

Alternative Dispute Resolution for ".EU"

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I. General Characteristics of the Procedure

The positive experiences with the UDRP have encouraged the EU legislature to address the problem of abusive and speculative registration of “.EU” domain names by means of a similar alternative dispute resolution procedure for the ccTLD “.EU”. Article 22 (1) of Regulation (EC) No 874/2004¹ therefore lays down that an alternative dispute resolution procedure can be initiated by anyone who claims that

“a domain registration is speculative or abusive within the meaning of Article 21 of Regulation (EC) No 874/2004.”

From a procedural point of view, the alternative dispute resolution policy for “.EU” substantially follows the UDRP.² Like the UDRP, the alternative dispute resolution procedure for “.EU” is not an arbitration procedure in the traditional meaning, but instead it is a quasi-administrative procedure to which the domain name holders are bound by virtue of Article 22 (2) of Regulation (EC) No. 874/2004 and the registration agreement with the Registry.

The procedure has deliberately not been set up in the form of judicial proceedings but instead waives in-person hearings and considerably limits the presentation of evidence. This distinguishes the dispute resolution procedure not only from proceedings before the ordinary courts but also from classical forms of arbitration proceedings.

The main advantage of the ADR procedure over conventional court litigation is that it typically provides a faster and cheaper way of resolving a dispute regarding the registration and use of a domain name. Practice shows that in the absence of exceptional circumstances it takes on average no more than three months to resolve a “.EU” ADR dispute. The decisive advantage of the new procedure is that in contrast to national court decisions which require time-consuming enforcement procedures, an ADR decision merely needs to be notified to the Registry, which is then required to implement the Panel decision.

The main difference to the UDRP is found in the extended scope of application of the “.EU” dispute resolution procedure, which covers not only conflicts between trademarks and abusive domain name registration but conflicts between speculative and abusive domain names and all names in respect of which a right is recognised or established by national and/or Community law and speculative or abusive domain name registrations.

¹ Commission Regulation (EC) No. 874/2004 of 28 April 2004 laying down Public Policy Rules concerning the Implementation and Functions of the .EU Top Level Domain and the Principles Governing Registration, OJ L 162/40 dated 30 April 2004.

² Cf. Recital 17 of Regulation (EC) No. 874/2004; on the UDRP procedural rules and judicial practice, see Bettinger, Uniform Domain Name Dispute Resolution Policy, p. 929 – 1140, in: Bettinger (ed.), Domain Name Law and Practice: An International Handbook, Oxford University Press, 2005.

II. Stages in the Procedure

1. Course of the procedure

The procedural rules are contained in Regulation (EC) No. 874/2004, the “.EU Alternative Dispute Resolution Rules” (“ADR Rules”) issued by the EURid and in the “Supplemental ADR Rules of the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic” (hereafter called the “Supplemental ADR Rules”). The procedure can be broken down into the following four stages.

a) Submission of Complaint

The procedure is initiated through the filing of the Complaint with the Czech Arbitration Court (CAC), as yet the sole dispute resolution provider for “.EU”.

Pursuant to Article B1(b) of the ADR Rules, the Complaint must be filed in hard copy and in electronic form and contain the information specified in detail in Article B1(b)(1)-(17) of the ADR Rules. The Complainant is required to prepare its Complaint using the Complaint Form included in the list of Forms contained in Annex B to the Supplemental Rules and posted on the CAC website (Article B(1)(b) of the Supplemental ADR Rules).

b) Suspension of the disputed domain name by the Registry

No later than 5 days after filing of the Complaint, and in any event before the Respondent is notified, the ADR Provider informs the Registry of the name of the Complainant and the disputed domain name. The Registry then suspends the domain name involved from cancellation or transfer until the dispute resolution proceedings or subsequent legal proceeding are complete and the decision has been notified to the Registry (Article 22 (6) of Regulation (EC) No. 874/2004 in conjunction with Article B1(e) of the ADR rules).

c) ADR Provider’s examination of the Complaint for admissibility

As soon as the Complaint is filed with the ADR Provider, the ADR Provider reviews the Complaint for compliance with the procedural rules and, if Complaint is not deficient and payment of the fees has been made, forwards it to the Respondent within five working days (Article 22 ((7) of Regulation (EC) No. 874/2004 in conjunction with Article B2(a) of the ADR Rules).

If the ADR Provider finds that the Complaint is not in compliance with the Procedural Rules, the ADR Provider formally notifies the Complainant of the nature of the deficiencies identified. The Complainant then has seven (7) days to correct any such deficiencies and to submit an amended Complaint, after which, if not corrected, the Provider informs the Complainant that the ADR Proceeding is deemed to be withdrawn due to administrative deficiency and without prejudice to submission of a different Complaint by the Complainant (Article B2(b) ADR Rules).

A Complainant can challenge the withdrawal of its Complaint due to administrative deficiency pursuant to Paragraph B2(c). In this case, the provider designates an ADR Panel that decides within 12 days of the Complainant's request (Article B2(c)(3) of the ADR Rules).

d) Response

Pursuant to Article 22 (8) of Regulation (EC) No. 874/2004 in conjunction with Article B3(a) of the ADR Rules, the Respondent shall submit a Response within thirty working days after receipt of the Complaint. The Response must contain the information specified in detail in Article B3(b)(1)-(9) ADR Rules and use the Response form in Annex B of the Supplemental ADR Rules (Article B3(b) of the Supplemental ADR Rules).

If the ADR Provider finds that the Respondent's Response does not comply with the procedural rules, it immediately informs the Respondent of the deficiencies. The Respondent can remedy the deficiencies within seven days. If this period expires without effect, the Response is deemed not to have been submitted and the Respondent is in default (Article B3(f) of the ADR Rules). The Respondent can challenge the notification of its default in a written submission filed within five days (Article B3(g) of the ADR Rules).

In order to achieve the procedure's aim of facilitating a rapid resolution of the dispute, the ADR Rules do not provide for replications or rejoinders by the Complainant or the Respondent, instead it is at the Panel's sole discretion to request further statements from the parties or admit additional statements upon application (Article B(8) of the ADR Rules).

