Panel Decision for dispute CAC-ADREU-003926

Case number	**CAC-ADREU-003926**
Time of filing	**2007-01-04 12:27:38**
Domain names	**esprit.eu**

Case administrator

Name	**Tereza Bartošková**

Complainant

Organization / Name	**Esprit Retail Wholesale GmbH, Weber Ansgar**

Respondent

Organization / Name	**Max Kudrenko**

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

The Panel is not aware of any other pending legal proceedings which relate to the disputed domain name.

FACTUAL BACKGROUND

The Complainant, the German ESPRIT Wholesale GmbH is a known company, which is producing and selling various goods such as inter alia clothing for men and women, bags and jewellery. It is a wholly owned subsidiary of Esprit International (Limited Partnership), New York, USA. The Complainant is the owner of numerous German trademarks “ESPRIT”, inter alia, “ESPRIT”, reg. no. 1006219, date of registration 12 August 1980, “ESPRIT”, reg. no. 1029591, date of registration 18 February 1982, “ESPRIT”, reg. no. 1036323, date of registration 28 July 1982, “ESPRIT”, reg. no. 30401970.4, date of registration 25 March 2004. These aforementioned trademarks are registered for numerous goods in classes 14,18, 25, and 26. Moreover the Complainant is exclusive licensee of Esprit International´s Communitiy trademark “ESPRIT”, reg. no. 2837342, filed on 4 September 2002 covering goods in classes 11, 20 and 28 and the Irish trademark “ESPRIT”, reg. no. 206499, registered 6 October 1997 for goods in classes 14, 18 and 25.

The Complainant has made extensive use of these and other identical trademarks for all goods covered and beyond in Germany, the European Union and throughout the world.

The Respondent applied for and registered the domain name “esprit.eu” on 8 August 2006. The Respondent offered the domain name in question on the website www.sedoparking.com with the comment “This domain may be for sale by its owner”. The disputed domain name only gave access to “empty web space”, i.e. the Respondent did not provide any contents whatsoever under the disputed domain.

After disclosure of the Respondent´s contact details by EURid, the Complainant contacted the Respondent by sending a cease and desist letter dated September 8, 2006 refering to the several registered trademarks and claiming that the Respondent´s actions violated several provisions of German trademark law and the German Civil Code and demanded the transfer of the domain name “esprit.eu” to the Complainant.

The Respondent did not reply to the cease and desist letter.

The Respondent is in default with his response in these proceedings. The Respondet failed to provide the Arbritration Court with hardcopies of his response according to the ADR rules.

A. COMPLAINANT

The Complainant alleges that the “ESPRIT” trademarks enjoy a high reputation. In Germany, for instance, the recognition of the Complainant's trademarks receive a degree of over 80%.

The Complainant claims that with regard to the above mentioned registered trademarks he is the owner of rights which are recognized and established by German national law. According to paras 14 sec (2) nos. 1 and 2 of the German Trademarks Act ("MarkenG"), the Respondent as a third party is not allowed to use a sign which has to be considered identical or similar to registered trademarks without the owner's consent. By having registered the disputed domain and using it without the Complainant´s consent, the Respondent is using a sign which is identical to the protected trademarks and thus violating the Complainant´s rights.

The Complainant also claims that the domain name has been registered by the Respondent without rights or legitimate interests in the name. The Respondent, in particular, cannot demonstrate a legitimate interest within the meaning of Article 21 (2) of Regulation (EC) 874/2004. The Respondent has and does not use the disputed domain name in connection with the offering of goods or services. The disputed domain name rather only gives access to "empty web space". In addition, the Complainant does not have a trademark or trade name that would justify the registration of the disputed domain name. Finally, the Respondent is not making a legitimate and non-commercial or fair use of the domain name, as he offered to sell the domain on www.sedoparking.com.

Finally the Complainant claims that the Respondent had registered the disputed domain name in bad faith. The Respondent registered the domain name, knowing that he had no right to do so and with the intention to sell the domain to the highest bidder. The domain name only gives access to "empty web space". Given that the Complainant is the holder of prior legal rights to the sign "ESPRIT" throughout Europe, it was clear from the outset that the Complainant would not be able to use the disputed domain. The Respondent´s intention to commercialize the domain name was demonstrated also by the fact that he offered the disputed domain for sale to the highest bidder on www.sedoparking.com. In the Complainant´s opinion such conduct also causes unfair damage to the Complainant's rights under Section 826 of the German Civil Code. German courts have frequently confirmed that the registration of a domain name without any intention to use it in decent business but only for the purpose of selling it constitutes bad faith and occurs in violation of Section 826 of the German Civil Code.

The Complainant requests the transfer of the domain name.

