

.eu ADR

.eu Alternative Dispute Resolution

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Agenda

- The importance of the .eu ADR
- Applicable disputes: What is „covered“?
- Subject matter
 - Identical/confusingly similar to “name with right”
 - Without rights or legitimate interests, or registered or being used in bad faith
- Procedural aspects
 - Language, settlements, court proceedings, communication, ...
- Costs
- Special advantages
- Criticism

Basic idea

- An international arbitration procedure (not an international court!)
 - Introduced by the EU through a directive
 - Mandatory for .eu TLD
 - Approx. 50-100 proceedings per year (+ thousands just after introduction)
 - Independent of all national legal systems
 - Not only content (substantive law) but also procedure (procedural law) is specified explicitly and the same for the whole world
- Consent to accept this jurisdiction takes place through registering a domain name under the .eu TLD
 - Through EURid (all others are just resellers and therefore identically)
 - But you don't get a domain name directly at EURid – only through those resellers!
 - Otherwise arbitration procedures are entirely voluntarily!
- Guaranteed implementation of judgement through the registrars

Who & Where

- CAC = Czech Arbitration Court
 - The only provider for .eu ADR!
 - Selection probably because it was the only one to guarantee the procedure to be held in all EU languages!
- Theoretically everything is in Prague, but the procedure is completely electronically, so no personal visits are needed for anyone!
- Four entities are involved
 - Complainant: Owner of a name with associated rights
 - Respondent: Current owner of a domain name (DN)
 - Panelist(s): The judge(s) who decides the case
 - Arbitration court: Administrative matters (e.g. communication) and selection of panelist

Disputes decided

- Against a Registry:
 - A decision of the registry, which conflicts with the EU regulations
 - Result: Annulment of the decision (→ transfer, revoke, attribute)
- Against a domain name holder:
 - DN is identical or confusingly similar to a name, in which a right is recognized or established by the national law of a member state and/or EC law **AND EITHER**
 - the DN has been registered without rights **or** legitimate interests, **OR**
 - The DN has been registered **or** is being used in bad faith
- Comparison to UDRP:
 - No restriction to marks → Any right is sufficient
 - Much more stringent requirements for the DN owner: Four elements, none of which may be fulfilled or the DN is transferred!

Possible outcomes

- These are very restricted/few! Possible are solely:
 - Revocation of the domain name
 - Transfer to the complainant
 - No activity (remains with current owner)
- Not possible are:
 - Damages of any kind
 - Compensation for costs of this arbitration procedure
 - Penalties
- The .eu ADR does not exclude court proceedings!
 - To verify the decision or for any other subject content (e.g. name law, unfair competition, different kinds of disputes regarding marks)
 - Within 30 days after receiving the decision
 - To obtain compensation of costs, damages, or anything else

} Winning
← Losing

Identical / Confusingly similar

- Comparison **without** the content of the website
 - Only “DN” vs “Name with Rights”
 - There need not be a website at all, e.g. domains used for E-Mail only
- Ignored: TLD, design elements which cannot be reproduced
- DN + non-distinctive element: Similar
 - Examples: common words/product categories/country codes (???-at.eu)
- "Negative" domain names: "*-sucks.com"
 - Similarity exists for these as well
 - Negative connotation is not necessarily immediately apparent as such
 - Examples: Different language, slang, ...
 - Other opinions exist for this as well (not uniformly accepted)!
 - Only one .eu decision could be found D04141 (airfrancesucks.eu)
- Typical cases: Mistyping, additional letters, added characters ("-", "_", "."), combinations (mark+product, mark+generic word), ...

Rights in the name

- All kinds of rights in a name are sufficient:
 - (Un)registered mark, company or family name, aliases/“commonly known as”, geographical indications or signs of origin, trade names, business identifiers, distinctive titles of protected literary or artistic works, ...
- The right need not be a “unified” one, e.g. a European Mark
 - A right recognized in any of the member states or the EU law is sufficient
 - Consequently: Rights from other (=non-member) states are irrelevant!
- Right must exist at the time of the complaint
 - Not at registration → Contrary to UDRP bad faith is much easier here
- For each name for which a right is claimed, it must be exactly described
 - the type of right (mark, name, ...)
 - the law(s) und which it is recognized and/or established
 - the conditions for recognition/establishment of the name
- Documentary or other evidence must be provided in the complaint

