Panel Decision for dispute CAC-ADREU-003871

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Case administrator

Name	Tomáš Paulík

Complainant

Organization / Name	Zefi Holdings Ltd - Youtravel.com S.A., Mr Georgios Chairetis

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

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FACTUAL BACKGROUND

The object of the present dispute is the interpretation of the definition ‘prior right’ to register the disputed domain name.

Article 10 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, refers to the eligibility of parties and the names they can register and provides that –

“1. 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.

"Prior rights" shall be understood to include, inter alia, registered national and community trademarks, geographical indications or designations of origin, and, in as far as they are protected under national law in the Member-State where they are held unregistered trademarks, trade names, business identifiers, company names, family names, and distinctive titles of protected literary and artistic works.

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.”

Cyprus Trademarks Law, Cap. 268 as amended, protects applications for trademarks. According to section 14A of the Law, ‘prior trademarks’ are defined as to include applications for the registration of:

(a) trademarks which are to be registered in the register of trademarks;
(b) trademarks registered internationally where the international registration is valid in Cyprus;
(c) Community trademarks that have been registered at the registry of OHIM

Article 12 (2), paragraphs 3 and 4 of Regulation 874/2004 states that: "During the first part of phased registration, only registered national and Community trademarks, geographical indications, and the names and acronyms referred to in Article 10(3), may be applied for as domain names by holders or licensees of prior rights and by the public bodies mentioned in Article 10(1). During the second part of phased registration, the names that can be registered in the first part as well as names based on all other prior rights can be applied for as domain names by holders of prior rights on those names."

Article 14 of Regulation 874/2004 provides that, "[a]ll claims for prior rights under Article 10(1) and (2) must be verifiable by documentary evidence which demonstrates the right under the law by virtue of which it exists".

Article 14 of Regulation 874/2004 further states that "[e]very 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 relevant validation agent shall examine whether the applicant that is first in line to be assessed for a domain name and that has submitted the documentary evidence before the deadline has prior rights on the name. 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 (…)".

Section 11.3 of the Sunrise Rules states that "The Applicant must be the holder (or licensee, where applicable) of the Prior Right claimed no later than the date on which the Application is received by the Registry, on which date the Prior Right must be valid, which means that it must be in full force and effect".

Section 13.1 (ii) of the Sunrise Rules states that: "A trade mark application is not considered a prior right".

The Complainant, Zefi Holdings Limited, a Cyprus registered company, filed this Complaint on 23.11.2006 requesting the annulment of the decision of the Registry by which it refused to attribute the domain name 'YOUTRAVEL' to the Complainant.

The Complainant applied for the registration of the domain name 'YOUTRAVEL' on 7 February 2006 and submitted the documentary evidence on 14 February 2006, that is, before the 19 March 2006 deadline. The said documentary evidence consisted of two trademark applications with the Hellenic Ministry of Development, namely the application for the trademark YOUTRAVEL.com (Nr 151194); and the application for the trademark YOUTRAVEL (Nr 151191) dated 4.01.2006 and 3.01.2005. The applications were accepted on 22.09.2006.

The Complainant claimed that it also filed applications for the registration of the 'YOUTRAVEL' trademark to the Registry of Trademarks in Cyprus, where the applicant has its registered seat as well as at Community level.

On 10.04.2006 the Complainant had concluded an agreement with Stelow Limited, a company registered in the UK for the sale and purchase of all rights, titles and interests on domain names and trademarks from the Complainant to Stelow Limited. According to this agreement, the Complainant that acted as Vendor acquired or had applied for the registration of 343 domain names including the domain name YOUTRAVEL.eu for which an application was still pending. Therefore, the Complainant had sold the application for registration of YOUTRAVEL.eu to Stelow Limited. The Complainant attached the agreement as Attachment 3 to the Complaint although this agreement was concluded after filing of the application to the Registry for registration of the disputed domain name.

