Panel Decision for dispute CAC-ADREU-003777

Case number	**CAC-ADREU-003777**
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Domain names	**it-innovation.eu**

Case administrator

Name	**Tereza Bartošková**

Complainant

Organization / Name	**IT Innovation Centre, Mr David Littlehales**

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

N/a

FACTUAL BACKGROUND

IT Innovation Ltd. applied for the domain name it-innovation.eu on 31 March
2006. The type of prior right claimed was the Complainant's company name IT Innovation Ltd, registered in the UK. The application was rejected on the grounds that the Complainant had not established a prior right in accordance with the Sunrise Rules. In particular, the Complainant had failed to submit evidence that the company name was protected under the law of passing off in the UK.

The Complainant submitted the Complaint on 10 November 2006 against EURid asking the contested decision to be annulled.

A. COMPLAINANT

The Complaint argues that their application was wrongfully rejected by the validation agent. The Complainant states that IT Innovation Ltd is a registered company within the EU (England) and that it was seeking a .eu domain corresponding to its company name.

B. RESPONDENT

The Respondent submitted the following response:

1. GROUNDS ON WHICH THE RESPONDENT REJECTED THE APPLICATION BY IT INNOVATION LTD FOR THE DOMAIN NAME IT-INNOVATION

Article 10 (1) of Commission Regulation (EC) No 874/2004 of 28 April 2004 (hereafter "the Regulation") states that only holders of prior rights which are recognised or established by national or Community law shall be eligible to apply to register domain names during a period of phased registration before general registration of .eu domain starts

Article 14 of the Regulation states that "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.(…) If the documentary evidence has not been received in time or if the validation agent finds that the documentary evidence does not substantiate a prior right, he shall notify the Registry of this.(…) 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 set out in the second, third and fourth paragraphs".

Section 16.1 of the Sunrise Rules states that: " A company name is an official name of a company, i.e. the name under which the company is incorporated or under which the company is registered. In member states where no company-name protection exists, the

name of the company may still be protected as a trade name (as referred to in Section 16(2)) or a business identifier (as referred to in Section 16(3)).
If an Applicant claims a Prior Right to a name on the basis of a company name protected under the law of one of the member states mentioned in Annex 1 as being a member state protecting company names, it is sufficient to prove the existence of such Prior Right in accordance with Section 16(4) below.".

As far as the United Kingdom is concerned, Annex 1 to the Sunrise Rules state that the protection of company names is acknowledged "only to the extent that rights in passing off exist". The documentary evidence required is "referred to in Section 12(3) of the Sunrise Rules (and not the documentary evidence referred to in Section 16 of the Sunrise Rules)". Finally, the Annex 1 mentions that: "Where documentary evidence is submitted as referred to in Section 12(3)(i) of the Sunrise Rules, the documentary evidence must enable the Validation Agent to validate the existence of a protected prior right (under the law of Passing Off) on the basis of a prima facie review of the documentation as set out in Section 21(2) of the Sunrise Rules".

Section 12.3 of the Sunrise Rules states that:" If, under the law of the relevant member state, the existence of the Prior Right claimed is subject to certain conditions relating to the name being famous, well known, publicly or generally known, have a certain reputation, goodwill or use, or the like, the Applicant must furthermore submit
(i) an affidavit signed by a competent authority, legal practitioner, or professional representative, accompanied by documentation supporting the affidavit or
(ii) a relevant final judgment by a court or an arbitration decision of an official alternative dispute resolution entity competent in at least one of the member states
stating that the name for which a Prior Right is claimed meets the conditions provided for in the law (including relevant court decisions, scholarly works and such conditions as may be mentioned in Annex 1 (if any)) of the relevant member state in relation to the type of Prior Right concerned. ".

IT Innovation Ltd (hereafter "the Complainant") applied for the domain name IT-INNOVATION on 31 March 2006, claiming as prior right a company name protected in the United Kingdom for the name "IT Innovation Ltd".

The processing agent received the documentary evidence on 8 May 2006, which was before the 10 May 2006 deadline.

