Panel Decision for dispute CAC-ADREU-004296

Case number	**CAC-ADREU-004296**
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Domain names	**alterian.eu**

Case administrator

Name	**Tomáš Paulík**

Complainant

Organization / Name	**Alterian Technology Limited, Mr David Eldridge**

Respondent

Organization / Name	**Paul MacGowan**

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

None that the Panel is aware of.

FACTUAL BACKGROUND

The Complainant is Alterian Technology Limited, a company registered under the laws of England and Wales.

The Complainant is a developer and supplier of computer software for analysing customer data and implementing marketing strategies. The Complainant is the operating company and wholly owned subsidiary of Alterian plc.

The Respondent (a software programmer) is the Managing Director and the majority shareholder in a company called Minotaur Limited (a UK company), and which has a website at http://www.minotaur.eu . The Respondent's company provides computer software marketing solutions in competition with the Complainant.

The Respondent registered the domain name 'alterian.eu' (the 'Domain Name') on 7 April 2006 – the first day of the .eu Land Rush Period.

On 16 January 2007, the Complainant discovered that the Respondent had registered the Domain Name, and noticed that the website attached to the Domain Name diverted visitors to the Respondent's website, passing visitors through a brief holding page which stated '…you are being redirected to Europe's Leading On-Line Marketing Database Solution'.

Following this discovery, the Complainant's CEO wrote to the Respondent on 17 January 2007 enquiring why the Respondent had registered the Domain Name, and why web traffic directed to the Domain Name was being diverted to the Respondent's company website. The Respondent did not respond to this letter.

On 7 February 2007, the Complainant's lawyer sent a formal letter before action to the Respondent alleging passing off and trade mark infringement, requesting undertakings - including an agreement to transfer the Domain Name to the Complainant.

On 8 February 2007, the Respondent replied to the Complainant's lawyer on Minotaur Ltd letterhead stating that the Domain Name was purchased '…along with others at that time relating to upcoming business ventures within Europe' and that '…the planned Alterian venture is not related to marketing or software industries'. The Respondent went on to say '…the diversion of the site to minotaur.eu was established in error…' and that he has '…instructed [his company's] web providers to disconnect that particular redirection'.

Between 14 February 2007 and 15 February 2007 there was a small exchange of email correspondence between the parties. In his

emails to the Complainant's lawyer, the Respondent made the following statements:

a) That he was unaware of the Complainant's registered trade mark ALTERIAN.

b) That the Domain Name is 'not for sale' and he has '…been approached by other parties for the purchase of the Domain Name and has given them the same answer…'.

c) That '…having consulted [his] colleagues regarding the new business venture it seems [they] are not yet fixed in the need to use Alterian.eu…'.

d) That they '… are prepared to offer the domain name free of charge to any of the interested parties provided they commit to a reasonable donation to a cancer charity.'

On 16 February 2007, the Complainant filed its complaint against the Respondent with the Czech Arbitration Court, seeking revocation of the Domain Name under Art 21(1) Public Policy Rules and the transfer of the Domain Name to the Complainant.

On 7 March 2007 the ADR proceedings were formally commenced, and a notification of such was sent to the Respondent, explaining that he had 30 days within which to submit his Response - in accordance with the ADR Rules.

The Panel is informed by the ADR administrator in this case that the Respondent viewed this notification via the ADR online platform. However, the Respondent failed to submit a Response, and a Notification of Respondent's Default was issued on 14 May 2007.

On 23 May 2007, having received a Statement of Acceptance and Declaration of Impartiality, the Czech Arbitration Court appointed Steve Palmer as the Panel in these ADR proceedings.

A. COMPLAINANT

The Complainant is the proprietor of a registered Community Trade Mark for the word ALTERIAN under number 636720 in Classes 9, 16 and 42.

The Complainant has developed a substantial goodwill and reputation in the word 'Alterian', which, as a trading name, is almost unique to it worldwide and, as far as it is aware, is unique to it in the European Union. Apart from limited examples, the word 'Alterian' has no literal meaning. The Complainant, and its branding advisors, made the word up in 1997 for use as the Complainant's main brand.

The Complainant has expended substantial sums in developing and maintaining its goodwill and reputation. For example, in the last three years alone, the average annual marketing spend of the Complainant has been approximately £1,000,000, the majority of which relates to the EU.