2. General procedural regulations

a) Means of communication

While the ordinary courts still give priority to communication by post, the ADR Rules are entirely based on the equivalence of the written form and electronic means of communication. Pursuant to Articles B1(b)(3) and B3(b) of the ADR Rules, the parties to the procedure can choose between communication by post, fax or electronic transmission via the Internet. If the parties decide to handle the procedure electronically, all communication has to be made through the ADR Provider's online Arbitration platform at www.adr.eu. All communications to a party and the Panel or the ADR Provider shall be addressed to the "case administrator", who is appointed by the ADR Provider for the procedure under the Supplemental ADR Rules (Article B2(a) Supplemental ADR Rules).

b) Legal hearing

The ADR procedure has deliberately not been designed as a formal legal procedure, and waives in-person hearings, including telephone, video or web conferences unless the Panel determines, only as an exceptional matter, that such a hearing is necessary to make its decision. (Article B(9) of the ADR Rules).

c) Legal representation

While the assistance of a lawyer may be helpful, there is no requirement that the Complaint or Response be prepared or submitted by a lawyer. Accordingly, there is no requirement that the Complaint be certified or notarized, although the original hard copy of the Complaint must be signed by the Complainant or the Complainant's authorized representative.

3. Default by a party

In the event that a Party does not comply with any of the time periods established by the 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 (Article B(10) of the ADR Rules). In any event, the Panel will normally assert its independent responsibility to make its determination on the case. If the Response is filed after the deadline, the Panel will decide whether to admit and consider the late-filed Response.³

4. The precedence effect of the Panel’s decision

The decisions of the dispute resolution Panels, like arbitration awards, do not have a precedence effect for subsequent decisions. However, for reasons of the equal treatment of both parties and in the interest of consistent and predictable judicial practice, it is appropriate for the Panels in subsequent cases to take into account previous decisions by other “.EU” ADR Panels. If a Panel wishes to depart from previous decisions, it must set out good reasons for doing so. Otherwise, the Panels’ practice would run the risk of degenerating into a situation-based individual case jurisdiction that would not permit the prediction of decisions. In the light of the fact that the decisions are only published in full text in the language of the procedure (Article B12(i) of the ADR Rules obliges the Panel to prepare a brief summary in English), there are, however, limits to the efforts to achieve an uniform decision-making practice.

5. Burden of proof and assessment of evidence

Unlike in civil litigation, which is characterised by the principle of party presentation, the moderated principle of ex-officio investigation, i.e. a restricted inquisitorial system, prevails in classical arbitration proceedings. This principle, as follows from Article B7(a) of the ADR Rules, also applies in the dispute resolution procedure for “.EU” domains. According to this provision, the parties are required to submit the material at dispute to the procedure and there is no obligation on the Panel to investigate the circumstances of the case itself. However, pursuant to Article B7(d) of the ADR Rules, the Panel is not prevented from conducting its own investigations at its own discretion, independently of the parties’ submissions, in order to verify the correctness of the submissions (e.g. visit the Complainant’s or the Respondent’s website or other relevant websites, conduct web searches or WHOIS searches, etc.).

Owing to the restricted possibility of investigating the facts of the case, and in the absence of an in-person hearing, the “.EU” ADR procedure, like the UDRP, is unsuited to resolving disputes with complex and intransparent fact constellations.

6. Termination of the procedure after settlement and other grounds for termination

Pursuant to Article A4(a) of the ADR Rules, the ADR procedure is understood to be concluded if the parties reach agreement before the decision. The Complainant can ask the ADR Provider, or after its constitution, the Panel, to suspend the ADR procedure for a limited period if the parties intend to reach a settlement (Article A4(b) of the ADR Rules).

³ In a number of ADR proceedings against EURID’s decisions during the “Sunrise Period”, the response to the Complaint was submitted by EURid after expiry of the period set for the response. While this was accepted by a number of Panels without objection (CAC Case No. 00702 dated 9.8.2006– ecommerce.eu , CAC Case No. 01273 dated 7.8.2006 – private.eu), other Panels dismissed untimely responses. (see CAC No. 01280 dated 22.8.2006 – aeris.eu).

The procedure is also terminated if the Panel becomes aware that the dispute that is the subject of the Complaint has been finally decided by a court of competent jurisdiction or an alternative dispute resolution body (Article A 4(c) ADR Rules).

7. Suspension of the ADR procedure

All ADR procedures that concern a domain name that is already the subject of an ADR procedure are suspended until a decision is rendered on the first ADR procedure filed (Article B1(f) ADR Rules). If the Panel considers the Complainant's application to be justified, all suspended ADR procedures are terminated and fees already paid are returned. If the Complaint is dismissed, the Complaint next in time shall be reactivated (Article B1(f) ADR Rules).

If the ADR procedure is against a Registry decision, all other Complaints against the same Registry decision are terminated and the fees paid are reimbursed (Article B1(g) of the ADR Rules).

8. Appeal

Pursuant to Article 12(a) of the ADR Rules, there is no opportunity to appeal against the decisions of the Panel. However, since, unlike an arbitration award, the Panel decision does not have the effect of a final legal decision, the Complainant is not prevented from subsequently filing a lawsuit in an appropriate court.

9. The Role of the Dispute Settlement Provider

The Czech Arbitration Court (CAC) based in Prague was appointed the sole dispute resolution provider by decision of the EURid dated 12 April 2005. The CAC is attached to the Economic Chamber and the Agricultural Chamber of the Czech Republic, and is a non-profit-making organisation. It was founded in 1949 and was previously primarily involved with extrajudicial settlement of conflicts in domestic property disputes. The CAC had previously not made any appearance as an arbitration court institution in the field of international arbitration. The main reason for its appointment as a dispute resolution provider appears to be the fact that it was the only organisation that guaranteed that the ADR procedure would be held in all 20 official languages of the EU.

The dispute resolution service provider's role is to administer the proceedings, which includes verifying that the Complaint satisfies the formal requirements of the ADR Rules and the corresponding ADR Provider's supplemental rules, verifying with the concerned registrar that the named Respondent is the actual registrant of the domain name at issue, notifying the Complaint to the Respondent, sending out case-related communications, appointing the Panel and otherwise ensuring that the ADR proceeding runs smoothly and expeditiously. As an administrative body, the dispute resolution provider does not have any decision-making function.

10. Appointment and Composition of the Panel

Pursuant to Article 23(2) of Regulation (EC) No 874/2004, the dispute is to be decided by a Panel composed either of one or of three Panellists.

