

.eu ADR

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*.eu Alternative Dispute Resolution*

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# Agenda

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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”

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- 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 and 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)

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- 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)

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- 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)

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- 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)

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- Panelists: Must be impartial and independent
  - One: Selected by CAC
  - Three: Each party must provide a list of three candidates; for one panelist each
    - 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

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- 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

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- 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 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

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- 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

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- 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

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- 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 range of disputes 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: 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 ( $\approx 500$  €) before a complaint
  - When receiving a complaint, always respond with substantial information

# Thank you for your attention!

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# Literature

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- CAC:  
<http://eu.adr.eu>
- Torsten Bettinger: Alternative Dispute Resolution for ".EU"  
[http://www.oup.com/uk/booksites/content/0199278253/lat\\_devs1](http://www.oup.com/uk/booksites/content/0199278253/lat_devs1)