Panel Decision for dispute CAC-ADREU-003693

Case number	**CAC-ADREU-003693**
Time of filing	**2006-11-03 12:24:25**
Domain names	**hi.eu**

Case administrator

Name	**Tereza Bartošková**

Complainant

Organization / Name	**Koninklijke KPN N.V., Mr. Richard Canten**

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

ADR No. 00865 (see Factual Background)

FACTUAL BACKGROUND

The Complainant filed two applications to register the disputed domain name <hi.eu>. The first application was filed on 07/12/2005 (result: "Expired") and the second on 18/01/2006, which was rejected by the Registry based of the insufficiency of the documentary evidence submitted to prove the existence of the claimed prior right. The Complainant filed a Complaint against this rejection on 2006-04-21 (ADR No. 00865). The decision of the Panel confirmed the Respondent's decision and the Complaint was denied.

The Complainant then filed the present complaint against the decision of the Registry to allocate the domain name <hi.eu> to the next applicant in the queue, Parknet BV. This application was filed on 10/03/2006. The next applicant in the queue is again Parknet BV, followed by a third applicant (Home Innovation S.r.l.), which in turn is followed again by the Complainant.

On January 10, 2007, having received the Statement of Acceptance and Declaration of Impartiality, the Czech Arbitration Court appointed the Panel.

A. COMPLAINANT

In its complaint, the Complainant provides extensive .eu precedents interpreting Article 11 of Commission Regulation (EC) No 874/2004 of 28 April 2004 laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration (hereafter "Regulation 874") in the sense that, if the prior right upon which the domain name application is based includes the ampersand symbol ("&"), that symbol should be rewritten in the domain name.

The precedents cited include ADR No. 398 (BARCELONA), 265 (LIVE), 394 (FRANKFURT), 475 (HELSINKI), 1717 (ARZT), 2185 (ANTWERP, ANTWERPEN), 2221 (REYKJAVIK), 1523 (COLOGNE)

The Complainant also claims that the concept of "identity" as defined in the decisions of the European Court of Justice in the SABEL (C-251/95) and LLOYD (C-342/97) cases should be applied to the present dispute.
The last point of the Complainant makes reference to the bath faith of Parknet BV, entity to which the domain name <hi.es> is currently allocated.

B. RESPONDENT

The Respondent contends that the Complainant's argument regarding Parknet BV's bad faith is not relevant in this case, which is only about whether the Respondent has complied with the Regulations (Article 22(1)(b) of Regulation 874).

Regarding the interpretation of Article 11, the Respondent cites a number of .eu precedents in support of the idea that the applicant for a domain name based on a prior right including the special characters mentioned in that article, has unfettered choice among the three options given i.e. eliminate entirely, replace with hyphens, or, if possible, rewrite.

The precedents cited include ADR No. 1867 (OXFORD), 2416 (TIMESONLINE), 1996 (THINKTANK), 3007 (CAMPINGS), 3085 (SELF-STORAGE).

The Respondent also discusses its disagreement with the interpretations of Article 11 of the Regulation 874 in the precedents cited by the Complainant. In particular, the Respondent states that "the Regulation did not empower the Respondent with the task to interpret the scope of the applicant's prior right or to impose one of the alternatives provided in article 11 depending on the circumstances of the case".

The Respondent's last argument challenges the Complainant's request to have the domain name transfer to it. This argument is based on the fact that, even if the Respondent's decision was annulled, the domain name could not be transferred to the Complainant since there are other applicants in the queue.

DISCUSSION AND FINDINGS

A) Legal grounds

Article 10.1 of Regulation 874: “Holders of prior rights recognised or established by national and/or Community law and public bodies shall be eligible to apply to register domain names during a period of phased registration before general registration of .eu domain starts”.
Article 10.2: “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.

Article 11 Par. 2: “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.
Special character and punctuations as referred to in the second paragraph shall include the following: ~ @ # $ % ^ & * ( ) + = < > { } [ ] | \ / : ; ' , . ?

Article 14: "(…) Every applicant shall submit documentary evidence that shows that he or she is the holder of the prior right claimed on the name in question. (…)The Registry shall register the domain name, on the first come first served basis, if it finds that the applicant has demonstrated a prior right in accordance with the procedure (…)".

