Panel Decision for dispute CAC-ADREU-005051

Case number	CAC-ADREU-005051
Time of filing	2008-05-22 11:52:08
Domain names	denon.eu

Case administrator

Name	Josef Herian

Complainant

Organization / Name	D&M Europe B.V.

Respondent

Organization / Name	e-Profil Agencja Interaktywna, Krzysztof Sidorowski

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

There are no other legal proceedings of which the Panel is aware that are pending or decided and that relate to the disputed Domain Name.

FACTUAL BACKGROUND

1. History of the Requests for Registration

On 27 January 2006, the Complainant, D&M Europe B.V. filed a request for the registration of the Domain Name <denon.eu> within part one of the phased Sunrise registration period. The Complainant's application was, however, denied. According to the Complainant the application was denied due to unfortunate misunderstandings in regards to the Sunrise period registration formalities.

On 20 June 2006 the Respondent, e-Profil Agencja Interaktywna, Krzysztof Sidorowski, registered the Domain Name <denon.eu>.

2. History of the ADR Proceeding

On 19 May 2008 at 16:47:41 the Czech Arbitration Court ("CAC") received from the Complainant a request to change the language of the ADR proceeding from Polish to English. The time of filing of the language trial is 22 May 2008.

On 3 June 2008 at 16:08:06 EURid responded to the request for verification by stating that the language of the registration agreement used by the Respondent has been Polish.

On 1 August 2008 at 16:25:22 CAC named Szymon Jacek Gogulski to be the Panelist in the language trial. The Respondent did not issue any response during the language trial.

On 31 August 2008 at 16:00:31 the language trial Panelist issued the decision on changing the language to English as exceptional circumstances referred to in § A.3(a) of the ADR Rules exist. The Complainant had indicated that the Internet website connected with the disputed Domain Name <denon.eu> encourages corresponding solely in English language which in the opinion of the Complainant means that the owner of the Domain Name knows this language. The Complainant also raised that conducting the dispute in Polish would involve significant costs.

In the language trial Panelist's view, such exceptional circumstances include the use of the English language by the owner of <denon.eu>, by encouraging public exclusively in English to submit offers in the same language. The Panelist took into account three additional circumstances, namely: (i) the Respondent did not answer the Complainant's request which – as it may be deemed – means

that he implicitly accepted the Complainant's request; (ii) the proposed English language is not a native language of any of the parties to the dispute; and at the same time (iii) the English language is the most frequently used language in international relationships, especially on Internet.

On 23 September 2008 at 10:41:49 the Complainant filed the complaint in English.

According to § A.3(b)7 the time of filing of the request to change the language of the
ADR Proceeding shall apply with respect to the Complaint, provided the appropriate fee is paid, in case the Complainant files the complaint within thirty (30) working days from receiving the language trial decision. As the Complainant filed the complaint within 30 working days, the time of filing of the complaint is May 22 2008 at 11:52:08.

The formal date of the commencement of the ADR Proceeding is 16 October 2008 and at 15:09:03 the same day the Respondent was informed about the commencement of an ADR Proceeding against them.

On 27 January 2009 the CAC informed the Respondent of their failure to comply with the response deadline. The Respondent has not responded to the complaint at all.

On 7 March 2009 the Panel issued a request for the Complainant to show evidence that the licensor of the trademark DENON has requested the Complainant to prosecute in the dispute over the domain name <denon.eu>, as stated in the Trademark License Agreement signed by the Licensor and the Licensee.

On 13 March 2009, within the set term, the Complainant complemented its complaint.

The Respondent failed to submit its expression regarding the presented evidence.

A. COMPLAINANT

1. Complainant

The Complainant D&M Europe B.V. is a subsidiary of D&M Holdings, Inc. D&M Europe B.V. was registered in the Dutch commercial register as a Dutch limited liability company in 1991 and has its principal place of business in Eindhoven, the Netherlands as stated in the attached Trade Register extract. Consequently, the Complainant is eligible for registration as set out in Paragraph 4 (2) (b) of Regulation (EC) 733/2002.

