Panel Decision for dispute CAC-ADREU-005266

Case number	CAC-ADREU-005266
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Domain names	precitec.eu

Case administrator

Name	Josef Herian

Complainant

Organization / Name	Precitec KG

Respondent

Organization / Name	Precitec B.V., M.T.J. Went

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

To the knowledge of the Panel, there are no other legal proceedings pending or decided that relate to the domain name <precitec.eu>.

FACTUAL BACKGROUND

The Complainant is a German company that has been continuously using its company name since 1971. Its company name is protected under Article 5 (2) of the German Trademark Act. It is the owner of the German trademark No. 934409 PRECITEC and of the Community trademark No. 1809169 PRECITEC. It registered and uses the domain name <precitec.de>, <precitec.com>, <precitec.us>, <precitec.org>, <precitec.cn>, <precitec.co.jp>, <precitec.co.kr>, <precitec.fr> and <precitec.ch>.

The domain name <precitec.eu> was registered on September 12, 2006 by the Dutch company Precitec B.V. The Respondent is a private company with limited liability (“besloten vennootschap”) established under the laws of the Netherlands. Since 1984 the Respondent is using the company name PRECITEC intensively and continuously. It registered the domain name<precitec.nl>.

The parties are not competitors.

A. COMPLAINANT

The Complainant is the owner of rights recognised and established by German and Community law such as the rights mentioned in Article 10(1) of the Regulation 874/2004.

The disputed domain name <precitec.eu> is identical to the name PRECITEC in respect of which rights are recognised.

1. No relevant use of <precitec.eu> within two years as of the registration date

The domain name <precitec.eu> was registered in bad faith by the Respondent pursuant to Article 21 (3) a) b) ii) of Regulation 874/2004. The Complainant is well-known as Precitec and is using the domain name <precitec.de>. It is an international supplier of machines and electronic measuring systems. Further, the Complainant is intensively doing business in the EU. Consequently, it needs the <precitec.eu> domain. The Respondent did not use the domain name <precitec.eu> within the two-year period following its registration, namely until September 12, 2008 and consequently bad faith is presumed according to Article 21 (3) b) ii). The absence of relevant use shows that the Respondent does not need this domain name, and therefore bad faith is presumed. The Complainant checked several times the web site at <precitec.eu> during the relevant two-year period and did not identify any proper use.

Irrespective of the possible rights that the Respondent may have to the trade name PRECITEC, the complaint is justified, as the Respondent did not use the domain name <precitec.eu> during the two year period from its date of registration. The Respondent alleges

that the Internet site <precitec.eu> has been online since August 22, 2008. This allegation is wrong and is contested by the Complainant. Further, there is no evidence at all and the Respondent did not submit any printouts proving that the domain name <precitec.eu> was used at that time.

The printouts submitted by the Respondent were made after September 12, 2008 and the Respondent did not claim and cannot claim that these printouts show the status of the web site on or prior to September 12, 2008. The printouts do not show a date.

From September 2006 until April 2008, the Respondent did not use the domain name and did not take any measures to commence use. The Respondent only proves that preparations were made to use the domain name. Without any printouts showing the use in the relevant term, use cannot be proven.

A mere announcement on August 23, 2008 that a web site will come would not have been sufficient either. Particularly the statement "under construction" to which the provider apparently refers to is not relevant use.

According to Article 21 (3) b) ii) of Regulation 874/2004, bad faith is irrevocably presumed if the domain name has not been used in a relevant way for at least two years from the date of registration. The Respondent takes the wrong view that this provision does not apply, if the Respondent has rights in the domain name at issue. According to the Regulation any domain name holder must start using the domain within two years from the date of registration, otherwise bad faith is automatically presumed and proven.

The Complainant refers to the Panel's decision of October 13, 2008 in the case No. 05231 and to the rationale behind this decision. The contested domain name was <boltze.eu>. The Respondent was an individual named Birgit Boltze and so her last name was identical with the domain name. Ms. Boltze replied that she had rights on her family name and that therefore no bad faith could be presumed. Nevertheless, the panel ruled that the domain has to be transferred, as Ms. Boltze has not used the domain name within the relevant two-year term.

The same applies here. It can be gathered from this decision that it is up to the Respondent to prove that the domain name was used during the relevant term and that if there was no use, bad faith has to be affirmed irrespective of any possible rights the Respondent may have in the domain name.