The Panellists are appointed by the alternative dispute resolution provider on the basis of a publicly available list of Panellists who have been selected on the basis of their qualification, pursuant to Article 23 (2) of Regulation (EC) No. 874/2004. They must be independent, impartial and have appropriate expertise (Article 23 (2) of Regulation (EC) No 874/2004 in conjunction with Article B5(b) of the ADR-Rules). Before accepting their appointment, they must notify the ADR Provider of any circumstances that might give rise to justifiable doubt as to their impartiality or independence (Article B5(b) sentence 1 ADR-Rules). If at any stage during the proceedings new circumstances arise that could give rise to justifiable doubt as to their impartiality or independence, the Panellist must notify the ADR Provider of such circumstances immediately. In such cases, the ADR Provider then replaces the member with a substitute Panellist (Article B5(b) S. 2 ADR-Rules) .

Both the Complainant and the Respondent can challenge the appointment of a member of the ADR Panel on the grounds of a lack of impartiality or independence within two days after receiving notice of the Panellist's appointment or of the Panellist's acceptance of the appointment (Article B5(c) ADR Rules). The other party and the Panellist may submit a Response to the allegation of partiality within two days. The Provider then decides on the challenge with final effect (Article B5(e) of the ADR Rules).

The ADR Panel is appointed according to principles which are identical with those of the UDRP. If neither the Complainant nor the Respondent has elected a three-member Panel, the ADR Provider appoints a single Panellist from its list of Panellists (Article B4(b) of the ADR Rules). If either the Complainant or the Respondent has elected a three-member Panel, the ADR Provider selects one Panellist from each of the lists of candidates submitted by the Complainant and the Respondent. The third member of the ADR Panel is appointed by the ADR Provider from its list of candidates.

11. Panel decision

In the absence of special circumstances, the Panel comes to its decision on the basis of the statements and documents submitted and in accordance with the procedural rules, within one month of receipt of the administratively compliant Response (Article 22 (11) Regulation (EC) No. 874/2004 in conjunction with Article B12(b) ADR Rules).

Within three working days of receipt of the decision, the ADR Provider informs the parties, the registrar concerned, and the Registry of the decision. If the Panel is convinced that the conditions for a speculative or abusive registration within the meaning of Article 21 of Regulation (EC) No. 874/2004 are satisfied, it orders the cancellation of the domain name in accordance with the application filed by the Complainant. Transfer of the domain name to the Complainant requires the Complainant to prove that it meets the eligibility requirements set out in Article 4 (2) of Regulation (EC) No. 733/2002, i.e. that it is

- (a) *an undertaking having its registered office, central administration or principal place of business within the Community;*
- (b) *an organisation established within the Community without prejudice to the application of national law; or*
- (c) *a natural person resident within the Community.*

In the case of proceedings against a decision of the Registry, the ADR Panel can also order that the decision be annulled. The decision is issued in writing and must provide the reasons on which it is based by the Panel (Article 22 (11) of Regulation (EC) No. 874/2004 in

conjunction with Article B12(d) of the ADR Rules). Decisions by a three-member Panel are adopted by majority. The decision is published in full on a publicly accessible web site (Article B13(b) of the ADR Rules).

If the Panel decides that the disputed domain name is to be cancelled or transferred to the Complainant, it lays down that the decision must be implemented by the Registry within 30 days after the notification of the decision to the parties unless the Respondent initiates court proceedings in a mutual jurisdiction (Article B12(d) of the ADR Rules).

12. Language of the Procedure

a) Complaints against the domain name registrant

According to Article 22 (4), sentence 1, of Regulation (EC) No 874/2004 in conjunction with Article A3(a) of the ADR-Rules, the alternative dispute resolution procedure against the domain name registrant must be conducted in the language of the registration agreement, unless otherwise agreed by the parties, or specified in the registration agreement between registrar and domain name holder.

Furthermore, pursuant to Article A3(c) of the ADR Rules, all documents including the communication that takes part within the ADR proceedings must be submitted in the language of the ADR proceedings, and the Panel can ignore documents submitted in languages other than in the ADR proceedings language without first requesting a translation.⁴

This limits the effect of the ADR proceeding in combating Cybersquatting, since rights holders must be prepared to conduct the proceedings in one of the 20 official languages of the European Community, but is inevitable given the principle of equal treatment of the official languages of the Community.

Considerable practical importance will be attached to the exception in Article 22 (4), sentence 2, of Regulation (EC) No 874/2004 in conjunction with Article A3(a) of the ADR Rules. This allows the ADR Panel to determine, having regard to the circumstances of the case, that a different language should be used for the proceedings than that of the registration agreement if this is requested by the Complainant in accordance with the procedure laid down in Article A3(b) of the ADR Rules.⁵

b) Complaints against the Registry

Any ADR Procedure initiated against the Registry shall be conducted in English (Art. 16 .eu Terms and Conditions).

13. Fees

⁴ On the question whether trademark certificates or licence agreements must be submitted in translation, there diverging opinions: CAC Case No. 01280 dated 22.8.2006– aeris.eu: translation of trademark certificates and licence agreements not necessary; on the other hand, CAC Case No. 0989 – trigano dated 7.8.2006: trademark certificates not translated are inadmissible.

⁵ The application for the determination of a different language pursuant to Article A3(a) ADR Rules is subject to a fee pursuant to Annex A of the Supplemental ADR Rules; the fee currently amounts to €1190.00.

Pursuant to Article 22 (3) of Regulation (EC) No. 874/2004, the Complainant bears the entirety of procedural costs even if he prevails, unless the Respondent applies for a decision by a three-member Panel. In the latter case, the Respondent must pay the difference between the costs of a single-member Panel and those of a three-member Panel (Article B3(c) in conjunction with A6(b) of the ADR Rules). The fees must be paid by the Complainant when he submits the Complaint. If the payment is not made within 10 days after a demand for payment by the ADR Provider, the Complaint is deemed to have been withdrawn (Article A6(a) of the ADR Rules).

Currently, the following rates apply:

Fees of the Czech Arbitration Court (CAC) for .eu related disputes

Number of Domain Names involved in the Complaint	Fee for Panelists		CAC's Administrative Fee	Total Fees	
	Single Panelist	Three Panelist		Single Panelist	Three Panelists
(a) 1 to 2 domain names	1,000	Presiding Panelist: 1,500 Each Co-Panelist: 750	990	1,990	3,990
(b) 3 to 5 domain names	1,200	Presiding Panelist: 1,700 Each Co-Panelist: 950	1,100	2,300	4,700
(c) 6 to 9 domain names	1,400	Presiding Panelist: 1,900 Each Co-Panelist: 1,150	1,200	2,600	5,400
(d) 10 domain names or more			To be decided in consultation with CAC		
(e) Request to change language	600		590	1,190	
(f) Challenge of withdrawal of Complaint due to administrative deficiency	600		590	1,190	

14. Implementation of the Decision and Relationship between the ADR and court proceedings

Unlike conventional arbitration awards that have the same effect as a final court decision between the parties and can only be set aside subject to conditions exhaustively listed by law, the creation of the ADR procedure for the ccTLD “.EU” is not intended to impose a restriction on the jurisdiction of the ordinary courts and may not be invoked so as to obstruct claims under national law (Article 21 (4) of Regulation (EC) No 874/2004). Both the Complainant and the Respondent are therefore at liberty to conduct litigation before the ordinary courts simultaneously with, or after conclusion of, the alternative dispute resolution procedure, concerning the same subject matter.