D&M Holdings Inc. is the owner of the Benelux Trademark Registration No. 081213 for the figurative mark DENON (application filed on 12 Nov 1971), Benelux Trademark Registration No. 588081 for the word mark DENON (application filed on 7 Dec 1995) and the Community Trademark Registration No. 000196287 for the word mark DENON (application filed on 1 April 1996). The trademark DENON is widely known among the general public.

D&M Europe B.V. is authorised by power of attorney to use the specified trademarks in Europe as per attached copy of the Trademark License Agreement. The power of attorney includes the right to register any domain name including the trademarks above.

The corresponding website of the Respondent, e-profil Agencja Interaktywna, www.e-profil.pl shows that this Polish company inter alia hosts and registers domain names.

Since the registration of the Domain Name the Respondent has not made any active use of the disputed domain name to support any offer of goods or services, but merely offered <denon.eu> for sale as is shown in the attached printout of 22 September 2008.

The registration of the disputed Domain Name by the Respondent is abusive within the meaning of article 21 of Commission Regulation (EC) 874/2004 and § B1 (b) (10) (i) (A) of the ADR Rules. The disputed Domain Name is identical with the registered word mark DENON and confusingly similar to its figurative mark DENON.

The Respondent has not used the disputed Domain Name or a name corresponding to this domain name in connection with the bona fide offering of goods or services nor has made demonstrable preparations to do so. The Respondent is not currently and has never been known under the name Denon. The Complainant has not licensed or otherwise permitted the Respondent to use its trademark, nor has the Complainant otherwise permitted the Respondent to apply for or use any domain name incorporating its trademarks.

Internet searches do not show any link between the Respondent and the word Denon. The Respondent does not have any legitimate interests in the disputed Domain Name. At least until the filing of the complaint the website available under the Domain Name only shows that the disputed Domain Name is for sale. On the website the following text is stated: "This domain is for sale", which proves the fact that the disputed Domain Name was registered primarily for the purpose of selling it. Apparently the domain name registration served no valid purpose for the Respondent since no other website than the one offering <denon.eu> for sale is linked to the disputed Domain Name.

Denon does not have any meaning in English (or in any other language).

The Complainant has a significant worldwide reputation in the use of the trademark DENON. It is inconceivable that the Respondent was not aware of this reputation and goodwill when registering the disputed Domain Name at issue. The selection of the (meaningless) word 'Denon' for a domain name is further evidence to the fact that the Respondent is aware of the company of the Complainant.

B. RESPONDENT

The Respondent did not provide any response to the complaint.

DISCUSSION AND FINDINGS

In consideration of the factual background and the Parties' contentions stated above, I come to the following conclusions:

1. The relevant provisions

A. EC Regulation No. 733/2002 on the implementation of the .eu Top Level Domain

Article 4.2(b) of the EC Regulation No. 733/2002 provides that the Registry shall register domain names in the .eu TLD through any accredited .eu Registrar requested by any undertaking having its registered office, central administration or principal place of business within the Community.

B. EC Regulation No. 874/2004 of, laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration

Article 2 (6) of the EC Regulation No. 874/2004 provides that domain names registered under the .eu TLD shall only be transferable to parties that are eligible for registration of .eu domain names.

Article 21 of the EC Regulation No. 874/2004 provides that 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), and where it (a) has been registered by its holder without rights or legitimate interest in the name; or (b) has been registered or is being used in bad faith.

Article 22 (1) of the EC Regulation No. 874/2004 provides that an ADR procedure may be initiated by any party where the registration is speculative or abusive within the meaning of Article 21.

Article 22 (10) of the EC Regulation No. 874/2004 provides that failure of any of the parties involved in an ADR procedure to respond within the given deadlines may be considered as grounds to accept the claims of the counterparty.

Article 22 (11) of the EC Regulation No. 874/2004 provides that the ADR panel shall decide that the domain name shall be revoked, if it finds that the registration is speculative or abusive as defined in Article 21. The domain name shall be transferred to the complainant if the complainant applies for this domain name and satisfies the general eligibility criteria set out in Article 4(2)(b) of Regulation (EC) No 733/2002.