B. RESPONDENT

In his response, which was only sent to the Arbitration Court in electronic form, the Respondent claims that he did not register the disputed domain with the intention to sell it. By using Sedo he wanted to promote his future site about knowledge management which he claims to have been preparing for a long time as part of a dissertation project. Since Sedo is known for generating good traffic he was hoping to make use of it for his site once it went online.

He also alleges to have chosen the word "esprit" since it is embodying all that he likes such as foreign languages, philpsophy and knowledge management.

Claiming not to be a fashionista the Respondent alleges not to have known of a brand "ESPRIT". Only after having received the cease and disest letter from the Complainant´s legal representatives he has realized that the Complainant is using the sign "ESPRIT" for its business.

Moreover he is of the opinion that using the domain for his purposes and in another context does not infringe the Complainant´s rights, because the word "esprit" is a generic dictornary term. Otherwise 10% of the English language would be prohibited to be used because almost one-tenth of it is being used as a trademark. He argues not to compete with the Complainant in any area other than the internet. He wants to have a popular site and so does the Complainant. In his opinion he has demonstrated more "esprit" than the Complainant by registering the domain first in a fair competition.

DISCUSSION AND FINDINGS

1. Respondent´s Default

First of all, the Panel notices that the Response of the Respondent, sent only in electronic form to the Arbitration Court on January 9 and February 23, 2007, was submitted after the fixed deadlines. According to the ADR Rules, in case the Respondent does not submit a response within the given deadlines, it is up to the Panel to decide whether or not the Response may be accepted and considered in deciding the dispute. This finding is confirmed by the content of the Notification of Respondent´s Default sent by the Arbitration Court to the Respondent on March 13, 2007.

On behalf of a comprehensive consideration and examination of the case the Panel decides to consider the Respondent´s delayed response in deciding this dispute.

But even being taken into consideration the Respondent´s arguments are not able to prove any right or legitimate interest in the domain name for the following reasons:

2. Legal Situation

Article 22 of Commission Regulation (EC) No 874/2004 of April 28, 2004 (in the following reffered to as “the Regulation”) provides that an ADR procedure may be initiated by any party where the registration is speculative or abusive within the meaning of Article 21.

In accordance with Article 21 of the Regulation, a registered domain name shall be subject to revocation where the name is identical or confusingly similar to a name in respect of which a right is recognised or established by national and/or Community law, and where:

(a) it has been registered by its holder without rights or legitimate interests in the name;

or

(b) it has been registered or is being used in bad faith.

Once the Complainant has established that the domain Name is identical or confusingly similar to a name in respect of which a right is recognised or established by national law of a member state and/or community law, it has only to prove one of the elements set out in Article 21 (1) a) or b) of the Regulation, namely, that it is registered without rights or legitimate interests in the name or has been registered or used in bad faith.

The Complainant alleges that the Respondent has no right or legitimate interest in the domain Name and that the Respondent registered the domain Name in bad faith. The factors to be considered in determining if there is a legitimate interest are set out in Article 21 (2) of the Regulations. A legitimate interest may be demonstrated where:

(a) prior to any notice of an ADR procedure, the holder of the domain name has used the domain name or a name corresponding to it in connection with the offering of goods or services or has made demonstrable preparation to do so;

(b) it has been commonly known by the domain name;

(c) it is making a legitimate and non-commercial or fair use of the domain name, without intent to mislead consumers or harm the reputation of a name in which a right is recognised or established by national and/or community law.

a) Identity or Confusing Similarity

According to Art 21 (1) of the Regulation a registered domain name shall be subject to revocation where that name is identical or confusingly similar to a name in respect of which a right is recognised or established by national and/or Community law, such as the rights mentioned in Article 10 (1) of the Regulation, and where it has been registered by its holder without rights or legitimate interest in the name or has been registered or is being used in bad faith.

The Complainant has proved by providing evidence in form of excerpts of the database of the German Patent and Trade Mark Office to be the owner of numerous German trademarks “ESPRIT”, inter alia, “ESPRIT”, reg. no. 1006219, date of registration 12 August 1980, “ESPRIT”, reg. no. 1029591, date of registration 18 February 1982, “ESPRIT”, reg. no. 1036323, date of registration 28 July 1982, “ESPRIT”, reg. no. 30401970.4, date of registration 25 March 2004, which are registered for a wide variety of goods for, inter alia,

- "leather and leather imitations and wares made thereof; travel and hand bagage; school bags, bags, in particular shoulder bags, brief cases and hand bags, shopping bags, sports bags, belt bags, pouches for school and sports, wallets, nec pouches, wrappers in particular college and sketching wrappers, bags, in particular backpacks, and clothing packs, cases for keys and glasses; belts, umbrellas" in class 18;

- "clothing for men and women" in class 25;

- "shoes, accessories, gloves, scarves, jewellery, fashion jewellery, chains, buckles, bags, cloths" in classes 14, 18, 25 and 26.