It follows from Article A4(c) in conjunction with Article A4(d) of the ADR Rules that the initiation of judicial proceedings does not lead to the suspension of the dispute resolution procedure, unless the dispute that is the subject of the complaint has been finally decided by a court of competent jurisdiction (A(4)(c) of the ADR Rules). However, if legal proceedings are commenced with the same subject matter, the dispute resolution decision has no binding effect, with the result that the Registry does not implement the decision (Article 22 (13) of Regulation (EC) No. 874/2004).

Even after the decision has been issued, both parties can set aside the decision's binding effect by commencing judicial proceedings before a court of mutual jurisdiction within a period of 30 calendar days (Article 22 (13) of Regulation (EC) No. 874/2004; B12(d) of the ADR Rules). According to the definition in Article A1 of the ADR Rules, the term "mutual jurisdiction" means a jurisdiction at the location of either

- a) the principal office of the registrar provided that the respondent has submitted in its registration agreement to that jurisdiction; or
- b) the respondent's address as shown from the registration of the domain name in the Registry's WHOIS database or as received from the register by the complainant (if such information is not available in the Registry's WHOIS database); or
- c) the principal office of the Registry in case of ADR procedure against the Registry.

As follows from Article 21(1) ("a domain name shall be subject to revocation, using an appropriate extra-judicial or judicial procedure, the substantive law provisions of Article 21 of Regulation (EC) No 874/ 2004 are intended to be applied not only by ADR Panels, but also by the national courts of the Member States.

This means that the holder of any name in respect of which a right is recognised under national or community law may also initiate proceedings before a competent national court relying on Article 21 (1) of Regulation (EC) No. 874/2004 and the adjudicating court will then apply not only the applicable national trademark law, competition law and tort law but also the substantive law provisions laid down in Arts. 21 (2) and (3) of Regulation (EC) No. 874/2004.

III. Substantive Provisions

1. General Principles

Pursuant to Article 22 of Regulation (EC) No. 874/2004, the ADR dispute resolution procedure can be initiated by any party who claims that

- a) *a domain name registration is speculative or abusive within the meaning of Article 21 of the Regulation, or*
- b) *a decision taken by the Registry conflicts with the Regulation or with Regulation (EC) No. 733/2002.*

If the alternative dispute resolution procedure concerns conflicts between a domain name registrant and the holder of a name protected under national or Community law, in accordance with the substantive terms set out in Article 21 of Regulation (EC) No. 874/2004, the Complainant must establish, that the domain name:

- aa) 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*
- bb) has been registered by its holder without rights or legitimate interest in the name; or*

cc) has been registered or is being used in bad faith.

2. Complaint against speculative and abusive domain names

a) Names for which a right is recognised or established by national and/or Community law

While the UDRP limits the rights on which a Complaint can be based to trademark rights (registered trademarks and trademarks acquired through use), a “.EU” Complaint can be based on a substantially wider range of rights. As defined in Article 10 (1) of Regulation (EC) No. 874/2004 these includes inter alia

- *registered national and Community trademarks,*
- *geographical indications or signs of origin,*
- *unregistered trademarks,*
- *trade names, business identifiers, company names,*
- *family names, and*
- *distinctive titles of protected literary and artistic works,*

as well as all other names of public law and private law corporations within the meaning of Sec. 12 of the German Civil Code.

Holders of rights recognized only outside the European Community are not entitled to file a Complaint and must resort to litigation before national courts if their marks or names have been abusively registered and/or are being used by third parties as domain names in the ccTLD “.EU”.

The extension of the scope of application to all industrial property rights in signs and names will cause considerable difficulties to ADR Panels in reaching decisions given the varying and largely non-harmonized national requirements for trade names, name rights, titles and other commercial designations. The question whether such rights exist according to the law of a particular Member State can ultimately only be answered based upon detailed knowledge of the relevant statutory conditions under national law and of the requirements for protection developed by national case law.

b) Confusing similarity within the meaning of Article 21(1) of Regulation (EC) No 874/2004

The test of “confusing similarity” pursuant to Article 21 (1) of Regulation (EC) No. 874/2004 appears to be identical to that under Paragraph 4 (a) (i) of the UDRP. To establish confusing similarity it is not required to establish that the registration and use of the domain name causes confusion as to the source, but whether the name or mark and the alphanumeric string constituting the domain name when directly compared are confusingly similar.⁶⁷ In analyzing the identity or confusing similarity between a domain name and a trademark, the top-level-

⁶ CAC Case No. 00283, dated 08.06.2006 – lastminute.eu.

⁷ On the judicial practice under the UDRP, see Bettinger, Uniform Domain Name Dispute Resolution Policy, IIIA 91 et seq., in: Bettinger (ed.), Domain Name Law and Practice: An International Handbook, Oxford University Press, 2005.

domain of the domain name is not taken into consideration.⁸ In addition, design elements which cannot be reproduced in a domain name haven been held not to have distinguishing capacity and should therefore be ignored when assessing identity or confusing similarity.⁹

c) Right or legitimate interest under Article 21(1) of the Regulation (EC) No 874/2004

aa) Alternative relationship of a lack of a “right and legitimate interest” and “registration or use in bad faith”

Unlike the UDRP, which only provides for revocation or transfer if the Complainant proves that the domain holder has both no right or legitimate interest in the domain name and acts in bad faith, revocation or transfer of a .eu domain name pursuant to Article 21(1) of Regulation (EC) No 874/2004 can be claimed if the Respondent either registered or uses the domain name in bad faith or cannot assert any rights or legitimate interests in the domain name.