C. ADR Rules

Paragraph B 1(12) of the AD Rules provide that if the Complainant requests transfer of the domain name, the Complainant shall provide evidence that the Complainant satisfies the general eligibility criteria for registration set out in Article 4.2(b) of Regulation (EC) No 733/2002.

Paragraph B 10 of the ADR Rules provide that in the event that a Party does not comply with any of the time periods established by these ADR Rules or the Panel, the Panel shall proceed to a decision on the Complaint and may consider this failure to comply as grounds to accept the claims of the other Party. Unless provided differently in these ADR Rules, if a Party does not comply with any provision of, or requirement under, these ADR Rules, the Supplemental ADR Rules or any request from the Panel, the Panel shall draw such inferences therefrom as it considers appropriate.

Paragraph B 11.d of the ADR Rules provide that the Panel shall issue a decision granting the remedies requested in the event that the Complainant proves (1) in ADR Proceedings where the Respondent is the holder of a .eu domain name registration in respect of which the Complaint was initiated that
(i) The domain name is identical or confusingly similar to a name in respect of which a right is recognized or established by the national law of a Member State and/or Community law and; either
(ii) The domain name has been registered by the Respondent without rights or legitimate interest in the name;
or
(iii) The domain name has been registered or is being used in bad faith.

Paragraph B 11.e of the ADR Rules provide that any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate the Respondent's rights or legitimate interests to the domain name for purposes of Paragraph B 11.d (1/ii):
(1) prior to any notice of the dispute, the Respondent 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;
(2) the Respondent, being an undertaking, organization or natural person, has been commonly known by the domain name, even in the absence of a right recognized or established by national and/or Community law;
(3) the Respondent 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 recognized or established by national law and/or Community law.

Paragraph B 11.f of the ADR Rules provide that for purposes of Paragraph B 11.d (1/iii), the following circumstances, in particular but without limitation, if found by the Panel to be present, may be evidence of the registration or use of a domain name in bad faith:
(1) circumstances indicating that the domain name was registered or acquired primarily for the purpose of selling, renting, or otherwise transferring the domain name to the holder of a name, in respect of which a right is recognized or established by national and/or Community law, or to a public body; or
(2) the domain name has been registered in order to prevent the holder of such a name in respect of which a right is recognized or established by national and/or Community law, or a public body, from reflecting this name in a corresponding domain name, provided that: (i) the Respondent has engaged in a pattern of such conduct; or (ii) the domain name has not been used in a relevant way for at least two years from the date of registration
(3) the domain name was registered primarily for the purpose of disrupting the professional activities of a competitor; or
(4) the domain name was intentionally used to attract Internet users, for commercial gain to the Respondent's website or other on-line location, by creating a likelihood of confusion with a name on which a right is recognized or established, by national and/or Community law, or it is a name of a public body, 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.

4. Conclusions

PROCEDURAL ISSUES

1. According to § A.3(b)6 of the ADR Rules the Panel's decision in a language trial shall be final and not subject to appeal. Thus, this Panel confirms that the language of the proceedings is English.

2. Failure to provide a response

The Respondent has not filed a response to the complaint nor submitted its expression regarding the further evidence submitted by the Complainant. In such an eventuality, the effect of the provisions of Article 22(10) of Regulation No. 874/2004 and Paragraph B 10.a of the ADR Rules is that the failure may be considered by the Panel as grounds to accept the claims of the Complainant. However, this does not mean a complaint will automatically be upheld whenever a Respondent fails to respond; the Complainant is still required to demonstrate that the provisions of Article 21(1) of Regulation No. 874/2004 and Paragraph B 11.d(1) of the ADR Rules are satisfied.

SUBSTANTIAL ISSUES

1. The domain name is identical or confusingly similar to a name in respect of which a right is recognized or established by the national law of a Member State and/or Community law.

The Complaint's parent company is the owner of valid trademark registrations in Europe for the word DENON.