The Complainant is widely recognised as the leader in its field, certainly in the UK, increasingly in the rest of the EU and also in the USA, having contractual relationships with marketing companies, including Accenture, Acxiom, Allant Group, Carlson Marketing Group, Experian, Epsilon, Donnelley Marketing, Harte-Hanks, Merkle, Ogilvy One and Euro RSCG Worldwide which results in the Complainants software products and services being used by many very well known organisations, including Princess Cruises, General Motors, Zurich, HSBC, Starz Entertainment, Limited Too, Dell, Amnesty International and Vodafone. Further information relating to the Complainant can be found at http:// www.alterian.com.

A search on the word 'Alterian' at the Yahoo website (covering the whole web) conducted on 16 February 2007 yielded 42,900 hits. The overwhelming majority of these hits are a reference to the Complainant.

The Respondent registered the Domain Name on 7 April 2006 and, in the intervening 10 months, has done nothing with it save for the diversion of web traffic to his company's own website.

In his correspondence, the Respondent attempts to create some kind of legitimate explanation for having registered the Domain Name. He starts by suggesting that the Domain Name was purchased for some unidentified 'business venture within Europe', but he then states that '…it seems we are not yet fixed in the need to use Alterian.eu'. The Respondent then specifically states that third parties have approached him to purchase the Domain Name but that he has told them it is not for sale. The Respondent then states that he will offer the domain name free of charge to any of the interested parties, provided they commit to a reasonable donation to a cancer charity. The Complainant submits that the references to third parties are simply designed to cause concern in the Complainant's mind (i.e. that a third party might acquire the name) and therefore pressurise the Complainant into paying an excessive sum for the Domain Name -

whether that be to a charity or to the Respondent himself.

In any event, the Complainant doubts that there can be any legitimate 'interested parties' and is therefore concerned that such third parties may be infringers.

As the Managing Director of one of the Complainant's competitors, and in view of the Complainant's reputation, the Complainant regards it as not credible for the Respondent to claim that he just happened to register the Domain Name.

The Complainant regards the Respondent's suggestion that the diversion occurred 'in error' as not credible. To create a specific diversion at a specific website involves an active series of steps and is not something that could conceivably be done by accident. Also, when the Respondent and Minotaur Ltd were challenged by the Complainant's CEO (on 17 January 2007), they did nothing until they received a solicitor's letter before action (dated 7 February 2007). The Complainant believes this to be inconsistent with an assertion that the diversion was applied in 'error'.

The Respondent is the controlling force behind Minotaur Ltd. It is clear from the way in which the Respondent has corresponded with the Complainant's Representatives that the Respondent behaves in a manner whereby there is no distinction in his mind between his actions and those of Minotaur Ltd. For example, the Respondent stated:
'www.alterian.eu was purchased ...relating to upcoming business ventures within Europe'. The Respondent clearly means business ventures of Minotaur Ltd and that he therefore purchased the Domain Name for use by Minotaur Ltd.

The Respondent and Minotaur Ltd were clearly involved in activities to infringe the registered trade mark and in passing off. Minotaur Ltd was offering goods and services identical to the registered trade mark by the use of a sign identical to the registered trade mark, (contrary to Article 9(1)(a) of the Community Trade Mark Regulation (40/94/EC).

Neither Minotaur Ltd nor the Respondent has any legitimate rights in the name 'Alterian'. The Respondent's use of the Domain Name has been illegitimate, and cannot be said to be non-commercial. Such use has been designed to mislead and pass off.

Referring to Paragraphs 11(f) ADR Rules – the Complainant submits there has been 'bad faith' on the part of the Respondent for the following reasons. The Domain Name was registered or acquired primarily for the purpose of selling, renting, or otherwise transferring the domain name to the Complainant. The Domain Name was registered primarily for the purpose of disrupting the professional activities of the Complainant (which is a competitor to the Respondent's company). The Domain Name was intentionally used to attract Internet users, for commercial gain to the Respondent's company's website, by creating a likelihood of confusion with the Complainant's registered trade mark and the name 'Alterian', such likelihood arising as to the source, sponsorship, affiliation or endorsement of the website or location or of a product or service on the website or location of the Respondent's Company.

B. RESPONDENT

No Response or other communication has been received on the online ADR Platform from the Respondent in respect of the Complaint.

DISCUSSION AND FINDINGS

This Complaint has been brought under Article 22(1)(a) of the Public Policy Rules which addresses registrations which are 'speculative or abusive within the meaning of Article 21'.

As the Respondent failed to submit a Response to the Complaint, this decision has made in accordance with Paragraph 10(a) of the ADR Rules.

