken as a pattern of conduct that deprives that trade mark owner, the Complainant in this case, of the ability to register the domain name reflecting its mark on the .eu domain and as such amounts to circumstances indicating that the domain name was registered and is being used in bad faith. (ATOL v. Namegiant - Moyobamba Pshp (WIPO Case No. D2006-1203)).

The Panel finds that the domain name 123 was registered in bad faith.

The registration of the domain name 123.eu by the Respondent is speculative or abusive within the meaning of Article 21 of Commission Regulation (EC) No 874/2004 and the Complainant is entitled to succeed in its application.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that the domain name 123 be transferred to the Complainant

PANELISTS

Name	**James Bridgeman**

DATE OF PANEL DECISION 2007-02-16

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant submits that the registration of the domain name 123.eu by the Respondent is speculative or abusive within the meaning of Article 21 of Commission Regulation (EC) No 874/2004 of 28 April 2004 laying down public policy rules concerning the implementation and functions of .eu Top Level Domain and principles governing registration (hereinafter Regulation 874/2004) and within the meaning of Rule B 11 of the.eu Alternative Dispute Resolution Rules (hereinafter) the “ADR Rules”) and requests transfer of the domain name at issue to the Complainant.

The Complainant is the owner of the UK registered trade mark 123 registered on 15 November 2000.. The Respondent is the owner of the Belgian registered trade mark 123 registered on 7 November 2005. The Respondent made 245 other applications for..eu domain names during the Sunrise period based on Benelux registered trade marks.

Both the Complainant and the Respondent applied to register the domain name 123.eu. Initially the domain name was allocated to a third party but following a successful challenge in ADR EU Case No. 00188 (12 June 2006), the EURid decision was annulled and domain name was subsequently allocated to the Respondent being the next applicant in line.

The Respondent accepted that the domain name was identical to the Complainant's registered trade mark. The Panel found that the Respondent had rights in the domain name as it was the owner of the Belgian registered trade mark 123.

The Panel found that the Respondent's Belgian registered trade mark 123 was registered by the Respondent purely for the purposes of grounding an application for the 123.eu domain name with priority under the Sunrise period. The Panel further found that despite the denial by the Respondent, because the Respondent is engaged in the business of creating brand names, the Respondent had actual knowledge that the Complainant was the owner of the UK registered trade mark when it applied to register the Belgian trade mark 123 and then proceeded to apply to register the domain name 123.eu in the Sunrise Period.

Article 21 3 (b) of Regulation 874/2004, provides that bad faith may be demonstrated where…"the domain name has been registered in order to prevent the holder of such a name in respect of which a right is recognised or established by national and/or Community law, or a public body, from reflecting this name in a corresponding domain name, provided that (i) a pattern of such conduct by the registrant can be demonstrated…"

While many of the applications for domain names by the Respondent during the Sunrise Period based on Benelux registered trade marks were for generic words, the panel held that the trade mark 123 is not a generic sign. The numbers 123 in combination do not refer to a genus or class of things and have the capacity to distinguish goods and services.

The course of action taken by the Respondent and in particular the steps that the Respondent took to secure priority in the Sunrise period was inevitably intended to prevent the Complainant from reflecting the name 123 in a the corresponding domain name and as such demonstrates that the Respondent engaged in registration of the domain name in bad faith.

Alternatively, given the business of the Respondent, if the Respondent registered a large number of domain names with no attention to whether they may be identical to trade marks, this may be taken as a pattern of conduct that deprives that trade mark owner, the Complainant in this case, of the ability to register the domain name reflecting its mark on the .eu domain and as such amounts to circumstances indicating that the domain name was registered and is being used in bad faith.

The Panel held that the registration of the domain name 123.eu by the Respondent is speculative or abusive within the meaning of Article 21 of Regulation 874/2004, that the Complainant is entitled to succeed in its application and directed that the domain name 123.eu be transferred to the Complainant.