This means that the mere fact that the domain holder cannot justify its domain name registration relying on any of the examples specified in Article 21 of Regulation (EC) No 874/2004 or on any other legitimate interest in the domain name would justify the revocation or transfer of the domain name. This means de facto that in cases where the domain name holder cannot demonstrate that it has a right which corresponds with the domain name or it is not generally known under the domain name, it is – similar to the compulsory use requirements in trademark law - under obligation to use the domain name from the time of the registration of the domain name.

bb) Examples of how a domain name registrant can demonstrate a legitimate interest

Like the corresponding provisions in Paragraph 4 (c) of the UDRP, Article 21 (2) of Regulation (EC) No. 874/2004 contains a non-exhaustive list of examples of a legitimate interest and of registration and use in bad faith. The Panels are therefore not obliged to confine their analysis to these factors.

The specific examples given of what constitutes a legitimate interest are only partially identical to those of Paragraph 4(c) of the UDRP. One difference, which is difficult to follow, concerns the example in Article 21(2)(a) of Regulation (EC) No. 874/2004. While under Paragraph 4 (c) of the UDRP the conditions for a legitimate interest are satisfied if the domain holder has used the domain name for the offering of goods and services in good faith, or can prove corresponding preparatory acts, Article 21(2)(a) of Regulation (EC) No. 874/2004 omits the requirement that the offering of goods and services should constitute a bona fide use, and merely requires that:

prior to any notice of an alternative dispute resolution 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 preparations to do so.

⁸ CAC Case No. 00283, dated 08.06.2006 – lastminute.eu; CAC Case No. 00227 – kunst.eu; CAC Case No. 00596 – restaurants.eu.

⁹ CAC Case No. 00596, dated 4.7.2006 – restaurants.eu

As the practice of the UDRP Panels shows, there are a number of dishonest forms of use that are not capable of establishing a legitimate interest in the domain name, with the result that a "bona fide" criterion would indeed have been appropriate in order to make it clear that such conduct cannot establish a legitimate interest in the domain name.

Nor do the provisions of the Regulation appear appropriate where they require that the use of the domain name must be in connection with the offering of goods or services "prior to any notice of alternative dispute resolution procedure" and not, as in Paragraph 4 (c) (i) of the UDRP, "prior to notice of the dispute". This would allow the domain holder to begin using the domain name after becoming aware of the dispute but before being notified of the ADR procedure in order to establish a legitimate interest in the domain name and prevent a claim to revocation or transfer. There is no obvious reason why the provision of Article 22 (2) of Regulation (EC) No 874/2004 differs from the corresponding provision of Para 4 (c) (i) of the UDRP.

A further difference from the UDRP is to be found in Article 21(2)(c) of the Regulation (EC) No 874/2004, which lays down that a domain holder has a legitimate interest, if:

"the holder of a domain name 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 on which a right is recognised or established by national and/or Community law."

The corresponding provision of Paragraph 4 (c) (iii) of the UDRP uses the term "tarnish the trademark" instead of "harm the reputation", which in the opinion of the UDRP Panels and in particular the ICANN Second Staff Report is restricted to such disparagement that takes place with intent of commercial gain. The use of incompatible or obscene additions such as "sucks", "fuck", etc. (e.g. "walmartsucks.com", "fucknetscape.com") in connection with websites for non-commercial criticism, satire or parody of the trademark holder is therefore not covered by the requirement of "tarnishment". Even though the background of Regulation (EC) No. 874/2004 reveals no indications on this point, it can be assumed that the legislature deliberately departed from the corresponding provision of the UDRP in full knowledge of the said UDRP decision-making practice, in order not to exclude non-commercial criticism of the trademark holder using the said pejorative domain names or trademark parodies from the exception of Article 21 (2)(c) of Regulation (EC) No. 874/2004.

d) Bad faith

There are also a number of differences with respect to the concept of bad faith as specified in the list of examples in Article 21 (3) of Regulation (EC) No. 874/2004, which are likewise not to be interpreted as being exhaustive.

aa) Use and registration in bad faith as alternatives

A major difference between the criterion of bad faith in Article 21(1)(b) of Regulation (EC) No 874/2004 and the corresponding provision of Paragraph 4 (a) (iii) of the UDRP lies in the fact that the former allows registration or use in bad faith as alternatives, while the UDRP requires both registration and use in bad faith.

The abandonment of the requirement of both registration and use in bad faith seems sensible. As UDRP practice shows, there are domain names that can only legitimately be used by the holder of the corresponding trademark given their outstanding status or reputation, with the

result that the intent to obstruct the rights holder is obvious even without active use of the domain name. In such cases, it would not seem appropriate to make the Complainant wait until the domain holder actually commences use of the domain name. The majority of UDRP Panels has therefore held that under certain circumstances it is legitimate to equate the mere passive holding of a domain name and active use.¹⁰

bb) Examples

The examples provided to illustrate the concept of bad faith likewise only correspond in part with those of the UDRP.

- (i) Registration or acquisition of the domain name for the purpose of selling, renting or otherwise transferring the domain name (Article 21 (3) (a) of Regulation (EC) No. 874/2004)

Article 21(3)(a) of Regulation (EC) No 874/2004 lays down that bad faith may be demonstrated:

where circumstances indicate 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 recognised or established by national and/or Community law or to a public body.

Unlike the analogous provision in Para 4(b)(i) of the UDRP, the provision does not require the domain name to be registered or acquired for the purpose of being sold, rented or otherwise transferred to the Complainant. This would seem to imply that, if a number of rights exist in parallel in a sign, the Complainant need not submit evidence that the domain holder registered the domain name knowing that it conflicts with Complainant's right in a name and with the intent to transfer the domain name specifically to him. Instead it is sufficient if the domain holder has registered the domain name in order to sell, rent, or otherwise transfer it to any rights holder.

Thus, while Complaints pursuant to the UDRP will often fail if a trademark is used in parallel by a number of third parties (e.g. in the case of acronyms or other frequently used signs), where the Respondent can reasonably argue that at the time of the registration of the domain name he knew of neither the Complainant nor his rights to a name protected under national or Community law, it is sufficient pursuant to Article 21(3)(a) of Regulation (EC) No 874/2004 if the Complainant shows that the domain holder acted with a general intent to sell, rent or transfer.

- (ii) Registration with intent to prevent the holder of a name from reflecting this name in a corresponding domain name (Article 21 (3)(b) of Regulation (EC) No 874/2004)

Article 21 (3) (b) of Regulation (EC) No. 874/2004 also raises considerable issues of interpretation. Pursuant to Article 21(3)(b)(ii) of the Regulation (EC) No 874/2004, bad faith exists where:

¹⁰ See WIPO Case No. D2000-0003 – telstra.org.