According to the documentation submitted by the Complainant, the owner of the trademarks has granted its subsidiary, namely the Complainant, a license to use said trademarks in "the European region". Even though the license agreement attached to the complaint does not include a specific clause granting to the licensee a right to register domain names corresponding to the licensed trademarks, such right can be derived from the content of the license agreement.

The Panel has taken a similar position in amongst others case No. 4925 <nyu.eu> ("Given the license arrangement in place between the Licensor and Complainant, the Complainant has the right to enforce the rights licensed to it by the Licensor").

Therefore, the Panel finds that the Complainant's right to the trademark DENON is recognized or established by the national law of a Member State and/or Community law. In this Panel's opinion the Domain Name <denon.eu> is identical to the registered trademark validly used by the Complainant based on a license agreement with the trademark owner.

The registered trademarks specified in the complaint and licensed to the Complainant under the license agreement were registered prior to the Respondent's application for the Domain Name.

As the license agreement included the following sentence: "6.1. The Licensee shall notify the Licensor promptly of any infringement or unauthorized use of the Mark by others of which the Licensee becomes aware. If requested by the Licensor, the Licensee shall prosecute the same.", the Panel chose to request the Complainant to show evidence of such a request from the Licensor. On 13 March 2009 the Complainant submitted a letter signed by the Licensor, confirming that such a request had been initiated by the Licensor.

Therefore, the first requirement established by Paragraph B 11.d of the ADR Rules has been duly satisfied.

2. The domain name has been registered by the Respondent without rights or legitimate interest in the name.

According to the Complainant, the Respondent has not used the Domain Name or a name corresponding to the Domain Name in connection with the offering of goods or services nor has made any demonstrable preparations to do so.

According to the Complainant, the Respondent has not been commonly known by the Domain Name nor has the Respondent been making any 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 recognized or established by national law and/or Community law.

It is this Panel's opinion that the Complainant did not submit definitive supporting evidence proving that the Domain Name was registered without rights or legitimate interest in the name. However, this Panel agrees with the position stated in many ADR Decisions (amongst others No. 2035 <warema.eu>, 4925 <nyu.eu> and 5156 <yakult.eu>) that although the burden of proof lies with the Complainant, the existence of a right or legitimate interest is difficult to prove since the relevant facts lie mostly in the sphere of the Respondent. Therefore, it shall be sufficient that the Complainant proves that the obvious facts do not demonstrate a right or legitimate interest of the Respondent in the Domain Name. The burden of the proof then shifts to the Respondent, who shall be able to prove their rights or legitimate interest in the Domain Name.

The Respondent was given the possibility to prove their rights or legitimate interest in the Domain Name but the Respondent failed to file any response to the Complaint. In this respect, the Panel may consider the failure by the Respondent as grounds for accepting the claims of the Complainant, and that the Panel may draw such inferences from the default as it considers appropriate.

This Panel has not found any evidence regarding a possible right or legitimate interest in the Domain Name from the Respondent. This Panel concludes that the Domain Name has been registered by the Respondent without rights or legitimate interest in the name.

Therefore, the second requirement established by Article B.11.d of the ADR Rules has been duly satisfied.

3. The domain name has been registered or is being used in bad faith

The above conclusion that the Respondent does not have rights or legitimate interests in the domain name is enough to satisfy the requirements of Article 21 of the Regulation No. 874/2004 and Paragraph B 11.d of the ADR Rules. However, for completeness, this Panel would like to assess whether the domain name was registered or is being used in bad faith.

Paragraph B 11.f of the ADR Rules includes a list of circumstances (in particular but without limitation) which may be evidence of bad faith.

The Complainant has referred to sections 1 and 2 of the list, namely circumstances indicate that the domain name was registered primarily for the purpose of selling the domain name to the holder of a trademark and that the domain name has been registered in order to prevent the holder of the trademark rights from reflecting the trademark in a corresponding domain name, provided that the domain name has not been used in a relevant way for at least two years from the date of registration.