Moreover the Complainant has accredited to be the exclusive licensee of the Community trademark “ESPRIT”, reg. no. 2837342, filed on 4 September 2002 covering goods in classes 11, 20 and 28 and the Irish trademark “ESPRIT” reg. no. 206499, registered 6 October 1997 for goods in classes 14, 18 and 25, both registered by its American parent company Esprit International (Limited Partnership).

The Panel states that the disputed Domain Name excluding the .eu suffix is identical to the Complainant owned registered German trade marks “ESPRIT” which are protected under German national trademark law, namely under the German Trademarks Act (“MarkenG”).

b) Rights or Legitimate Interest of Respondent

The Respondent can not demonstrate any rights or legitimate interest in the disputed domain according to Art. 21 (1) a) of the Regulation.

The Respondent did not claim nor prove in any way to be the owner of a prior right in accordance with Art. 10 (1) of the Regulation.

It is undisputed that the domain in question was registered by the Respondent on August 8, 2006 and immediately thereafter offered under www.sedoparking.com with the comment “this domain may be for sale by his owner” and that the disputed domain name only gave access to “empty web space”, i.e. the Respondent did not provide any contents whatsoever under the disputed domain.

Sedo is the leading marketplace for buying and selling domain names and websites (currently there are some 7 million domains for sale). The Respondent´s allegation to offer the disputed domain under www.sedoparking.com only in order to generate traffic for his future site and a not further specified knowledge management project is implausible to the Panel since SEDO is – compared for example with google - primarily a platform for domain selling and advertising.

The Respondent did not use the domain after its registration at any time within the scope of a legitimate interest according to Art 21 (2) a), b) or c) of the Regulation nor filled it with respective contents.

Instead he only put the domain online under www.sedoparking.com with the comment “this domain my be for sale by his owner” and offered it as advertising space, which implies a high interest of the Respondent to commercialize the domain.

Due to the advertising which was automatically placed on the “parked” domain by SEDO the Respondent had to discover that this advertising solely showed the products on offer by the Complainant and its American parent company. Even if the Respondent is not a fashionista - as he claims – he had to discover at the latest in this instance that the sign “ESPRIT” is a very famous fashion lable.

The Respondent further claims not to know the Complainant´s trademark “ESPRIT”, which seems to the Panel little believable with regard to the high degree of popularity of the Complainant´s trademark, especially because the popular and proximate top-level-domain „com“ (www.esprit.com) among others also belongs to the group of companies to which the Complainant belongs, which - according to its press release under www.esprit.com - currently operates 630 directly managed retail stores and over 9,700 wholesale point-of-sales worldwide.

Like every person who plans to use a name in the internet - and thus worldwide - should check prior to the actual use of the name if the use of this specific name infringes any parties rights, the Respondent could easily have discovered by means of a simple internet research the connection between the term “esprit” and a corporate group, which according to its offcial press release under www.esprit.com achieved in 2006 a turnover worldwide of US $ 2,4 billion.

As far as traffic was generated with the disputed domain at SEDO this is very likely the result of the popularity of the Complainant´s trademark “ESPRIT”. The Respondent himself declares that his aim is to have a poplular site, which also implies that he wanted to make use of the popularity of the Complainant´s trademark “ESPRIT”.

The Respondent failed to prove the preparation of a project in accordance to Art 21 (2) a) nor c) of the Regulation, which could reinforce his allegation to work on a project which is connected with the term “esprit”. Neither the preparation nor the existence nor the concrete content of the alleged knowledge management project as part of a dissertation were accredited by the Respondent in the course of these proceedings. The Respondent had had plenty of time and possibilities to prove his allegations by bringing forwad adequate evidence, especially since he knew about the alleged infringement of the Complainant´s rights since the latter´s cease and desist letter dated September 8, 2006 which the Respondent ignored. Moreover the Respondent did not make a legitimate and non-commercial or fair use of the domain name in the sense of Art 21 (2) c) of the Regulation since he offered the disputed domain on www.sedoparking.com

for possible sale and as advertising space.

Finally the Respondent´s assertion that the term „esprit“ is a dictionary term which can be used without infringement of the Complainant´s rights because otherwise 10% of the English language would be prohibited to be used because almost one-tenth of it is trademarked, is lacking substance and is not able to question the protectability of the Complainant´s trademarks “ESPRIT”. The word “esprit” is by the way originally a French word. The question of the protectability of the word “esprit” as a trademark can be left open by the Panel since the Complainant is owner of prior rights according to Art. 10 (1) of the Regulation in form of national trademarks and their protectability is not subject of these proceedings.

The Panel finds that the Respondent has no right or legitimate interest in the disputed domain name.

c) Bad Faith

Having determined that the Respondent has no rights or legitimate interest in the domain name in question the panel does not have to determine whether it has been registered in bad faith in accordance with article 21 (1) b), (3) of the Regulation as alleged by the Complainant.