“the domain name 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, provided that . . . the domain name has not been used in a relevant way for at least two years from the date of registration”.

First of all, it is difficult to understand why someone who has registered a domain name in order to prevent it being used by the holder of a right protected by national and/or Community law should only face revocation or transfer of the domain name if he fails to use it for a period of two years.

The provision, moreover, appears to be in conflict with Article 21(2)(a) of the Regulation (EC) No 874/2004 (in conjunction with Article 21(2)). While Article 21(1)(a) lays down that the conditions for a claim to revocation or transfer of the domain name are satisfied if the domain holder cannot prove a legitimate interest in a domain name, in the case of the registration of a domain name with intent to impede pursuant to Article 21(3) (ii), revocation or transfer is only justified if the domain holder fails to use the domain name for two years following registration.

It is difficult to see why someone who is aware of another's right to a name and registers a domain name with the intent to obstruct the rights holder should only face transfer or revocation of the domain name if he fails to use it for two years, whereas in contrast the mere lack of a legitimate interest in the domain name justifies the revocation or transfer of the domain name.

The provision in Article 21(3)(b)(ii) of Regulation (EC) No. 874/2004 would only make sense if it were to be read, contrary to the wording (“provided that”), not as an additional requirement but rather as an irrebuttable legal fiction (or assumption). Even in this case, however, the provision would as a rule have no effect, since someone who registers a domain name with the intent to impede usually has no legitimate interest in the domain name, with the result that he must expect the revocation of the domain registration on the grounds of Article 21(1)(a), irrespective of the duration of the failure to use. As a result, the only remaining reasonable scope of application is for those cases in which the domain name holder admittedly has a right to the domain name but where the domain name has not been used in a relevant manner within two years of registration. As a result, domain names for which the domain name holder can prove a national and/or Community right are subject to compulsory use commencing after two years.

Also the provision of Article 21 (3) b) (iii) of Regulation (EC) No. 874/2004 appears unnecessarily complicated, laying down that bad faith applies if the domain name has been registered with an intent to prevent the holder of a name from reflecting this name in a corresponding domain name and

at the time the ADR procedure was initiated, the holder of a domain name in respect of which a right is recognised or established by national and/or Community law or the holder of a domain name of a public body has declared his/its intention to use the domain name in a relevant way but fails to do so within six months of the day on which the ADR procedure was initiated.

To begin with, the question arises of how account can be taken of the fact that the domain name holder has failed to use the domain name within six months after the ADR procedure

was initiated, contrary to his declaration of intent in the ADR procedure pending against him, if, as must be assumed in the light of the procedural deadlines, the procedure as a rule is to be concluded within three months. A reasonable application of the provision, as confirmed by Article B(12)(g) ADR Rules, therefore requires that the Panel issues an interim decision and suspends the proceedings for a six month period during which Respondent can submit evidence of use. In the event that the Respondent does not submit evidence or relevant use by the postponed date, the domain name is revoked or transferred irrespective of the fact that Respondent has a right in the name.

(iii) Bad faith pursuant to Articles 21 (3) (c) and (d) of Regulation (EC) No. 874/2004

The other examples in Article 21(3)(c) and (d) of Regulation (EC) No 874/2004 correspond largely with the provisions of Para 4(b)(iii) and (iv) of the UDRP. However, Para 4(b)(iv) of the UDRP requires the domain name to have been used to attempted to attract, for commercial gain, Internet users to its web site or other on-line location, by creating a likelihood of confusion with the Complainant's mark.

Article 21(3)(d) of Regulation (EC) No 874/2004, on the other hand, seems only to require confusion with any recognised right under national and Community law. Here, too, the text seems to imply that there is no need for proof that the domain holder registered the domain name knowing of the Complainant and with the intent of establishing a likelihood of confusion specifically with the trademark or other sign held by the Complainant.

With respect to domain names that correspond to names of persons, Article 21(3)(e) of the Regulation (EC) No 874/2004 lays down that bad faith may be demonstrated if the domain holder cannot prove a link between himself and the registered domain name. The UDRP does not contain a comparable provision, since its scope of application is a priori restricted to trademark rights. The provision appears to state that any natural person is entitled to a claim for the revocation or transfer of the domain name that corresponds with their name if the domain holder cannot show a demonstrable link with the domain name.

It is difficult to understand why such a registration should necessarily be regarded as being in bad faith. The concept of bad faith requires a subjective element, i.e. that the domain name holder had knowledge of the Complainant's right. A person who registers a domain name that corresponds with the name of a person and cannot demonstrate a link with the domain name is not necessarily acting in bad faith. It would have been more logical to list this situation as another example of lack of legitimate interest under Article 21(2) of the Regulation (EC) No 874/2004.

3. Complaints against decisions of the Registry

Most of the ADR proceedings so far have been initiated against the Registry's decision during the Sunrise Period. According to the statistics published by EURid, over 33 % of the 318,000 Sunrise registration applications which have been validated were rejected on the grounds that the rights asserted by the applicant were not proven in a manner corresponding to the Sunrise rules. To date (as of 15.9.2006), over 200 complaints against EURid decisions have been submitted to the Czech Arbitration Court. In essence there are the following four groups of cases:

a) **Insufficient documentary evidence of rights**

A large number of arbitration proceedings initiated against decisions of the Registry rejecting Sunrise applications on the grounds that the applicant had not proven that he was the holder of the asserted right.

The reason for rejection in many cases was the fact that the applicant had undergone a change of name between the registration of the trademark and the application for the Sunrise registration which was not apparent from the documents submitted, or that the trademark had been registered in the name of the proprietor or the director of a company while the Sunrise registration application had been filed in the company's name.¹¹ Similarly, a large number of sunrise applications were dismissed if the trademark had been registered in the name of the parent company of a group while the Sunrise application had been filed by a subsidiary without proof of a corresponding licence.¹²

In all these cases, the question arose whether the incompleteness of the application documents justified the rejection of the application for registration according to the files.

Despite the large number of failed applications, the majority of arbitration panels has upheld EURid's strict formalistic examination approach holding that EURid is not obliged to clarify uncertainties in the application documents by making investigations of its own or by hearing the applicant, nor that it had an obligation to give the applicant the opportunity to make corrections or submit additional documents.¹³ It is only when there are obvious inaccuracies such as typing mistakes or linguistic errors, faults in the application documents due to technical reasons that rejection of the Sunrise application by EURid conflicts with the Regulation.¹⁴

This practice appears to be in line with the strict formalised Sunrise registration proceedings, which do not provide for the possibility of eliminating defects in the application documents, but has understandably led to considerable annoyance on the part of right holders in the light of the extreme lack of transparency of the Sunrise rules and frequent misinformation by EURid accredited Registrars.