*** Identical or confusingly similar Domain Name ***

The first requirement of Art 21(1) Public Policy Rules has been satisfied. The Domain Name is identical to the Complainant's prior CTM registration for the word ALTERIAN. The '.eu' suffix serves no relevant distinguishing purpose.

*** No rights or legitimate interest ***

Art 21(1)(a) Public Policy Rules provides that the Domain Name shall be subject to revocation if it has been registered by the Respondent without rights or legitimate interest in the name.

On the evidence made available to the Panel, and in the absence of any formal Response from the Respondent, it appears to the Panel

that the Respondent does not have any rights or legitimate interest to the Domain Name.

Art 21(2) Public Policy Rules sets out a list of factors which may demonstrate a legitimate interest (the mirror provisions at B.11(e) of the ADR Rules). This list includes, inter alia, situations where the domain name holder is commonly known by the name corresponding to the domain name. This clearly does not apply in this case. The list also includes a situation where the domain name holder is making legitimate non-commercial fair use of the domain name without intending to mislead the consumers. The Panel finds the Respondent registered the Domain Name for commercial use, not least due to the fact that the Respondent states that he had registered the Domain Name for '…upcoming business ventures within Europe'.

Another factor is the legitimate interest factor contained in Art 21(2)(a) '…prior to any notice of an alternative dispute resolution (ADR) procedure, the holder of a domain name has used the domain name or a name corresponding to the domain name in connection with the offering of goods or services or has made demonstrable preparation to do so'. The Panel notes that the wording of Art 22(2)(a) fails to state whether the 'use' should be in connection with a 'bona fide' offering of goods or services in order to demonstrate a legitimate interest, notwithstanding the absence of the words 'bona fide'. The logical conclusion is that such use should be 'bona fide' for there to be a legitimate interest. In any event, on this point the Panel adopts the reasoning of the Panel in Case No. 04213 <enterpriserentals.eu>:

'…Ultimately, Article 21(2)(a) is just one example of a series of activities whereby in the words of Article 21(2) a legitimate interest MAY be demonstrated… in the absence of argument to the contrary from the Respondent, I do not believe that this is an interest that is 'legitimate''

In the circumstances, the Panel finds that, on the balance of probabilities, the Respondent registered the Domain Name without legitimate interest in the name and the Domain Name should be subject to revocation under Art 21(1)(a).

Bad Faith

The Panel has also considered whether or not the Domain Name should be subject to revocation under Art 21(b) Public Policy Rules - whereby the Domain Name shall be subject to revocation if it has been registered or is being used in bad faith.

Relevant to a finding of bad faith is the issue of whether or not the Respondent had knowledge of the Complainant and its ALTERIAN trade mark, when he registered and used the Domain Name. The Respondent is the Managing Director and majority shareholder of Minotaur Ltd - a UK based company which is a competitor of the Complainant's business. As Minotaur Ltd's Managing Director and majority shareholder, the Respondent would have a personal interest in the success of his company, and in turn, the activities of its competitors.

The Panel is of the view that an individual with the Respondent's position at Minotaur Ltd would have had personal knowledge of the Complainant's business, and also its widespread use and promotion of the ALTERIAN name. The Complainant's ALTERIAN trade mark is an invented and distinctive word, which the Respondent would be unlikely to adopt for his 'business ventures' purely by chance. It is therefore the Panel's view that on the balance of probabilities the Respondent chose to register the name ALTERIAN deliberately in the knowledge of the Complainant's prior rights in that name.

Art 21(3) (the equivalent provisions are found in B.11(f) ADR Rules) sets out a non-exhaustive list of circumstances, which if found to be present shall be evidence of 'bad faith' within the meaning of Art21(1)(b). The Panel notes that the Complainant need only prove one of these grounds in order to succeed in demonstrating that the Respondent had registered or used the Domain Name in bad faith.

In the Panel's view, there are circumstances which indicate that, on the balance of probabilities, the Domain Name was registered primarily for the purpose of disrupting the professional activities of the Complainant, being a competitor to the Respondent's company (bad faith factor Art 21(3)(c)). The Panel finds that the Respondent's diversion of web traffic to the Respondent's company website for some 10 months or so was, on the balance of probabilities, done deliberately. In this regard, disruption to the Complainant's business was inevitable as the domain name is an exact match to the Complainant's ALTERIAN trade mark. Valuable web traffic was likely to be lost whenever internet users, seeking out the Complainant, ended up at the Respondent's website in error.