Legitimate interests

- Only an exemplary list:
 - Use for bona fide offering of goods or services before any notice of the dispute
 - or demonstrable preparations for this
 - of the domain name or a name corresponding to the domain name (i.e. offline)
 - Respondent is commonly known as a natural person, organization or undertaking by the domain name, even if no recognized/established right exist
 - Here it must be directly the domain name, not something similar!
 - A legitimate and non-commercial or fair use of the domain name exists
 - No intent to mislead customers
 - UDRP: “Commercial gain” required in addition; here not!
 - No harming the reputation of the name
 - Examples: Criticism, parody, fan pages etc.
 - Attention: Hotly disputed, what/to what extent/...!
- The complainant must plausibly show that no legitimate interests exist
 - Only then the domain owner must prove that legitimate interests exist

Bad faith registration or use

- Registration or acquiring primarily for the purpose of selling, renting or otherwise transferring it to the holder of a name with rights or a public body
 - Difference to UDRP: Not only regarding complainant or competitor but any right holder, no restriction to “excess costs”, “public body” added
- Registration to prevent the holder name with rights from reflecting this name in a corresponding DN, provided that
 - the respondent has engaged in a pattern of such conduct,
 - the DN has not been used in a relevant way for at least two years after registration, or
 - when the complaint was initiated the respondent declared the intention to use the DN in a relevant way, but failed to do so within six month after initiation of the proceedings
 - The last two elements are new as compared to the UDRP (but see “passive holding”) and very relevant: “Significant non-use” is grounds for losing the DN!
- Registration primarily for disrupting the professional activities of a competitor

Bad faith registration or use

- The DN is a personal name for which no demonstrable link exists between the respondent and the DN
 - Registering names of famous (common case, but not required!) persons
- The DN was intentionally used to attract users
 - To the respondents website or other online location
 - For commercial gain
 - By creating a likelihood of confusion with a name with rights, regarding
 - Source, sponsorship, affiliation, or endorsement of the website or location or of a product or service on them
 - Generating traffic for advertisements, selling fakes etc.

“and” vs. “or”

- Contrary to the UDRP the .eu ADR explicitly states that **any** of these elements **alone** are sufficient!
- This means, to retain the DN you must demonstrate **all** of:
 - Rights or legitimate interests in the DN,
 - Registration/acquiring was done in good faith, and
 - Current use is in good faith
- Result: It is much easier for the holder of a name with rights to obtain a DN!
 - Any problem exists → DN will be transferred

Procedural aspects (1)

- Language of the proceedings:
 - Language of the registration agreement (or the language specified therein)
 - Alternatively: Mutually agreed upon by complainant and respondent
 - Complainant may request a different language (fees!) → Panel decides
 - Panel can request translations of all submitted documents into the language of the proceedings – or disregard them immediately
- Court proceedings:
 - Final decision by court of competent jurisdiction or another dispute resolution provider will terminate these proceedings – but otherwise have no influence!
 - E.g., ongoing court proceedings will not prevent/break/suspend the .eu ADR!
- Settlement negotiations are possible: Proceedings will be put on hold
 - Will continue after set time has elapsed or one party requests it
- Respondent must identify all other legal proceedings that have been commenced or terminated in relation to the DN under dispute

Procedural aspects (2)

- Communications:
 - Only allowed via the CAC: Not directly with/from Panel
 - System log of CAC is a valid record of transmission unless there is any evidence of malfunction; otherwise every sender has to keep his own records
- Notification of proceedings: Notice with information how to access an online platform where the complaint will be stored (=user/login data)
 - To the contact information of the registry
 - No confirmation within 5 days?
 - Sent again by post, return-receipt requested, pre-paid to data provided by registry
 - This means, you should take care to keep this information up to date!
- Forms exist for any kind of communication content and must be used
 - I.e., you **MUST** use the online platform for all communication
 - If there is a requirement for written communication, you still have to use the platform, print it, and then fax/mail it by post!

Procedural aspects (3)

- All decisions will be published on the website of the CAC
 - Language: Language of the proceedings
 - Some selected decision may also be (inofficially!) translated to English
- Word limits exist (“reasonable efforts”!)
 - Grounds for complaint, response and panel decision: Each at most 5000 words
- Not participating in the proceedings: Default judgement?
 - Participation of the respondent is not necessary for the start/continuance/completion
 - This is **not** sufficient for automatically losing!
 - The complainant must still make all elements plausible (prima facie)
 - Failure to respond **may** be grounds for **accepting these claims!**
 - See e.g. decision ADR.eu Nr. 06158 – MAX-PLANCK.EU
 - Panel may draw any conclusions from not participating it considers appropriate
- No in-person hearings (and no tele-/video-/webconference either!)
 - Decision is solely based on documents and written communication
 - Solely the panel may decide on such a hearing in exceptional circumstances