There is another decision No. 05208 that supports the Complainant's viewpoint. The subject of this complaint was the domain name <haug.eu>. The Respondent was named Winfried Haug and he stated that he has been using this domain for e-mail purposes. Finally, the Respondent claimed his name rights and concluded that there was no bad faith.

The Panel came to the conclusion that due to the non-use within two years, irrespective of the Respondent's possible rights to the name HAUG, the complaint was justified.

2. The Respondent has no legitimate interest or rights in PRECITEC

The Respondent does not have any trademark rights to the term PRECITEC. It is contested that the Respondent established rights in the trade name PRECITEC. The Respondent does not cite and prove under which precise legislation trade name rights are established under Dutch law, which formal requirements have to be fulfilled and the Respondent did not prove that these rights fall under Article 10 (1) of Regulation 874/2004.

Moreover, the Respondent was aware of the Complainant's rights and of the fact that it claimed rights on this domain name. Although the Respondent received the Complainant's letter (Annex 6) dated March 16, 2007, it did not reply and did not commence use of the domain name. As a result, the Respondent registered the domain name to prevent the Complainant from registering it.

Finally, the Complainant owns the older rights in PRECITEC. Its trade name rights go back to 1971 and its trade mark rights in PRECITEC date from August 12th 1971.

B. RESPONDENT

1. The Respondent has rights and legitimate interest in PRECITEC

The Respondent encloses with its response the original and a sworn translated extract of the commercial register of the Dutch Chamber of Commerce that shows that it was registered and established in 1984. It asserts that, pursuant to the Dutch Trade Name Act ("Handelsnaamwet"), it has the right to use this name, which is protected under this Act. Therefore it has a right protected under national law in the Netherlands, pursuant to Article 10 (1) and 21 (1) (a) of Regulation 874/2004. Its activity focuses on sales of high precision

products, marketing and technical support to companies which produce this type of products. This activity is completely different from the Complainant's activity.

The Respondent considers that it has a legitimate right on the name PRECITEC, as a company name protected by the Dutch Trade Name Act, which provides that a right on a company name is established by simply operating a company under that name. No formal registration procedure is required. It has a legitimate interest in the name PRECITEC since it has been selling goods under the company name PRECITEC in the US, Vietnam, Malaysia and Europe since 1984. In Europe, the Respondent has customers in France, the United Kingdom, Germany, Poland, the Czech Republic, Denmark and the Netherlands. As evidence of the fact that the Respondent is selling goods under the company name PRECITEC, it produced invoices and purchase orders from different customers of different origins during a wide period, from 2002 until 2008. A written declaration from one of Respondent's Danish customers proves that the Respondent has been doing business under the company name PRECITEC since 1984.

2. The Respondent did not register <precitec.eu> in bad faith

The Respondent contests that it registered the domain name at issue in bad faith in the sense of Article 21 (3) a) b) ii) of Regulation 874/2004. There are no circumstances indicating that the Respondent registered the domain name or acquired it primarily for the purpose of selling, renting or otherwise transferring the domain name. As mentioned above, the Respondent had a legitimate interest in registering the domain name PRECITEC while its purpose was/is to use the domain name for offering its own services and goods on the Internet. The Respondent refers to the letter sent to him by the Complainant on March 16, 2007, to ask him if it was interested in transferring the domain name. The Respondent declares that it answered in order to inform the Complainant that it had the intention of using the domain name. Since, there has been no further communication between the parties. There is also no evidence that confirms that the domain name <precitec.eu> has been registered in bad faith.

The fact that it received the letter from the Respondent on March 16, 2007 proves that it was aware of the Respondent's rights on PRECITEC. It mentions that the Complainant has never objected to the Respondent's use of the company name PRECITEC. Finally, it refers to the basic principle of the domain name registration system, "first come, first served".

Since the Respondent did not register the domain name <precitec.eu> in order to prevent the Complainant to do so, it is irrelevant whether the Respondent did not use the domain name properly within two years after its registration, from September 12, 2006 to September 12, 2008.