A. COMPLAINANT

The Complainant, Zefi Holdings Limited, a company incorporated under the laws of the Republic of Cyprus, contends that it was eligible to register the disputed domain name 'YOUTRAVEL' under .eu TLD in accordance with the provisions of article 4 par. 2 (b) of EC Regulation 2002/733, in that the Complainant is an undertaking having its registered office, central administration or principal place within the Community, namely Cyprus.

The Complainant also contends that it had a 'Prior Right' to register the disputed domain name in accordance with the provisions of article 10 par. 2 of EC Regulation 2004/874 because the definition given by the said article to 'Prior Rights' included the type of domain name such as the disputed domain name.

The Complainant affirms that at the time of application for the registration of the disputed domain name 'YOUTRAVEL' on 07.02.2006, the registration of the trade mark YOUTRAVEL to the Office for Harmonization in the Internal Market, to the Ministry of Development (Department of trademarks) in Greece and to the Registry of Trademarks in Cyprus had not been completed.

Nevertheless, the Complainant contends that this did not deprive the applicant of its Prior Right on the particular domain name because the procedures for registration of trademarks are time - consuming and it takes several months before a trademark is registered in any member state or in the Office for Harmonization in the Internal Market.

The Complainant asserts that after the application for registration of the disputed domain name 'YOUTRAVEL' under .eu TLD, the trademark YOUTRAVEL and its variants have already been registered in Greece and that registration is about to be completed in Cyprus

and at the Community level. The Complainant attaches Attachments 1 and 2 as evidence to the aforesaid registration in Greece.

In fact, the Complainant argues that the applications for trademark registration in Greece, Cyprus and at the Community level gave the Complainant a prior right to the registration of the disputed domain name 'YOUTRAVEL' under .eu TLD because in accordance with the provisions of article 10 par. 2 of EC Regulation 2004/874 its 'Prior Right' consisted of a "…registered national and community trademark, geographical indication or designation of origin and, in as far as they are protected under national law in the Member-State where they are held, unregistered trademarks, trade names, business identifiers, company names, family names, and distinctive titles of protected literary and artistic work".

In support of its argument that it had a prior right to the disputed domain name, the Complainant contends that its affiliated Greek company, YOUTRAVEL.com S.A., which was duly incorporated under Greek Law on 01.02.2006 as a Société Anonyme with Register No. 60039/01/B/06/053, traded under a name which is almost identical to the domain name for which the Complainant had applied for registration under .eu TLD.

Furthermore, the Complainant maintains that after its application for registration under .eu TLD, the Complainant concluded a sale and purchase agreement on 10.04.2006 with Stelow Limited, a UK registered company, whereby the Complainant sold all the rights, titles and interests on domain names and trademarks of its subsidiary Greek company YOUTRAVEL.com S.A to Stelow Limited. More specifically, the Complainant contends that on 10.04.2006 it had acquired or was in the process of acquiring 343 registered domain names including the eu. domain name YOUTRAVEL which applications for registration it had sold to Stelow Limited under the sale and purchase agreement.

In addition, with the said agreement, the applicant sold, granted and transferred to Stelow Limited the intellectual property rights on a number of applications for registration of trademarks, including the trademark YOUTRAVEL in Greece, Cyprus and in the EU. As a result, the Complainant contends that Stelow Limited is the owner of the rights on all domain names and trademarks that the Complainant had acquired or was in the process of acquiring, including the domain name and trademark YOUTRAVEL.

B. RESPONDENT

Regarding the grounds on which the Respondent has rejected the application for registration of the domain name YOUTRAVEL by the Complainant, the Respondent contends that the documentary evidence submitted by the Complainant in support of its application, namely, the application for the trademark YOUTRAVEL.com (Nr 151194) and the application for the trademark YOUTRAVEL (Nr 151191) did not contain any document substantiating that either of these trademark applications had been registered on the day of the application for the .eu domain name YOUTRAVEL. As a result, the Respondent contends that based on the documentary evidence received within the deadline, the validation agent found that the Complainant did not sufficiently demonstrate that it was the holder of a valid prior right for the domain name YOUTRAVEL. Based on these findings, the Respondent rejected the Complainant's application.

