Panel Decision for dispute CAC-ADREU-003911

Case number	**CAC-ADREU-003911**
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Domain names	**boxsentry.eu**

Case administrator

Name	**Tomáš Paulík**

Complainant

Organization / Name	**BoxSentry Pte. Limited, Mr Simon Chapman**

Respondent

Organization / Name	**EURid**

FACTUAL BACKGROUND

The Registrant of <boxsentry.eu> is a business (Amazing Solutions) based in the Netherlands which distributes software products within Europe.

The Registrant applied to register the domain name during the Sunrise Period on 7 February 2006 and provided documentary evidence on 10 March 2006.

The Complainant, BoxSentry Pty Limited, is an Australian company that manufactures electronic commerce products and has developed and owns anti-spam software sold under the mark 'BoxSentry'. It licences rights in its software and trademark to third parties, so that third parties can distribute and sell their software.

On 12 July 2004 the Complainant and the Registrant entered into a Reseller Agreement which granted certain rights to the Regisrant to resell the Complainant’s products using the BoxSentry mark within a defined territory.

The Reseller Agreement provides that the Reseller (the Registrant) must not use the Complainant’s trade marks in certain ways.

Based on the documentary evidence received within the deadline, the validation agent found that the Registrant’s claimed prior rights were established and protected in the Netherlands.

Based on these findings, the Respondent (EURid) accepted the Registrant’s application.

The Sunrise appeal period commenced on 20 October 2006.

The Complaint was first filed on 28 November 2006 and amended on 11 December 2006.

A. COMPLAINANT

The Registrant of boxsentry.eu, is H.C van Velthooven. Mr van Velthooven is a director of Amazing Solutions, a business that is based in The Netherlands and which distributes software products within Europe.

The Registrant applied to register the domain name during the 'Sunrise Period' on 7 February 2006 and provided documentary evidence on 10 March 2006. The whois details for the domain name identify that the Prior Right claimed was "Company name/Trade Name/Business Identifiers". The prior right country identified was "Netherlands".

In accordance with Article 3(c) of Commission Regulation (EC) 874/2004, the requesting party for a domain name registration must certify that to its knowledge the request for the registration is made in good faith and does not infringe any rights of a third party.

Article 10 of the Regulation provides that the holder of a prior right recognised by national and/or Community law and public bodies would be eligible to register a domain name during the phased registration period. The Regulations go on to define 'Prior Rights' as -

"..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."

The Annexes to the .eu Registration Policy and Terms and Conditions for the Sunrise Period, identify those Prior Rights that would qualify for The Netherlands and include Trade Names, Business Identifiers and Company Names, all of which require documentary evidence of their use in the course of trade.

The Complainant, BoxSentry Pty Limited was incorporated in Australia and manufactures electronic commerce products, and has developed and owns anti-spam software sold under the mark 'BoxSentry'. It licences rights in its software and trade mark to third parties, so that third parties can distribute and sell their software.

On 12 July 2004 BoxSentry Pty Limited and Amazing Solutions entered into a Reseller Agreement (copy attached - marked Appendix 1) which granted certain rights to Amazing Solutions (Clause 2) to resell BoxSentry Pty Limited's products and in the BoxSentry mark within a defined territory, namely The Netherlands and Germany, with more limited rights in Belgium, Luxembourg, Austria, Switzerland and Poland (Schedule 1 - heading 'JURISDICTION').

The Reseller Agreement provides at Clause 4.2 (Trade Marks) that -

"The Reseller must not (either during the term of this Agreement or after its termination) apply for registration as a trade mark, business or company name and domain name any word or logo that is the same as, substantially identical with or deceptively similar to any of the Trade Marks."

It further provides in Clause 6 (Intellectual Property) that -

"6.1 The Reseller acknowledges that this Agreement does not transfer to the Reseller: (1) the Trade Marks

6.2 The Reseller assigns to BoxSentry all existing and future goodwill arising out of the Reseller's use of the Trade Marks."