According to Articles 22 (1) (b) and 22 (11) of Regulation 874 a party is, following the decision by the Respondent to reject a domain name, entitled to initiate an ADR proceeding against the Registry on the grounds of non-compliance of that decision with Regulation 874 or with Regulation (EC) No 733/2002 (Regulation 733).

B) Discussion and findings

As a first point, the Panel notes that this dispute is brought pursuant to Articles 22 (1) (b) and 22 (11) of Regulation 874. Accordingly, the arguments of the Complainant regarding Parknet BV's bad faith in the registration of the domain name <hi.eu> are not relevant. If the Complainant intends to pursue that avenue, a Complaint pursuant to Articles 22(1)(a) and 22(11), first paragraph, should be filed. Therefore, the Panel dismisses Complainant's arguments concerning Parknet BV's bad faith.

The core question of the present case relates to the correct interpretation of Article 11 of the Regulation 874 regarding "special characters", and more specifically, if and how the ampersand ("&") should be reflected in a domain name when the prior right supporting the application includes that character.

There are a number of precedents dealing with this question and panels have taken a variety of views. However, it is possible to distinguish two main groups: those in favor of granting unfettered choice to the domain name applicant to delete or rewrite the ampersand –see above the precedents cited by the Respondent- and those that deny such choice –see above the precedents cited by the Complainant-. In the latter group there is a variety of opinions, the main ones being the following:

In BARCELONA, it was interpreted that in Article 11, "if possible" means that, if available, the "rewrite" option should be preferred over the

others;

In LIVE, it was argued that "Art.11 of reg.875/2004 has to be interpreted in the light of the identicality principle. If a trademark is composed of two names with autonomous meanings and recognition by an average person of their individuality, then keeping or eliminating the "&" character does not alter the identity rule, on the contrary when the two textual elements puts together produce a totally different name than this union is contrary to the indenticality principle. LI&VE and LIVE.eu are different enough to be considered not identical."

In FRANKFURT, the decision to allow registration depends on whether the domain name chosen is supported by an adequate prior right. The Registry must make an assessment that such adequate right exists.

In ANTWERP, it was reasoned that symbols are not all the same and some convey more 'content' than others. The ampersand normally has a specific meaning and therefore "rewrite" would be the more common option.

In COLOGNE, it was argued that the relationship between Art. 11.1 and 11.2. Art. 11.1 refers to the idea of "identity" between the domain name and the mark. In Art.11.2 there is no such reference, but it should be interpreted in line with Art. 11.1. The decision concludes that, when the ampersand has low significance (eg. Procter & Gamble), it can be deleted ("In practical terms, if a trademark is composed of two names with autonomous meanings and recognition by an average person of their individuality, then keeping or eliminating the “&” character does not alter the identity rule. Procter & Gamble or ProcterGamble.eu are recognised as the same, on the contrary COL&OGNE and COLOGNE are different enough to be considered not identical.). This decision also establishes the obligation of the Registry to carry out a proper assessment on "whether or not the desired domain name in the application for registration constitutes a complete name for with the prior right exists".

In REYKJAVIK, it was stated that "ensuring that the domain names applied for correspond in the best possible way and indeed mirror the underlying claimed rights is the responsibility of the Registry and such responsibility is to be exercised in concreto, taking into account the specific circumstances in a case-by-case approach."

The Panel agrees that one of the principal difficulties with the interpretation of Article 11 is that the list of special characters listed are accorded very different treatment in practice and no provision is made for this by the wording of the Article. In particular, some of those characters would be accorded much greater significance than others when determining what would constitute the "complete name" which is to form the basis of the registration of the prior right under Article 10.2. One of those special characters would be the ampersand ("&").

The fact that Article 11 makes no such distinction has led some panels to consider that any of the options contemplated in that article are valid and it is for the applicant to make that choice. However, other panels have considered that the question does not have a straight answer and that each case should be decided on its own merits (on a case-by-case basis). In those situations, the role of the Respondent becomes critical and a number of decisions agree on the need that the Respondent assesses each domain name application to establish that the prior right provides enough coverage to support the domain name application.