The Respondent further contends that on the basis of the provisions of Article 10 (1) and 14 of Regulation 874/2004, the burden of proof was with the Complainant to demonstrate that it was the holder of a valid prior right at the time of application and that the Complainant had an obligation to provide the Respondent with all the documentary evidence necessary for it to assess if the Complainant as applicant was indeed the holder of a prior right claimed on the name in question.

The Respondent asserts that the relevant question was thus not whether the Complainant was the holder of a prior right, but whether the Complainant demonstrated to the validation agent that it was the holder of a prior right. As a result, if an applicant failed to submit all documents which show that it is the owner of a prior right the application must be rejected.

In the case under consideration, the Respondent contends that the Complainant did not demonstrate that it was the holder of a valid prior right at the time of the application. For this purpose, the Respondent asserts that the Complainant was clearly required, pursuant to section 11.3 of the Sunrise Rules, to show a valid prior right that is in full force and effect.

The Respondent also contends that pursuant to Article 13.1 (ii) of the Sunrise Rules, a trade mark application is not considered a Prior Right and as a result the application was rejected because the documentary evidence received by the validation agent only consisted of applications for the trademarks YOUTRAVEL and YOUTRAVEL.COM. The trademark applications were not considered as a prior right because they could not establish a prior right which was in full force and effect at the time of the application.

DISCUSSION AND FINDINGS

The Panel determines as follows:

The Panel first of all does not agree with the Respondent's contention that the relevant question was not whether the Complainant was indeed the holder of a Prior Right, but whether the Complainant demonstrated to the Validation Agent that it was the holder of a Prior Right by means of the documentary evidence submitted in support of its application.

On the contrary, the Panel believes that in accordance with Article 14 of EC Regulation No. 874/2004, the Validation Agent had a duty to materially, not just formally examine whether or not the Complainant had the Prior Right on the name claimed in the Documentary Evidence submitted.

With regards to the Respondent's claim that the Complainant had the burden of proving that it was the holder of the prior right and that the Respondent and the Validation Agent did not have an obligation to investigate into the circumstances of the application, the Panel finds that although the Complainant had such a duty, nevertheless, the Validation Agent was not exempt from the requirement to act reasonably.

The Validation Agent should have carried out a material, in the essence, and not just a formal examination whether or not the Complainant actually had the Prior Rights on the name claimed in the Documentary Evidence it had submitted. Therefore, the question to be asked was whether such an examination would have reasonably revealed that the Complainant was indeed the holder of any Prior Right for the domain name.

As to the level of examination by the Validation Agent which is considered by the Panel to have been reasonable under the circumstances of the case under consideration, the Panel is of the opinion that a simple phone call or fax or e-mail or simple internet search was sufficient and easy to make or send, without excessive costs and use of excessive time and resources, for the purpose of ascertaining that the Complainant was the holder of any other trademark or other prior right than that indicated in the Documentary evidence.

The Panel adds that according to Article 14 of EC Regulation No. 874/2004, the "validation agent shall examine whether the first applicant to be assessed". It is clear from this wording that the Respondent and the Validation Agent have to 'assess' the case before them, by assessing the documentary evidence in general, and not only to reach a conclusion without any effort in order to save time.

In addition, the Panel is of the opinion that the Respondent has an obligation to observe the spirit of the Regulations, namely, to safeguard Prior Rights recognised by Community or national law. It must, therefore, protect the rightful holders of prior rights who make applications for domain names and not to reject them without applying due care. The principal idea behind the Sunrise Rules is to ensure that cybersquatting is avoided. Therefore, it is necessary to protect an applicant who is the rightful trademark holder from a subsequent applicant who is not the rightful owner.

In order to ascertain whether a simple search, apart from the documentary evidence submitted by the Complainant, would have revealed that the Complainant had any Prior Right, the Panel carried out a search of the www.oami.europa.eu website which was indicated by the Complainant itself where it did not find any reference to the name 'YOUTRAVEL'. Then the Panel carried out a search at the website of the Registrar of Companies and Official Receiver of Cyprus (http://www.mcit.gov.cy/mcit/drcor/drcor.nsf/index_gr/index_gr?OpenDocument) where again it did not find any evidence of the registration of any trademark under the name of 'YOUTRAVEL' in Cyprus.