It is submitted by the Complainant that EURID was wrong to accept the registration of the domain name for the following two reasons.

Firstly, Mr van Velthooven, was fully aware of the provisions of the Reseller Agreement at the time he applied for the domain name - he was the signatory to the Reseller Agreement - and was therefore aware that neither he nor his business had any right to seek registration of the domain and had expressly agreed not to do so. The certificate given by the Registrant that the application was made on good faith was clearly therefore false.

The second reason is that the Regulations require the applicant for a domain name to be the "holder" of the Prior Rights relied upon. In light of the provisions of the Reseller Agreement, Mr van Velthooven was not the holder of prior rights as these had been reserved to the Complainant.

For the reasons given, it is submitted that EURID should not have accepted the registration of the domain name boxsentry.eu, and the registration should be revoked.

The Reseller Agreement is to be governed by and construed in accordance with the laws of England. It is the Complainant's belief that the Agreement would be given its full meaning and effect as described herein under the laws of England.

B. RESPONDENT

1. GROUNDS ON WHICH THE RESPONDENT ACCEPTED THE APPLICATION BY BOXSENTRY FOR THE DOMAIN NAME BOXSENTRY

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. The documentary evidence shall be submitted to a validation agent indicated by the Registry. The applicant shall submit the evidence in such a way that it shall be received by the validation agent within forty days from the submission of the application for the domain name. If the documentary evidence has not been received by this deadline, the application for the domain name shall be rejected..(…)".

As far as trade name protection in the Netherlands is concerned, Annex 1 to the Sunrise Rules requires the applicant to submit "documentary evidence as referred to in Section 16(5) of the Sunrise Rules" and adds that "use of the trade name in the course of trade must be demonstrated".

Section 16 (5) of the Sunrise Rules states that: "Unless otherwise provided in Annex 1 hereto, it is sufficient to submit the following Documentary Evidence for trade names and business identifiers referred to in Section 16(2) respectively 16(3):
(i) where it is obligatory and/or possible to register the relevant trade name or business identifier in an official register (where such a register exists in the member state where the business is located):
a. an extract from that official register, mentioning the date on which the trade name was registered; and
b. proof of public use of the trade name or business identifier prior to the date of Application (such as, but not limited to, proof of sales volumes, copies of advertising or promotional materials, invoices on which the trade name or business identifier is mentioned etc., proving public use of the name in the relevant member state); (…)".

BOXSENTRY (hereafter "the Applicant") applied for the domain name BOXSENTRY on 7 February 2006, claiming as prior rights trade names protected in the Netherlands.

The documentary evidence was received on 10 March 2006, which is before the 19 March 2006 deadline.

The Applicant submitted documentary evidence consisting of a certificate of registration with the Chamber of Commerce in "Centraal Gelderland" (The Netherlands) showing 'BOXSENTRY' as registered trade name.

Based on the documentary evidence received within the deadline, the validation agent found that the Applicant, who calls itself BOXSENTRY in the application, demonstrated that the claimed prior rights were established and protected in the Netherlands.

Based on these findings, the Respondent accepted the Registrant's application.

2. DISCUSSION

The Complainant argues that the Applicant registered the domain name in bad faith because, pursuant to a reseller agreement, any goodwill the Applicant could acquire by using the name BOXSENTRY is assigned to the Complainant.

2.1 Regarding the allegation that the Applicant registered the domain name in bad faith

Pursuant to article 22 (1) b of the Regulation, a decision taken by the Respondent may only be annulled by this Panel when it conflicts with the Regulation.

The ADR proceedings based on alleged “bad faith” of the applicant must be initiated against the domain name holder itself pursuant to Article 22(1)(a) of Regulation.