The Complainant submitted documentary evidence consisting of:
- a certificate of incorporation showing that IT Innovation Ltd is incorporated in the United Kingdom; and
- a form 363a - Annual Return.

The Applicant did not submit any affidavit or relevant final judgement stating that rights in passing off exist on the name IT INNOVATION to establish the claimed right under the law of the United Kingdom.

Based on the documentary evidence received, the validation agent found that the Applicant did not clearly establish that it was the holder of the claimed prior right.

Therefore, the Respondent rejected the Applicant's application.

2. COMPLAINANT'S CONTENTIONS

The Complainant argues that it is a company registered in the UK under the name " IT Innovation Ltd " and that it provided all required documentary evidence to support its application.

Therefore, the Complainant requests this Panel to annul the Respondent's decision to reject the Complainant's application for the domain name IT-INNOVATION and to grant the domain name to the Complainant.

3. RESPONSE

3.1 The Complainant did not demonstrate that it was the holder of a prior right on the name IT-INNOVATION

Pursuant to article 14 of the Regulation, article section 12.3 of the Sunrise Rules and Annex 1 to the Sunrise Rules, a company name protected under the law of the United Kingdom may only be relied upon as a prior right to the extent that rights in passing off exist, which must be demonstrated by :

(i) an affidavit signed by a competent authority, legal practitioner, or professional representative, stating that the name meets the conditions provided for in the law (including relevant court decisions, scholarly works and such conditions as may be mentioned in Annex 1 (if any)) or
(ii) a relevant final judgment by a court or an arbitration decision of an official alternative dispute resolution entity competent in at least one of the member states.

The documentary evidence received by the validation agent within the deadline did not include any affidavit drafted by a legal professional or relevant final judgement stating that the name meets the conditions provided for in the UK law of passing off.

Therefore, the validation agent correctly found that the Complainant did not sufficiently establish that the prior right relied upon in its application pursuant to article 14 of the Regulation, because no rights in passing off had been demonstrated.

Consequently, the Respondent correctly rejected the Applicant's application.

The Respondent refers this Panel to the decision in ADR 3226 (CARAVANCLUB), where the Panel agreed with the Respondent's decision to reject the Complainant's application because the required documentary evidence for protection of a company name in the UK was not provided: "According to Annex I of the Sunrise Rules, company names are protected in the UK under the law of passing off. Therefore, to establish a prior right to a UK company name, Annex I of the Sunrise Rules require that the Applicant must submit documentary evidence in accordance with Section 12(3) of the Sunrise Rules. This requires either an a) affidavit of a competent party as prescribed by the section, or b) judgment of a competent court or arbitration panel indicating that the conditions for passing off have been met. For the present purposes it is not necessary to consider the requisites for passing off action in the UK. To render a decision it is sufficient to note that a mere registration extract is not enough to establish a sufficient prior right to a company name in the UK. ".

This approach was confirmed by a three-member panel in ADR 3146 (ESTHETYS). It is particularly worth noting that two of the Panelists in this case are UK solicitors. The Panel decided that: "The legal position in the United Kingdom is recognised by the Sunrise Rules which provide that applicants claiming company name / trade name / business identifier rights under the law of the United Kingdom can do so only to the extent that rights in passing off exist. The Sunrise Rules also require such applicants to provide either an affidavit with supporting documents from a competent authority, legal practitioner, or professional representative or else a final court judgment or arbitration decision stating that the name meets all of the relevant conditions for existence of a prior right.(…) The Respondent was therefore correct to reject the Complainant's application in relation to company name / trade name / business identifier rights. ".

This approach was also confirmed in ADR 3548 (COSTACRUISE, COSTACRUISES, COSTACROISIERES), where the Panel decided that: " the Complainant submitted two documents, i.e. an abstract from the Companies House register showing that the company (No 2482631) "Costa-O.C.L. Lines UK Limited" changed its name to "Costa Cruise Lines UK Limited" on 29 January 1999; and an air travel organiser's license showing that the company "Costa Cruise Lines UK Ltd" is authorised to sell and advertise flights and air package holidays, and is also trading under the name "Costa Cruises". According to Annex 1 of the Sunrise Rules, to claim his Prior Rights, the Complainant had to submit documentary evidence as referred to in Section 12(3) of the Sunrise Rules (and not documentary evidence referred to in Section 15 of the Sunrise Rules), as already mentioned hereinabove. Neither the first nor the second document could serve to establish Prior Rights of the Complainant".