Based on the documentary evidence filed by the Complainant and searches carried out by the Panel it can be stated that the web site www.denon.eu has been used only for presenting the offer to sell the Domain Name to interested parties.

The Domain Name was registered in June 2006. The Domain Name has not been used in a relevant way for at least two years from the date of registration.

4. The Complainant has proved that it is an undertaking having its registered office within the Community, namely in Eindhoven, the Netherlands and that it is a licensee of the owner of the trademarks in question. The Complainant has further proved that the Licensor has requested the Licensee to initiate the dispute over the Domain Name.

There have been several decisions in .eu ADR dealing with the question whether a licensee is entitled to the transfer of the disputed domain name. In several decisions the Panel decided to transfer the disputed domain name where a controlling entity granted a non-exclusive worldwide license to its subsidiary to use the protected name (e.g. No. 5668 <nexcom.eu>). In some decisions, Panel decided for the transfer in case of an exclusive European license granted by a controlling entity to its wholly owned subsidiary (e.g. No. 4759 <cyworld.eu>).

5. In the absence of evidence to conclude otherwise, the Panel has decided to accept the Complaint.

DECISION

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that the domain name <denon.eu> shall be transferred to the Complainant.

The decision shall be implemented by the Registry within thirty (30) days after the notification of the decision to the Parties, unless the Respondent initiates court proceedings in a Mutual Jurisdiction.

PANELISTS

Name	**Elina Koivumäki, Attorney-at-Law**

DATE OF PANEL DECISION 2009-03-24

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

1. On June 20 2006 e-Profil Agencja Interaktywna, Krzysztof Sidorowski (hereinafter the “Respondent”) registered the domain name <denon.eu> (hereinafter, the "Domain Name").

2. On 23 September 2008 (hereinafter the “Complainant”) filed a complaint before the Czech Arbitration Court against the Respondent

requesting the transfer of the Domain Name. Pursuant to the Complaint: (i) the Domain Name is identical to certain trademarks owned by the Complainant's parent company; (ii) the Respondent has no legitimate interest in the Domain Name; and (iii) the registration and use of the Domain Name is in bad faith.

3. The Complainant's Japanese parent company is the owner of specified Benelux and Community Trademarks including the name "DENON", which are currently in full force and effect. Registrations include word marks and figurative marks. A Trademark Licence Agreement between the Japanese parent company and the Dutch subsidiary has been enclosed to the Complaint. The Complainant submitted further evidence showing that the Licensor had requested the Licensee to prosecute in this dispute as required in the Licence Agreement.

4. In addition, Complainant contends that the Respondent has no legitimate interest in the Domain Name since he has not made any active use of the Domain Name to support any offer of goods or services.

5. Likewise, the Complainant contends that the Respondent has registered and uses the Domain Name in bad faith since it is not credible that the Respondent registered the Domain Name without knowledge of the Complainant's trademark, considering its notoriety. Furthermore, the Complainant showed evidence proving that the Respondent has publicly kept the Domain Name for sale.

6. The Respondent failed to file a response to the Complaint.

7. The Panel found that the Domain Name is identical to the trademarks in which the Complainant has rights based on the Trademark Licence Agreement. Thus, the first (and essential) requirement of Article 21.1 of the Regulation 874/2004 has been met.

8. Additionally, since the Complainant has demonstrated that the Respondent does not have, prima facie, a legitimate interest on the Domain Name and considering that such contention has not been opposed by the Respondent, this Panel concluded that the Respondent has no legitimate interest and, thus, requirements of Article 21.2 of the Regulation has been met.

9. As the Panel found that the Respondent has registered the Domain Name without any rights or legitimate interest, it was not necessary to analyse whether the Domain Name had been registered or is being used by the Respondent in bad faith or not. However, for the sake of completeness, the Panel assessed also this issue and concluded that the Complainant had proven the existence of bad faith in the registration or use of the Domain Name based on the fact that the Domain Name has been publicly for sale on the corresponding web site www.denon.eu for years.

10. In light of the above, and as requested by the Complainant, the Domain Name <denon.eu> shall be transferred to the Complainant.