The circumstance that the alleged bad faith of the applicant does not constitute a valid ground in a procedure against the Registry has been constantly reminded in previous ADR decisions, in particular ADR decisions ADR 2423 IEG, 532 URLAUB, 382 TOS, 191 AUTOTRADER, 335 MEDIATION, 685 LOTTO, 1239 PESA, 1317 FEE, 3085(SELF-STORAGE.

In ADR 1867 (OXFORD), the Panel stated that: "There is little doubt, in the Panel view, that Complainant would easily win its case against actual domain name holder in an article 21 procedure, but the mandate of the Panel in this procedure is different. (As reminded in 00449 CANDY, “… the sole object and purpose of an ADR proceeding against the Respondent is to verify whether the relevant decision adopted by the Respondent conflicts (or not) with the provisions of the Regulation)".

In ADR 3007 (CAMPINGS), the Panel decided that: “as Article 22(1)(b) Public Policy Rules states that an ADR proceeding against the Registry is limited to the question of whether or not the decision taken by the Registry conflicts with the Regulations. It is therefore this Panel’s view that the ‘bad faith’ allegations advanced by the Complainant are not relevant to these proceedings and cannot assist the Complainant here. The issue of bad faith is however relevant for an Article 21 / 22(1)(a) Complaint which addresses ‘Speculative and abusive registrations’ (which may be a route the Complainant should consider); and/or may be relevant if the Respondent initiates its own Article 20 revocation procedure in respect of the Domain Name”.

The Respondent is indeed in no position to defend another's good faith. It would only be fair to have the person accused of having acted in bad faith himself to defend his position, otherwise this ADR proceeding would clearly be in violation of the adversarial principle with regard to the Applicant.

ADR proceedings pursuant to Article 22(1)(a) of Regulation are still open to the Complainant, where the Complainant will have ample opportunity to further establish its allegations of bad faith in a proceeding against the Applicant and to show that the Applicant "abused" of the system.

Since the Complainant decided to initiate an ADR proceeding against the Registry and not against the Applicant, the complaint should be denied.

2.2 The documentary evidence received by the validation agent was not sufficient to establish trade names protected in the Netherlands

Although the Complainant does not mention it in its complaint, the Respondent noticed a deficiency in the documentary evidence submitted by the Applicant.

In order to insure a fair and non-discriminatory attribution of the domain names, the Respondent will explain this deficiency to the Panel.

[Respondent proceeds to explain in detail certain deficiencies in the Registrant’s application and mistakes made by the validation agent. Since, for the reasons set forth below, the Panel considers this matter not to be pertinent, the Respondent’s

submission with respect to this matter is not summarized here.]

The Respondent believes that the validation agent should have found that the Applicant did not demonstrate that it was the holder of a prior right on the name BOXSENTRY.

Based on these findings, the Respondent would have rejected the Applicant's application.

For the sake of completeness, the Respondent notes that the Complainant only requests this Panel to annul the Respondent's decision. Therefore, if the Panel decides to annul the Respondent's decision, the domain name should not be attributed to the Complainant. Furthermore, the Complainant, a company incorporated in Australia, is not the next applicant in the line for the domain name and is not even eligible to register the domain name pursuant to article 4 (2) (b) of the Regulation 733/2002.

DISCUSSION AND FINDINGS

Procedural Points

Pursuant to 26.1 of the Sunrise Rules, an ADR proceeding against the Registry may be initiated within 40 days of a decision by the Registry. In the present case the Sunrise appeal period commenced on 20 October 2006. The Complaint was first filed on 28 November 2006 The Complaint was therefore submitted within the deadline and is admissible.

Substantive Points

The following discussion is largely based on Case no. 0012, <eurostar.eu>, however the Panel also notes, and agrees with, the cases cited by the Respondent, in particular Cases no. 1867 <oxford.eu> and no. 3007 <campings.eu>.

Actions by the Respondent

The principal obligations of the Registry regarding its decisions to register .eu domain names during phased registration are regulated by Art. 14 of the Public Policy Rules, and especially by the last paragraph of Article 14 which states that the Registry (EURid) shall register the domain name on a first-come-first-serve basis if it finds that the applicant has demonstrated a prior right in accordance with the procedure set out in the Article 14.