Procedural aspects (4)

- Panelists: Must be impartial and independent
 - One: Selected by CAC
 - Three: Each party must provide a list of three candidates; for one panelist
 - Third one is selected by CAC
 - These should (if possible anyhow) not been involved in the past 3 years in any ADR proceedings where the complainant was a party
 - You should not have your “personal panelist”!
 - Selection can be challenged by both parties; decision by CAC
- Liability: The complaint must include a complete waiver
 - Except for “deliberate wrongdoing”
 - At least in Austria this is against the law: Consumers cannot waive their rights regarding “deliberate wrongdoing” **and** “gross negligence”!
- The panel may investigate themselves (permission, but no obligation)
 - Additional submissions are possible only in exceptional circumstances, but the panel can also request them (sole discretion of the panel!)

Obligations of a DN holder

- According to the .eu Domain name Registration Terms and Conditions
 - Keep contact information accurate, complete and up to date
 - Any E-Mail address supplied must be fully functional
 - Use the DN in such a way it does not
 - Violate any third-party rights
 - Applicable laws or regulations, including discrimination on the basis of race, language, sex, religion, or political view
 - Do not use the DN
 - In bad faith
 - For any unlawful purpose
 - The DN is not contrary to public policy or morality and not unlawful
 - E.g. not obscene or offensive
- Must continually fulfil the general eligibility criteria (EU area location)
- All information provided must be true, complete, and accurate

Costs

- 1 Panelist: € 400 (CAC) + € 900 (Panelist) = € 1300 (1-5 Domain names)
- 3 Panelists: € 700 (CAC) + € 1200 + 2*€ 600 (Panelists) = € 3100 (1-5 DN)
- All these costs are solely born by the complainant
 - Unless the domain owner insists on a three-person panel: Addition
 - Domain owner must pay separate difference (as above: € 1800)
 - Everyone must pay their own representation costs (attorney fees, investigation, ...)
 - Regardless of the result, i.e. the winner always pays his own costs himself!
- Presence meeting → additional fees might arise (determined by panel + CAC)
- The more domain names, the cheaper it becomes
 - But all must be between the same parties and in the same language!
- Subsequent simultaneous proceedings against the same domain holder are put on hold, although the fees must have been paid
 - Fees are returned if complainant wins (whatever requested), otherwise next one starts

Advantages of the .eu ADR

- The proceedings are very quick
 - Typically a decision between 45 and 60 days after start
 - One month after receipt of response to complaint
- The costs are very cheap
 - Both compared to court proceedings and on an absolute scale!
 - Lawyers are not necessarily required (no obligation; success possible without)
- The arbitration always takes place
 - Consent already when registering a domain name
 - If the domain owner is unreachable, it still takes place
- The result is guaranteed to be implemented; and on a fast schedule
- No forum shopping: Only the CAC provides dispute resolution
- Encompasses a large share of all domain name disputes

Criticism

- No higher instance (no appeal/...)
 - No unification of decisions
 - But national courts are still possible afterwards!
 - This would mean instituting a completely international court system ...
 - Note: Prior decisions might be useful, but there is no precedence!
- Very much in favour of entities with a right in a name
 - General: You can register any DN and keep it unless you do something “bad”
 - .eu: Specific legitimate reasons needed before you are allowed to register a DN
- All decisions are published without anonymization
 - But not any documents used in the proceedings
 - Common in court systems of many countries, but not in Austria
- Not very much in use, especially as compared to the UDRP

Summary

- Very useful and accepted, especially by mark owners
- Takes care of some obviously illegal registrations
- Use court proceedings only, if such a complaint fails
- Much wider than the UDRP, more favourable to right holders
 - I.e.: Don't register a domain name without having a good explanation, and make sure to use it responsibly, otherwise it will be gone!
- Practical hints: Very similar to UDRP
 - Prepare your complaint in detail: Usually no additional information possible
 - Do not forget to put the domain name on hold!
 - Be sure to offer to buy the domain name cheaply (≈ 500 €) before a complaint
 - When receiving a complaint, always respond with substantial information

Thank you for your attention!

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Literature

- CAC:
<http://eu.adr.eu>
- Torsten Bettinger: Alternative Dispute Resolution for ".EU"
http://www.oup.com/uk/booksites/content/0199278253/lat_devs1