The Complainant argues that bad faith is presumed when there was no relevant use of the domain name for at least two years from the date of registration and refers to decision No. 05231. The case of that procedure is however different from the present case. The important difference is that in procedure 05231 the Panel determined that there was no use of the name in any kind of form. That constitutes an important difference to the present case. In the present case, howeve,r the Respondent proves that it has used the name Precitec in a commercial way in connection with the offering of goods for many years.

The Respondent states that, at the beginning of April 2008, it contacted website builder Best4Umedia to construct the website precitec.eu, as justified by the letter which contains a declaration of Best4Umedia concerning the fact that there was relevant use of the domain name <precitec.eu> from the beginning of April 2008. More evidence of the fact that there was relevant use within two years from registration is given by an e-mail from Best4Umedia to the Respondent, which shows that in July of 2008 the website <precitec.eu> was in the phase of preparation and that the site <precitec.eu> was online on August 23, 2008. Evidence of this fact is given by the attached install report from Best4Umedia concerning info@precitec.eu and <precitec.eu>.

Apart from the above mentioned facts the phrase "provided that" of Article 21 (3) b) ii) indicates that the situation that there was no use of the domain name two years after registration is only relevant if complainant proves that the domain name has been registered to prevent the Complainant from registering it.

DISCUSSION AND FINDINGS

1 Procedure

The Panel admits the non-standard communications which have been notified, on the basis of Article 7 (a) and (b) of the ADR Rules

2. The domain name is identical to the prior rights of the Complainant

There is no doubt that the domain name <precitec.eu> is identical to the Complainant's trademarks and company name PRECITEC.

3. The Respondent has legitimate rights and interest in the name PRECITEC

The company name PRECITEC is protected under the Dutch Trade Name Act (“Handelsnaamwet”). As a consequence, the Respondent has a right protected under national law in the Netherlands, pursuant to Article 10 (1) of Regulation 874/2004.

In the present case, the parties are not competitors and they both have legitimate rights in the name PRECITEC.

4. Bad faith registration of <precitec.eu>

4.1. Preliminary remarks on Article 21 (3) b) ii) of Regulation 874/2004

The complaint is based on Article 21 (3) b) ii) of Regulation 874/2004, which provides that: "Bad faith, within the meaning of point (b) of paragraph 1 may be demonstrated, where:
(a) ..
(b) the domain name has not been used in a relevant way for at least two years from the date of registration".

This provision has to be read in connection with Article 21 (1):"A registered domain name shall be subject to revocation, using an appropriate extra-judicial or judicial procedure, 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."

The fulfilment of any of these three criteria individually is sufficient. This is the principal characteristic of the ADR for .EU domain names. It is also the main difference with the Uniform Domain Name Dispute Resolution Policy (UDRP) for generic Top Level domains.

According to Article 21 1) a), if the Respondent has no right or legitimate interest in the name, the transfer or the revocation can be ordered exclusively on this basis and the question of use or non-use need not be addressed. It is therefore clear that Article 21 (3) b) ii) applies regardless of whether or not the Respondent has a right or a legitimate interest in the name.

This is supported by both cited decisions concerning <haug.eu> and <boltze.eu> (ADR decisions n° 05208 and n° 05231), cases in which the domain name at issue was composed of the Respondent's family name. Therefore, the Respondent could rely on a right recognised or established by national law.

In these decisions, the Panel ordered the transfer of the disputed domain name, as "the domain name has not been used in a relevant way for at least two years from the date of registration".

In these cases, the Panel’s opinion was that Article 21 (3) b) ii) has to be applied strictly, that it applies automatically if there is no proof of use and that it provides an obligation to use EU domain names.

In the case <haug.eu>, the Panel decided that “no intention to disrupt the professional activities of a competitor could be established, since the parties are not competitors. However, the only use made of the domain by the Respondent was through a “Welcome to <haug.eu> – more to come soon” page, a further page with information about the proprietor and through the establishment of an email address. The Respondent did not provide any further evidence on intended or actual use of the domain. The defence was limited to use of the domain for private email purposes. Since the only email submitted by the respondent was one single email of unsolicited advertising (spam), it was held that this was not sufficient to establish relevant use during the two-year period specified in Article 21(3) b) ii) Commission Regulation (EC) No. 874/2004”.

It must be added that, in the <haug.de> case, the Complainant referred to a prior decision of a German court between the same parties, concerning <haug.de>. The Court had decided to transfer the domain name to the Complainant.