Similarly, in ADR 3545 (DLL, LOVING, MOTORING, etc.), the Panel decided that: "Annex 1 to the Sunrise Rules is designed to reflect a variety of conditions under which different types of prior rights are protected in Member States and to inform the Applicants of these conditions together with setting forth what documentary evidence, respectively what provisions of the Sunrise Rules apply to demonstrate that rights. With regard to protection of company names in the United Kingdom, it states that company names may be claimed as prior rights "only to the extent that rights in passing off exist". For this reason, it makes Section 16 (4) of the Sunrise Rules inapplicable by providing that "documentary evidence as referred to in Section 12(3) of the Sunrise Rules (and not the documentary evidence referred to in Section 16 of the Sunrise Rules)". Therefore, in order to demonstrate claimed prior rights, the Applicants had to provide documents within the meaning of Section 12 (3) of the Sunrise Rules. This is understandable and logical because one of the three pivotal elements to establish right in passing off under law of the United Kingdom is the reputation or goodwill of the names in question".

In ADR 3590 (BROCHIER), the Panel also confirmed the Respondent's decision because the applicant did not demonstrate that rights in passing off exist in the United Kingdom: "Moreover, given the particular nature (and the specific regime foreseen by Annex 1 of Regulation 874/2004 and Section 12.3 of the Sunrise Rules) of a trade name as alleged by the Complainant, the Respondent should have been provided by the Complainant with the following two evidences in order to be entitled to claim the acceptance of its application:
- An affidavit signed by a competent authority, legal practitioner or professional representative, accompanied by documentation supporting the affidavit, or

- A relevant final judgment by a court or an arbitration decision of an official alternative dispute resolution entity competent in at least one of the member States of the EU.
In both cases such filed documents should clearly state that the name for which a prior right was claimed by the Complainant met the conditions set out by the applicable law in relation to such a type of prior right. As previously indicated, the concerned prior right was based on a commercial name under the law of the United Kingdom. Therefore, the evidences filed by Complainant should have allowed a prima facie recognition by the Respondent –as indicated by Section 21.2 of the Sunrise Rules- of the existence of rights by the Complainant in passing-off in connection with the alleged commercial name. In this sense, previous ADR decisions (see, for example decisions in ADR 3226 (CARAVANCLUB) and in ADR 2957 (GAYROMEO) have already indicated that, in cases where a trade name protected under passing-off rights is alleged, mere registration extracts are not enough".

For the sake of completeness, the Respondent will answer the Complainant's contention that it provided sufficient documentary evidence to establish the claimed prior right.

Although this is not clear from the complaint, the Complainant seems to be relying on section 16.1 of the Sunrise Rules, which states that " A company name is an official name of a company, i.e. the name under which the company is incorporated or under which the company is registered. In member states where no company-name protection exists, the name of the company may still be protected as a trade name (as referred to in Section 16(2)) or a business identifier (as referred to in Section 16(3)).
If an Applicant claims a Prior Right to a name on the basis of a company name protected under the law of one of the member states mentioned in Annex 1 as being a member state protecting company names, it is sufficient to prove the existence of such Prior Right in accordance with Section 16(4) below.".

However, as clearly mentioned in this section, section 16 (4) of the Sunrise Rules is only applicable to countries where company name protection exists. This is also the reason why section 16(4) of the Sunrise Rules starts by stating that this provision applies "unless otherwise provided in Annex 1 hereto".

The laws in the various Members States differ and, therefore, the conditions under which prior rights are recognised or established by national law pursuant to article 10 (1) of the Regulation also differ. Annex 1 to the Sunrise Rules takes into consideration the diversity of the laws recognizing or establishing prior rights and provides that, in order to be protected in the United Kingdom, a company name may only be relied upon as a prior right to the extent that rights in passing off exist.