3. Finding

The domain name, which is identical to the Complainant´s trademarks, has been registered by the Respondent without any rights or legitimate interest in the name since neither a right nor a legitimate interest in accordance with Art. 21 (2) of the Regulation (EC) No. 874/2004 of April 28, 2004 was demonstrated by the Respondent or is otherwise apparent.

For the reasons set out, the Panel finds that the complaint relating to speculative and abusive registrations set out in Article 21 is justified. The Complainant satisfies the general eligibility criteria set out in Art. 4 (2) (b) of Regulation (EC) 733/2002 and accordingly the Panel directs that the domain name should be transferred to the Complainant.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) of the Rules, the Panel orders that

the domain name ESPRIT be transferred to the Complainant.

PANELISTS

Name	**Philipp Wolff**

DATE OF PANEL DECISION 2007-04-18

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant, the German ESPRIT Wholesale GmbH is a known company, which is producing and selling various goods such as inter alia clothing for men and women, bags and jewellery. It is a wholly owned subsidiary of Esprit International (Limited Partnership), New York, USA. The Complainant is the owner of numerous German trademarks “ESPRIT”, inter alia, “ESPRIT”, reg. no. 1006219, date of registration 12 August 1980, “ESPRIT”, reg. no. 1029591, date of registration 18 February 1982, “ESPRIT”, reg. no. 1036323, date of registration 28 July 1982, “ESPRIT”, reg. no. 30401970.4, date of registration 25 March 2004. These aforementioned trademarks are registered for numerous goods in classes 14,18, 25, and 26. Moreover the Complainant is exclusive licensee of Esprit International´s Communitiy trademark “ESPRIT”, reg. no. 2837342, filed on 4 September 2002 covering goods in classes 11, 20 and 28 and the Irish trademark “ESPRIT”, reg. no. 206499, registered 6 October 1997 for goods in classes 14, 18 and 25.

The Respondent applied for and registered the domain name “esprit.eu” on 8 August 2006. The Respondent offered the domain name in question on the website www.sedoparking.com with the comment “This domain may be for sale by its owner”. The disputed domain name only gave access to “empty web space”, i.e. the Respondent did not provide any contents whatsoever under the disputed domain.

According to Art 21 (1) of the Regulation (EC) No. 874/2004 dated April 28, 2004 (“the Regulation”) a registered domain name shall be

subject to revocation where that name is identical or confusingly similar to a name in respect of which a right is recognised or established by national and/or Community law, such as the rights mentioned in Article 10(1) of the Regulation, and where it has been registered by its holder without rights or legitimate interest in the name or has been registered or is being used in bad faith.

The Panel states that the disputed Domain Name excluding the .eu suffix is identical to the Complainant owned registered German trade marks “ESPRIT” which are protected under German national trademark law, namely under the German Trademarks Act (“MarkenG”).

The Respondent can not demonstrate any rights or legitimate interest in the disputed domain according to Art. 21 (1) a) of the Regulation. The Respondent did not claim nor prove in any way to be the owner of a prior right in accordance with Art. 10 (1) of the Regulation.

The Respondent did not use the domain after its registration at any time within the scope of a legitimate interest according to Art 21 (2) a), b) or c) of the Regulation nor filled it with respective contents. Instead he only put the domain online under www.sedoparking.com with the comment “this domain my be for sale by his owner”, and offered it as advertising space, which implies a high interest of the Respondent to commercialize the domain.

The Respondent failed to prove the preparation of a project in accordance to Art 21 (2) a) nor c) of the Regulation, which could reinforce his allegation to work on a project which is connected with the term “esprit”. Neither the preparation nor the existence nor the concrete content of the alleged knowledge management project as part of a dissertation were accredited by the Respondent in the course of these proceedings. The Respondent had had plenty of time and possibilities to prove his allegations by bringing forwad adequate evidence, especially since he knew about the alleged infringement of the Complainant´s rights since the latter´s cease and desist letter dated September 8, 2006 which the Respondent ignored. Moreover the Respondent did not make a legitimate and non-commercial or fair use of the domain name in the sense of Art 21 (2) c) of the Regulation since he offered the disputed domain on www.sedoparking.com for possible sale and as advertising space.

The domain name, which is identical to the Complainant´s trademarks, has been registered by the Respondent without any rights or legitimate interest in the name since neither a right nor a legitimate interest in accordance with Art. 21 (2) of the Regulation (EC) No. 874/2004 of April 28, 2004 was demonstrated by the Respondent or is otherwise apparent.

For all the aforesaid reasons, in accordance with Paragraphs B12 (b) of the ADR Rules, the Panel orders that the domain “esprit.eu” be transferred to the Complainant.