In the case <boltze.eu>, the Panel considered that “the Complainant was able to demonstrate that the Respondent has made no sufficient use of the domain within the two-year-period stated in Article 21 (3) b) ii) Commission Regulation 874/2004. The Panel finds Article 21 (3) b) ii) as a special regulation only applicable when it is proven that no use of the domain name whatsoever has taken place. The Panel finds that a simple and vague announcement on the website that a “homepage is soon to come” is not a sufficient form of use in the sense of Article 21 (3) b) ii)”.

As the language of the procedure in both of these prior decisions was German, they were decided based on the German version of

Article 21 (3) b) ii), which states:

"Bösgläubigkeit (…) liegt vor, wenn (...)", what means "Bad faith is demonstrated, where (…).

In contrast, the French and English version of Regulation 874/2004 differ from the German version. In the English version, Article 21 (3) b) ii) provides:

"Bad faith, within the meaning of point (b) of paragraph 1 may be demonstrated, where:
(a) …
(b) the domain name has not been used in a relevant way for at least two years from the date of registration".

The French version uses the same terminology:

"la mauvaise foi (…) peut être démontrée quand (…).”

The language of the present procedure is English. Therefore, the decision must be based on the English version of the Regulation, which utilises the terms “may be demonstrated” as opposed to the terms “is demonstrated” as set forth in the German version.

If there is any doubt as to the meaning of Article 21 (3) b) ii), it is necessary to examine the purpose behind Regulations 733/2002 and 874/2004, in particular whether there are any references to the question of use and non-use of domain names and on the consequence of any non-use within a specific period of time in the Preamble or elsewhere in the texts. There are no such provisions, other than those included in Article 21 (3) b) ii) and iii) of Regulation 874/2004.

Regulation 733/2002 provides the obligation to organize a dispute resolution policy in order to fight against speculative and abusive registrations (Whereas n°16) and Regulation 874/2004 sets forth the alternative dispute resolution for .EU. Article 21 (3) b) ii) and iii) concerning bad faith registration and non-use are included in the provisions for "speculative and abusive registrations". The purpose of these provisions is to protect the owner of prior rights recognised or established by national and/or Community law.

If one were to conclude that the non-use of a domain name within the two year period commencing on the date of registration results in a conclusive finding of a bad faith registration and justifies the transfer or the revocation of the domain name that is identical or confusingly similar to a prior right recognised or established by national and/or Community law, this would create an affirmative obligation of use for the domain name holder. A large number of domain names, in particular .EU domain names, are not used and therefore such an obligation would have a significant impact on the rights of the holders of these domain names. Consequently, only a very clear provision should be able to create such an affirmative obligation of use, which is not the case for Article 21 (3) b) ii), due to the use of the term “may” as opposed to the use of the term “is” in the German version.

5. Bad faith registration of <precitec.eu>

The Respondent does not prove that it has used the domain name <precitec.eu> in a relevant way during the two year period from the date of registration. The screenshots are not dated and the letters sent by its provider concern the preparation of a new website and the installation report dated August 23, 2008 of the email address info@precitec.eu. The annexes to the email of the provider (annex 7) are drafted in Dutch and are not translated. It seems that they concern the installation of the email addresses. In any event, there is no dated screenshot of the website under the domain name <precitec.eu> prior to the complaint and the documents communicated by the Respondent do not prove that the domain name has actually been used. There could have been other proofs of use, such as statistics concerning connections on the website <precitec.eu>, emails, results of a search on Google on <precitec.eu>.

The Panel’s opinion is that Article 21 (3) b) ii) has to be applied according to its precise wording, which means that the absence of use may be an indication of bad faith registration but that the Complainant has to prove that the domain name has been registered “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 recognised or established by national and/or Community law or to a public body” or that it has been registered “in order to prevent the holder of such a name in respect of which a right is recognised or established by national and/or Community law, or a public body, from reflecting this name in a corresponding domain name”.

In the present case, the Complainant asserts that the domain name has been registered to prevent it from registering it.

The burden of proof of bad faith registration lies on the Complainant. Bad faith supposes that the domain name holder was aware of the other party’s prior rights or could not ignore them and that he wanted to damage this other party, even in a passive way.