¹¹ CAC Case No. 00903 dated 17.3.2006 – sbk.eu (rejection by EURid in line with the Regulation, since the trademark had been registered in the name of the director as a natural person and the Sunrise application had been made in the name of the company; the justification of the decision cannot be followed).

¹² CAC Case No. 00541 dated 7.7.2006 – ultrasun.eu.

¹³ CAC Case No. 00479 dated 20.6.2006 – metalock.eu (registration of the domain name metalock.eu to the benefit of Metalock Denmark A/S not in line with Regulation 874/2004, since the trademark submitted in the application proceedings was registered in the name of Metalock Sweden A/S, and the two enterprises were legally independent); CAC Case No. 00984– isabella.eu (rejection by EURid in compliance with the Regulation, since the submitted trademark was registered for the company Jysk Camping Industri A/S and the Sunrise application was filed in the name of Isabell Jysk Camping A/S; EURid is not obliged to make investigations of its own); similarly CAC Case No. 01186 dated 11.8.2006 – erdgas.eu (registration of the trademark in the name of Ruhrgas Aktiengesellschaft; filing of the domain name by E.ON Ruhrgas AG); CAC Case No. 0132 dated 28.7.2006 – mce.eu; CAC Case No. 01194 dated 2.8.2006 – insuresupermarket.eu; CAC Case No. 00865 – hi.eu; CAC Case No. 00706 dated 3.8.2006 – autowelt.eu; CAC Case No. 00810 dated 4.8.2006 – ahold.eu; CAC Case No. 00294 dated 3.7.2006 – colt.eu; CAC Case No. 00541 dated 7.7.2006 – ultrasun.eu; CAC Case No. 00192 dated 9.7.2006 – atoll.eu; CAC Case No. 00501 vom 7.8.2006 – lode.eu and procare.eu; CAC Case No. 00551 dated 31.7.2006 – vivendi.eu; CAC Case No. 001342 dated 25.7.2006 – travelchannel.eu (late submission of the trademark certificate); CAC Case No. 0138 dated 14.8.2006 – sys.eu (rejection of the Sunrise registration in line with the Regulation, since no proof was submitted of the renewal of the trademark); likewise CAC Case No. 01549 dated 1.8.2006 – epages.eu; CAC Case No. 00961 dated 27.7.2006 – esser.eu; dissenting, CAC Case No. 00219 dated 20.6.2006 – isl.eu (rejection of the Sunrise registration lawful if no evidence is submitted of the renewal of the trademark); CAC Case No. 00340 dated 29.5.2006 – pompadour.eu (evidence of the renewal of the trademark is not necessary); CAC Case No. 00396 dated 13.6.2006 – capri.eu (EURid must carry out its own investigations in order to clarify uncertainties in the application documents).

¹⁴ CAC Case No. 00181 dated 18.5.2006 – oscar.eu (indication of the complete company name was not possible in the automatic registration system because of its length); CAC Case No. 00253 dated 29.5.2006 – schoeller.eu (domain name filed in the name of Ernst Schoeller GmbH & Co. KG, proprietor of the trademark Ernst Schoeller Wäschefabriken GmbH & Co. KG).

A number of arbitration panels, however, dissent from this strictly formalistic validation approach, holding that the Validation Agents role should go far beyond that of a mere clerical function and that the extent of the discretion granted to the Validation Agent implied a higher standard of care and reasonableness and, in certain circumstances, an obligation to clarify uncertainties in the registration documents and to conduct its own investigations into the circumstances of the Application.¹⁵

b) Sunrise application in bad faith

Occasion for considerable discussion and a number of arbitration proceedings against EURid was the fact that private individuals or companies had registered generic terms as trademarks even before the Sunrise Phase in order to be able to register the desired generic term during Sunrise Phase I.¹⁶ In order to avoid the refusal of trademark applications on the basis of absolute grounds for refusal, the descriptive terms were filed either in combination with a distinctive figurative element or trademark protection was requested for goods or services for which the filed sign had no descriptive meaning.¹⁷ As a further alternative, the descriptive sign was registered in combination with a number of symbols (e.g. @, &, *), which according to the transcription rule in Article 11 of Regulation No. 874/2004 need not be reproduced in the domain name.

EURid through its Validation Agent PricewaterhouseCoopers accepted all Sunrise registration applications based on such trademarks, relying on the fact that the examination of bad faith of a Sunrise application or the validity of a trademark was outside the scope of its mandate. This view was confirmed by the majority of the panels. The registration of generic terms as trademarks without any intention to use them and with the sole purpose of registering descriptive terms during the Sunrise Phase represents an unsatisfactorily circumvention of the Sunrise rules. However, there can be no objection to the view upheld by the majority of the panels that in the absence of an explicit instruction, it was not EURid's duty to determine whether the trademark registration on which a Sunrise registration application was based and respectively the Sunrise application was in bad faith. Neither Regulation (EC) No. 874/2004 nor the Sunrise rules contained a corresponding bad-faith clause, although the circumvention of the Sunrise Rules in order to register generic terms were to be expected in light of experience with the launch of other top level domains. This suggests that the European Commission deliberately accepted the risk that the Sunrise rules would be exploited to register generic domain names.

Accordingly, the panels dismissed appeals against the registration of generic domain names in the following cases, although in all of them there were clear indications that the trademarks had been registered for speculation purposes:

- "bingo.eu" based on the word-picture trademark registration of "Bin Go" for paints and varnishes in class 2¹⁸;
- "autotrader.eu" based on a Benelux trademark "Autotrader"¹⁹;
- "lotto.eu" based on the Danish trademark "Lotto"²⁰;

¹⁵ CAC Case No. 00174 dated 2006 – domaine.eu (EURid's obligation to investigate if there are uncertainties as to the identity of the applicant); cf. CAC Case No. 00232 dated 30.5.2006 – dmc.eu (registration of the DMC trademark for DMC Design for Media and Communication GmbH and Co KG, application for Sunrise registration by DMC Design KG was not detrimental.)

¹⁶ 273 Sunrise registration applications were submitted for the term "sex" alone, relying on corresponding trademark rights.

¹⁷ E.g. the word trademark "restaurant" for camel hair.

¹⁸ CAC Case No. 00210 dated 19.5.2006 – bingo.eu.