In other words, the United Kingdom is "a member state where no company-name protection exists", in the meaning of section 16.1 of the Sunrise Rules. Indeed, there are only two ways of obtaining the right to stop a third party using a name under UK law. The first is through registration of a trade mark (which is not relevant here because the Complainant did not claim to be the holder of trademark registration), the second is through an action for passing off.

As already explained, the Complainant should therefore have demonstrated that rights in passing off exist. This could only have been done by submitting an affidavit signed by a legal practitioner in which :
the legal practitioner lists the conditions for passing off protection under the UK (for example, as detailed in the case Erven Warnick v Townend [1979] A.C.; [1979] 2 All E.R. 927; [1980] R.P.C.31 at 93);
the legal practitioner subsequently applies these conditions to the claimed prior right and confirms that those conditions are fulfilled for the claimed prior right, on the basis of supporting documentary evidence.

Because such affidavit was not included in the documentary evidence received by the validation agent, the Complainant's contention that it provided sufficient documentary evidence does not stand.

For these reasons, the complaint should be denied.

DISCUSSION AND FINDINGS

This case concerns the application of the Sunrise Rules. In particular, the question is whether companies registered in the UK have a prior right to a name without evidence of passing off.

Sunrise Rules and Commission Regulation 874/2004 of 28 April 2004 regulate the ways in which prior rights can be demonstrated. Section 12(3) of the Sunrise Rules requires in effect that if under the law of the relevant Member State the existence of a prior right is subject to conditions, the applicant must submit either a) affidavit of a competent party (as prescribed in the section) or b) a final court or arbitration decision evidencing that the conditions for the protection have been met. Annex I of the Sunrise Rules state that a company registered in the UK can only be relied upon as a prior right to the extent that rights in passing off exist. This is the subject matter of the affidavit or court decision that is required under Section 12(3) of the Sunrise Rules. Without such evidentiary material

submitted within the stipulated timeframe the application cannot lead to registration. Mere registration or incorporation certificate does not suffice if the company in question claims to have a prior right to a company name in the UK.

This finding is supported by the established case law of the Czech Arbitration Court. Panels have reached similar decisions in various prior ADR cases, among which (inter alia) cases 3226 CARAVANCLUB, 3146 ESTHETYS, 3548 COSTACRUISE and 3590 BROCHIER.

In the present case the applicant has merely provided a registration certificate of their company, certificate of incorporation and Companies House form 363a entitled Annual Return. The first two documents establish that the Complainant is the owner of the company name IT Innovation Ltd.

It is not clear what the third document (Annual Return) purports to demonstrate. It could be argued in certain circumstances that financial statements might provide important evidentiary information regarding the party's position in the market. However, the Complainant has not made such claims, and in any case, Section 12(3) of the Sunrise Rules require either an affidavit or a court or arbitration decision to establish that conditions for passing off are met. The purpose of these rules were of course to facilitate the work of validation agents. Even if the Annual Return form had provided useful information, the panel could not rely on that as evidence of prior right to a company name. The Sunrise Rules are very specific as to what kind of material can be submitted as evidence. The panel is compelled to apply these provisisions. In the present case it is clear that the Complainant has failed to comply with the requirements of Section 12(3) of the Sunrise Rules.

The panel has therefore no choise but to conclude that since the Complainant has failed to submit documentary evidence referred to in Section 12(3) of the Sunrise Rules, namely an affidavit or a court or arbitration decision stating that the requirements for passing off have been met, this Complaint must be denied.

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	**Erkki Holmila**

DATE OF PANEL DECISION 2007-02-16

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant applied for the domain name it-innovation.eu during the Sunrise Period. The Complainant relied on its company name as the prior right and submitted the certificate of registration as documentary evidence. The validation agent refused the application on the basis that the documentary evidence failed to satisfy the Sunrise Rules, in particular that the Complainant did not submit an affidavit or a court decision that the conditions for passing off had been met. The Complaint was rejected on the grounds that the Sunrise Rules require that such an affidavit or a court or arbitration decision is submitted in cases where the prior right claimed in a company name in the UK.