The Respondent claims that its role is not to make such assessment. However, as stated in COLOGNE "[…] EURid has regularly assessed the “appearance” of a presented trademark against the domain name sought in accordance with the Regulation. For example with respect to figurative/composite trademarks, such an assessment is performed by EURid and its validation agent. Inevitably, EURid has been assessing special characters as well." The Regulation has established two mechanisms to correct EURid's decisions: an ADR procedure and the possibility to file court proceedings. These mechanisms should guarantee a proper interpretation of Article 11, in line with the purpose of the Regulations.

The Panel finds questionable the Respondent's statement that "[its] duty [is] to assess whether the Applicant had chosen any of the three options available to him pursuant to article 11 of the Regulation" in light of Recital 12, which actually states that "validation agents should assess the right which is claimed for a particular name". Recital 12, together with Article 14 (paragraph 7), suggests that the Respondent needs to go beyond verifying that one of the options in Article 11 has been chosen (this is a mechanical verification), and must compare whether the prior right supports the domain name application.

Due to the meaning attached to it, deleting the ampersand is always a delicate question. However, most of the decisions cited by the Complainant suggest that, in some cases, it would be reasonable to delete it – in particular, when "the mark is composed of two names with autonomous meanings and a recognition by an average person of their individuality" (LIVE and COLOGNE). In these circumstances, the ampersand would have low significance in the overall impression of the mark and the domain name would then be considered to be the complete name for which the prior right exists.

Regarding the relevance of the ECJ's SABEL and LLOYD cases in the comparison between domain names and trademarks, the Panel concedes that they could provide useful guidance to the question of whether the domain name reflects the "complete name" for which the prior right exists. However, given the technical limitations that exist in the area of domain names, the criteria laid down in those cases should be applied with caution. In addition, the assessment proposed by ECJ includes elements that are not suitable for fast-track disputes such as this one and notes that "the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details". Therefore, domain name panels should rely, whenever possible, on prior domain name decisions –even if such precedents are not binding-, and the analysis of the facts in each case.

The above are a number of factors that the Panel has considered in reaching its decision and that illustrate the complexities of the issue.

In this case the mark is composed of three elements: Letter "H", the "&" and letter "I".

One of the members of the Panel considers that the ampersand in the present case is highly significant and therefore, the mark "H & I" is not a valid right for a domain name application for <hi.eu>.

The majority of the Panel, however, considers that the mark "H & I" constitutes a valid right for the domain name application <hi.eu>. The fact that in this particular case the letters "H" and "I" can be considered "autonomous" and "recognizable by the average person" (LIVE and COLOGNE) entitles the applicant to choose between any of the options in Article 11. The Panel has also examined the registration of domain names by companies whose house-marks are composed of individual letters joined by an ampersand, and the majority finds that there is no pattern to choose either a domain name that transliterates the ampersand into "and" or a domain name that simply deletes the ampersand. This strengthens the view of the majority of the Panel that, in this particular case, it is for the domain name applicant to decide whether to delete the ampersand or not (or to substitute it by a hyphen).

Accordingly, the majority of the Panel considers that the mark "H & I" provides enough support for the application of the domain name <hi.eu> and that the Registry's assessment of the application was (voluntarily or involuntarily) correct.

In view of this decision, the Respondent's argument concerning the transfer of the domain name to the next applicant in the queue is not relevant.

Accordingly, the Panel finds that the Respondent decision is not against Regulations 874 and 733 and therefore, denies the Complaint.

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	**Antony Gold**

DATE OF PANEL DECISION 2007-02-08

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

One of the principal difficulties with the interpretation of Article 11 is that the list of special characters listed are accorded very different treatment in practice and no provision is made for this by the wording of the Article. In particular, some of those characters would be accorded much greater significance than others when determining what would constitute the "complete name" which is to form the basis of the registration of the prior right under Article 10.2. One of those special characters would be the ampersand ("&").

The fact that Article 11 makes no such distinction has led some panels to consider that any of the options contemplated in that article are valid and it is for the applicant to make that choice. However, other panels have considered that the question does not have a straight answer and that each case should be decided on its own merits (on a case-by-case basis).

The majority of the Panel considers that the mark "H & I" constitutes a valid right for the domain name application <hi.eu>.