¹⁹ CAC Case No. 00191 dated 11.7.2006 – autotrader.eu.

²⁰ CAC Case No. 00685 dated 11.7.2006 – lotto.eu.

- "urlaub.eu" based on the German trademark "u*r*1*a*u*b"²¹;
- "ecommerce.eu" based on the Benelux trademark "Ecommerce"²²;
- "private.eu" based on the Benelux trademark "Private"²³;
- "psychology.eu" based on the Benelux trademark "Psychology";²⁴
- "candy.eu" based on the Benelux trademark registration "Mediation" for bleaches in class 3²⁵;
- "rock.eu" based on the Benelux trademark "Rock"²⁶;
- "50plus.eu" based on the trademark "50plus"²⁷

This approach was also applied in other in cases in which Sunrise applications were contested as being in bad faith for other reasons (e.g. trademark infringement).

c) Identity of domain name and trademark

Different views have been upheld by the panels on the question of how the transcription rule of Article 11 of Regulation (EC) 874/2004 is to be interpreted. This lays down that, where a name for which prior rights are claimed contains special characters and spaces and punctuation marks, these can either be removed entirely from the domain name in question, replaced by hyphens or, if possible, transcribed. Some of the panels held that the transcription rule of Article 11 of Regulation (EC) 874/2004 was to be interpreted such that the rights holder could not choose whether he would omit or transcribe a special character, and instead that transcription was a requirement if it was possible. The complaints of the cities of Antwerpen, Barcelona, Helsinki and Frankfurt against the registration of the domain names "antwerpen.eu"²⁸, "barcelona.eu"²⁹, "helsinki.eu"³⁰ and "frankfurt.eu"³¹ relying on the trademark's "Barc&Lona", "Helsi&nki" und "Frank&furt" were therefore upheld.³² The opposite view was held in the decision of the complaint of The Chancellor Masters & Scholars of the University of Oxford against EURids decision to register the domain name "oxford.eu" on the basis of the Benelux trademark OXF & ORD.³³

Finally, Panelists had to deal with the interpretation of Sec. 19(2) of the Sunrise rules, which laid down that an application in which a prior right for a name was asserted that consisted of word and picture elements could only be recognised if

the sign exclusively contains a name or the word element is predominant and can be clearly separated or distinguished from the device element, provided that all alphanumeric characters (including hyphens, if any) included in the sign are contained in the domain name applied for.

²¹ CAC Case No. 00532 dated 12.7.2006 – urlaub.eu.

²² CAC Case No. 00702 dated 09.8.2006 – ecommerce.eu.

²³ CAC Case No. 01273 dated 07.8.2006 – private.eu.

²⁴ CAC Case No. 00778 dated 25.7.2006 – psychology.eu.

²⁵ CAC Case No. 00449 dated 19.7.2006 – candy.eu.

²⁶ CAC Case No. 00417 dated 26.7.2006 – rock.eu.

²⁷ CAC Case No. 01012 dated 26.7.2006 – 50plus.eu. (with fallacious justification)

²⁸ CAC Case No. 02185 dated 06.10.2006 – antwerpen.eu.

²⁹ CAC Case No. 00398 dated 18.5.2006 – barcelona.eu.

³⁰ CAC Case No. 00475 dated 20.7.2006 – helsinki.eu.

³¹ CAC Case No. 00394 dated 02.6.2006 – frankfurt.eu.

³² Likewise CAC Case No. 01255 dated 13.8.2006 – liechtenstein.eu; CAC Case No. 00735 dated 07.8.2006 – nice.eu; CAC Case No. 00265 dated 29.5.2006 – live.eu on the question of the identicalness of the trademark "Li&VE and the domain name "live.eu" with abstruse justification.

³³ CAC Case No. 01867 dated 14.9.2006 – oxford.eu.

The ADR panel set aside the EURid decision that a figurative mark consisting of the sequence of numbers 1 2 3 and a logo did not entitle the holder to register the domain name 123.eu, since the figures 1 2 3 did not dominate the figurative mark within the meaning of Sec. 19(2) of the Sunrise rules.

In other decisions the panels have held that letters included in logos or other figurative elements must be reproduced in the domain name.³⁴

IV. Summary and Critical Assessment

The analysis of the alternative dispute resolution procedure for ".EU" has showed that procedural aspects of the ADR for .eu correspond largely with the rules of the UDRP.

When compared with legal proceedings before the ordinary courts and classical forms of arbitration, the ADR procedure for .eu can be seen to be a very different animal. The parties' periods for replying, in particular the period granted to the respondent to submit a reply to the complaint, are short. A reply or sur-reply and supplementary submissions can only be filed in exceptional cases and this, combined with the limitations on the evidentiary presentations, inevitably restricts the ability of the panel to investigate the facts of the case. This means that the scope of application of the ADR must be limited to simple cases of obvious and deliberate speculative and abusive registrations.

In contrast, the substantive law provisions are considerably deviating from the UDRP without obvious reason. A closer look at the provisions shows that they are badly drafted, inconsistent and create a multitude of questions of construction.

This assessment corresponds with the analysis of the case law which shows a number of abstruse decisions which render moot the competence of some of the Panellists.

Of substantial practical importance is the surprising finding that the holder of name rights protected by national and/or Community law whose rights are infringed by the ".EU" domain name registration can apparently also rely on the substantive provisions before the ordinary courts, and therefore can choose between taking measures against speculative or abusive registration of domain names in alternative dispute resolution proceedings or before the ordinary courts.

This would imply that the substantive provisions of Regulation (EC) No 874/2004 are not merely criteria for the arbitration Panels to apply in deciding alternative dispute resolution proceedings but also constitute new specific domain law directly applicable in every Member alongside with the general trademark and industrial law provisions under national and/or European law. In the light of the large number of discrepancies and contradictions in the substantive provisions this will lead to considerable legal uncertainty.

³⁴ CAC Case No. 00470 dated 5.7.2006 – O2 (word-picture mark "O2, L'oxygène de votre quotidien" did not justify the registration of the domain name "o2.eu"); CAC Case No. 00188 dated 12.6.2006 – 123.eu (on the question whether the sequence of numbers 1 2 3 dominated a word-picture mark within the meaning of Section 19(2) of the Sunrise rules); CAC Case No. 0153 dated 25.7.2006 on the question whether the stylised "S" of a trademark must be included in the domain name; likewise CAC Case No. 01438 dated 14.8.2006 – ellision.eu; CAC Case No. 01310 dated 17.9.2006 – astrodata.eu.