The Panel finds that EURid acted in accordance with the specified procedures and that its decision was valid with respect to the finding of prior rights. The matter of the mistakes by the validation agent, and how they should be dealt with, will be discussed later.

The Complainant raises an additional issue, requesting that the registration be cancelled because of bad faith actions by the Registrant.

Article 3 (c) of the Public Policy Rules (Regulation (EC) No 874/2004) states that each request for domain name registration shall include also "an affirmation by electronic means from the requesting party that to its knowledge the request for domain name registration is made in good faith and does not infringe any rights of a third party". Article 3 of the Public Policy Rules then states that any material inaccuracy in the elements set out in the Article 3, including in paragraph (c), shall constitute a breach of the terms of registration.

The Public Policy Rules contain specific obligations of the Registry with respect to the breach of the terms of registration in Article 20. Article 20 provides that the Registry may revoke domain names without submitting the dispute to ADR, on various grounds that include the holder's breach of the terms of registration under Article 3. Article 20 also specifies that the Registry shall lay down a procedure in accordance with which it will decide about the revocation of domain names on these grounds, which "shall include a notice to the domain name holder and shall afford him an opportunity to take appropriate measures". This requirement is evidently intended to ensure a minimum procedural protection of the domain name holder.

The Panel considers that this procedure should not be circumvented by treating a potential breach of the terms of registration under article 3 of the Public Policy Rules as a decision of the Registry conflicting with them which may be challenged under their article 22(1)(b). Such an interpretation would conflict with the wording of article 22(1)(b), the purpose of article 20 and the structure of the Public Policy Rules.

If the Complainant had asked the Registry to revoke the disputed domain name under the procedure contained in Article 20, it might have been incumbent on the Registry to examine whether there was a material inaccuracy in the Registrant's affirmation that the request for registration was made in good faith and did not infringe any third party rights. However, since the Registry has not been asked to take and has not taken any such decision, this issue does not arise.

The Registry simply and, in the Panel's view correctly, upon notification of the findings by the validation agent that prior rights exist regarding the domain name that is first in line, has found that the Registrant has demonstrated a prior right in accordance with the procedure set out in article 14 of the Public Policy Rules, has accepted its application, and has registered the domain name on the first come, first served basis.

This Panel cannot, under the applicable procedural rules, join the Registrant to this proceeding. Thus, the Panel cannot ascertain whether or not the agreement put forth by the Complainant is still in force and is to be interpreted and applied as the Complainant contends. Nor can the Panel determine the rights of the Registrant fairly and in accordance with fundamental principles of law without affording it the opportunity of being heard.

These considerations emphasize the importance of adhering to the procedure provided by article 20 for addressing any breach of the terms of registration pursuant to article 3 of the Public Policy Rules.

Mistakes by the Validation Agent

The Respondent states that the validation agent committed some errors and that, absent such errors, it would not have accepted the Registrant's application.

As stated above, this Panel cannot possibly take such statements into account, because it cannot join the Registrant to this proceeding and thus it cannot afford the Registrant a fair opportunity to be heard and to refute the Respondent's arguments.

If EURid believes that the mistakes made by the validation agent are such that the registration should be cancelled, then it should invoke the provisions of Section 12 of the Registration Policy and of Article 20 of the Pubic Policy Rules, which provisions, as noted above, provide the opportunity for the Registrant to be heard and to challenge the decision to cancel the registration.

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	**Richard Hill**

DATE OF PANEL DECISION 2007-02-06

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The ADR Proceeding related to a Complaint challenging the decision of the Registry to register the disputed domain name, on the grounds that the application was in bad faith.

The Panel finds that challenges grounded on bad faith must be conducted in accordance with the specific procedure

provided under Article 20 which was not invoked in this case.

The Panel dismisses the Complaint.