It is also the Panel's view that, along with the Respondent's primary purpose to disrupt the professional activities of the Complainant, it is also likely that the Respondent registered the Domain Name with a subsidiary purpose of selling, renting or otherwise transferring the Domain Name to the Complainant. The Respondent's reference to third party purchase interest was very likely to have been a simple pressure tactic - to push the Complainant into offering a high price for the Domain Name.

Whist the bad faith factor found in Art 21(3)(a) requires the Domain Name registration to be 'primarily… for the purpose of selling…', the

factors in Art 21(3) are given as non-exhaustive examples. As such, it is the Panel's view that the Respondent's intention to sell, in conjunction with a strategy to disrupt the business of the Complainant, is an example of bad faith for the purposes of Art 21(b).

Finally, the Panel also finds the bad faith factor set out in Article 22(3)(d) to be present. In this regard, it is the Panel's view that on the balance of probabilities any intentional use of the Domain Name by the Respondent has also been to attract Internet users to his website for commercial gain, by creating a likelihood of confusion as to the source, sponsorship, affiliation or endorsement. In this regard, initial interest confusion would be relevant here. This would occur where the Respondent still materially or financially gains by trading in on the value of Complainant's ALTERIAN mark to initially attract customers to his website, even if once they arrive at 'minotaur.eu', they then realise it does not belong to the Complainant.

In conclusion, and in addition to the finding that the Respondent has no legitimate interest in the name, the Panel also finds that the Domain Name 'alterian.eu' was registered and has been used by the Respondent in bad faith.

The registration of the Domain Name by the Respondent is therefore speculative or abusive within the meaning of Art 21 Public Policy Rules, and the Complainant is entitled to succeed.

The Panel orders that the Domain Name be revoked from the Respondent, and transferred to the Complainant.

DECISION

For the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that the domain name ALTERIAN.EU be transferred to the Complainant

PANELISTS

Name	**Steve Palmer**

DATE OF PANEL DECISION 2007-06-23

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant, Alterian Technology Limited, is a company registered under the laws of England and Wales, and owns a CTM registration for ALTERIAN.

The Respondent (a software programmer) is the Managing Director and the majority shareholder in a company called Minotaur Limited (a UK company), which provides computer software marketing solutions in competition with the Complainant.

The Respondent registered the domain name 'alterian.eu' (the 'Domain Name') on 7 April 2006 – the first day of the .eu Land Rush Period. On 16 January 2007, the Complainant discovered that the Respondent had registered the Domain Name, and that he had attached a website diverting the Domain Name to the Respondent's company website.

Despite initial contact by the Complainant, it was not until a formal letter before action was issued by the Complainant's lawyer that the Respondent removed the diversion link to his company's website. However, the Respondent did not agree to the transfer of the Domain Name and indicated that he had been approached by third parties willing to purchase the Domain Name.

The Complainant issued ADR proceedings under Article 22(1)(a) of the Public Policy Rules.

The Respondent failed to submit a Response, and a Notification of Respondent's Default was issued.

The Panel found the Domain Name to be identical to the Complainant's prior CTM registration for the word ALTERIAN.

The Panel found that the Domain Name should be subject to revocation as it was registered by the Respondent without rights or legitimate interest in the name. None of the Art 21(2) factors, which may serve to demonstrate a legitimate interest, were present.

The Panel also found that the Domain Name should be subject to revocation under Art 21(b) Public Policy Rules. Bad faith was found for the following reasons:

- The Respondent is the Managing Director and majority shareholder of Minotaur Ltd, a UK based company, which is a competitor of the

Complainant's business. The Complainant's ALTERIAN trade mark is an invented and distinctive word, which the Respondent would be unlikely to adopt for his 'business ventures' purely by chance. It was therefore the Panel's view that on the balance of probabilities the Respondent chose to register the name ALTERIAN deliberately in the knowledge of the Complainant's prior rights in that name.
- The Domain Name was registered primarily for the purpose of disrupting the professional activities of the Complainant, being a competitor to the Respondent's company.
- Also, it was likely that the Respondent registered the Domain Name with a subsidiary purpose of selling, renting or otherwise transferring the Domain Name to the Complainant.
- Finally, any intentional use of the Domain Name by the Respondent would have been to attract Internet users to his website for commercial gain, by creating a likelihood of confusion as to the source, sponsorship, affiliation or endorsement.

The Panel ordered the Domain Name to be revoked from the Respondent, and transferred to the Complainant.