The aforementioned simple inquiries did not demonstrate whether the Complainant had an actual prior right. At the time of the domain name application, the trademark was not yet registered in Greece (or Cyprus or at Community level as the Complainant admits). The application for the trademark registration was not sufficient for the submission of a domain name registration application. This stems from the provisions of Section 13.1 (ii) of the Sunrise Rules which expressly state that a mere trademark registration application is not considered trademark registration. Thus a trademark application does not consist of a prior right.

The Panel agrees with the Respondent to reject the Complainant's application for the domain name because the Complainant was in possession only of documentary evidence consisting of trade mark applications in Greece. The Panel's reasonable search at the relevant websites mentioned above did not reveal whether the Complainant had any prior rights of any other type in Cyprus or at Community level. In any event, even if the Complainant had demonstrated by means of documentary evidence that he had applied for trademark registration in Cyprus or at Community level this could not form the basis of a prior right because trademark applications do not consist of Prior Rights. In order to assert a Prior Right the Complainant should have reached registration before the filing date of the domain name application and this should have been easily ascertainable by means of simple and reasonable search.

The fact that the trademark is now registered in Greece, subsequently to the time of the application for registration of the domain name, does not change the Panel's view hereof and is considered by the Panel to be irrelevant.

In addition, the Panel finds that the agreement between the Complainant and Stelow Limited is also irrelevant because it was concluded after the filing of the application for the registration of the .eu domain name by the Registry. In any event, Attachment 3 to the Complaint consisting of the said agreement may not serve as documentary evidence, since it was submitted after the end of 40 days period set forth by Article 14 of the Regulation pursuant to which the Respondent may only accept, as documentary evidence, documents that are received by the validation agent within 40 days from the submission of the application for the domain name.

The Panel has no authority to validate the Complainant's application retrospectively based on additional documentary evidence which was submitted in the ADR proceedings but which was not submitted to the validation agent within the applicable time limits.

The Panel accepts the Respondent's contention that even if the aforementioned Attachment 3 had been included in the documentary evidence, the Complainant's application would nevertheless have been rejected because those information and documents do not demonstrate that the Complainant was the holder of a prior right which was in full force and effect at the time of the application and which constitutes the complete name of the domain name applied for.

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	**Olga Georgiades**

DATE OF PANEL DECISION 2007-02-20

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant, being Zefi Holdings Limited, a company incorporated under the laws of the Republic of Cyprus, challenged the rejection of its domain name application for the name 'YOUTRAVCEL' by the Registry contending that it was eligible to register the disputed domain name and that it had a 'prior right' to register the disputed domain name on the basis of its applications for trademark registration in Greece, Cyprus and at the Community level.

However, the Registry rejected the application for registration of the domain name YOUTRAVEL by the Complainant contending that the documentary evidence submitted by the Complainant in support of its application, namely, the application for the trademark YOUTRAVEL.com and the application for the trademark YOUTRAVEL did not contain any document substantiating that either of these trademark applications had been registered on the day of the application for the .eu domain name YOUTRAVEL. As a result, based on the documentary evidence received, the validation agent found that the Complainant did not sufficiently demonstrate that it was the holder of a valid prior right for the domain name YOUTRAVEL.

Although the Panel was of the opinion that the Validation Agent had a duty to materially, not just formally examine whether or not the Complainant had the Prior Right on the name claimed in the Documentary Evidence submitted by carrying out simple inquiries, apart from the documentary evidence submitted by the Complainant, nevertheless it concluded that the aforementioned simple inquiries could not demonstrate whether the Complainant had an actual prior right. At the time of the domain name application, the trademark was not yet registered in Greece (or Cyprus or at Community level as the Complainant admitted). The application for the trademark registration was not sufficient for the submission of a domain name registration application.

As a result, the Panel ordered that the Complaint be Denied.