According to the wording of Article 21 (3) b) ii), the Panel's opinion is that the proof that the domain name has not been used within the two year period from its date of registration is not sufficient. Although it is an indication of a possible bad faith registration, it is not conclusive proof of a bad faith registration. The fact that the Respondent was aware of the Complainant's rights at least as of March 16, 2007, date of the letter sent by the Complainant to the Respondent in order to open discussions regarding "the possibilities to transfer the internet domain www.precitec.eu" and the fact that it does not prove that it answered to this letter, do not prove that the registration was made in bad faith on September 12, 2006.

Nevertheless, the Complainant should prove that the Respondent registered the domain name to prevent it from doing so or that the domain name has been registered in order to sell, to rent or to transfer the domain name, even if it can be difficult to prove it when both parties are not competitors and when neither of them is very well-known. It means as well that the situation to be analyzed is not only the situation after the two year-period of non use, but also the situation on the date of 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	**Marie Emmanuelle Haas**

DATE OF PANEL DECISION 2009-02-20

Summary

ENGLISH SUMMARY OF THIS DECISION IS HEREBY ATTACHED AS ANNEX 1

The Complainant is a German company which has been continuously using its company name since 1971. Its company name is protected under Article 5 (2) of the German Trademark Act. It is the owner of the German trademark No. 934409 PRECITEC and of the Community trademark No. 1809169 PRECITEC. It registered and uses the domain name <precitec.de>, <precitec.com>, <precitec.us>, <precitec.org>, <precitec.cn>, <precitec.co.jp>, <precitec.co.kr>, <precitec.fr> and <precitec.ch>.

The domain name <precitec.eu> was registered on September 12, 2006 by the Dutch company Precitec B.V. The Respondent is a private company with limited liability ("besloten vennootschap") established in the Netherlands. Since 1984 the Respondent has been using the company name PRECITEC intensively and continuously. It registered the domain name<precitec.nl>.

The parties are not competitors and both of them have legitimate rights and interests in the name PRECITEC.

The Complainant bases its request for the transfer of <precitec.eu> on bad faith registration. It asserts that bad faith registration in order to prevent him from registering the domain name is irrevocably presumed if the domain name has not been used in a relevant way during the two-year period following the date of registration (Art. 21 (3) b) ii) of Regulation 874/2004.

The Respondent claims its legitimate rights and interest in PRECIEC and asserts that it used the domain name <precitec.eu> in a relevant way within two years after registration. The proof of use are an email from its provider concerning the creation of the email address info@precitec.eu in August 2008 and the declaration that the provider has been contacted in April 2008 to "to prepare a new website, and that it had been delayed. The Respondent communicated screenshots which are not dated.

Article 21 (3) b) ii) has to be applied according to its wording in the English version of the Regulation, since the language of the procedure is English. If it has to be interpreted, one should examine the purposes of Regulations 733/2002 and 874/2004, in particular whether there are references to the question of the of use and non-use of domain names and on the consequence of any non-use within a specific period of time in the Preamble. There are no such provisions, other than those included in Article 21 (3) b) ii) and iii) of Regulation 874/2004.

The burden of proof of bad faith registration lies on the Complainant. Bad faith supposes that the domain name holder was aware of the other party's prior rights or could not ignore them and that he wanted to damage this other party, even on a passive way.

According to Article 21 1) a), if the Respondent has no right or legitimate interest in the name, the transfer or the revocation can be ordered exclusively on this basis and the question of use or non-use need not be addressed. It is therefore clear that Article 21 (3) b) ii) applies regardless of whether or not the Respondent has a right or a legitimate interest in the name.

According to the wording of Article 21 (3) b) ii), the Panel's opinion is that the proof that the domain name has not been used within two years from the date of its registration is not sufficient. It is an indication of a possible bad faith registration, but does not constitute conclusive proof of a bad faith registration.

Therefore, in order to demonstrate bad faith, the Complainant must prove that the Respondent registered the domain name to prevent him from doing so or that the domain name has been registered in order to sell, to rent or to transfer the domain name, even if this may be difficult to prove when the parties are not competitors and neither of them is very well-known. The Complainant has not satisfied this burden of proof.

For all the foregoing reasons, in accordance with Paragraphs B12 (b) and (c) of the Rules, the Panel orders that the Complaint is Denied.