Decision for dispute CAC-UDRP-100656

Case number	**CAC-UDRP-100656**
Time of filing	**2013-09-09 13:01:10**
Domain names	**t-2.net**

Case administrator

Name	**Lada Válková (Case admin)**

Complainant

Organization	**T-2 d.o.o.**

Complainant representative

Organization	**Attorney Office Zidar Klemenčič**

Respondent

Name	**Matevž Turk**

OTHER LEGAL PROCEEDINGS

The Panel is not aware of any legal proceedings which are pending or decided and which relate to the Domain Name.

IDENTIFICATION OF RIGHTS

The Complainant owns the following trade mark registrations containing the term "T2":
•Slovenian Trade Mark No. 200670309, registered on 16 March 2007, for goods and services in class 35, 37, 38, 41, 42;
•Slovenian Trade Mark No. 200670666, registered on 23 July 2007, for goods and services in class 35, 37, 38, 41, 42;
•Slovenian Trade Mark No.200670320, registered on 31 July 2007, for goods and services in class 35, 37, 38, 41, 42;
•Slovenian Trade Mark No. 200770585, registered on 25 January 2008, for goods and services in class 35, 37, 38, 41, 42;
•International Trade Mark No. 979413, registered on 20 June 2008, for goods and services in class 35, 37, 38, 41, 42, 45;
•International Trade Mark No. 979414, registered on 20 June 2008, for goods and services in class 35, 37, 38, 41, 42, 45;
•International Trade Mark No. 979415, registered on 20 June 2008, for goods and services in class 35, 37, 38, 41, 42, 45;
•International Trade Mark No. 979416, registered on 20 June 2008, for goods and services in class 35, 37, 38, 41, 42, 45;
•Slovenian Trade Mark No. 200871072, registered on 23 March 2009, for goods and services in class 16, 35, 37, 38, 41, 42.

These trade marks are all figurative trade marks featuring a logo containing "T2".

FACTUAL BACKGROUND

The Complainant is a telecommunication service provider founded in 2004 and based in Ljubljana, Slovenia, offering

services in connection with internet, telephony, digital television and mobile telephony. On 10 January 2005, the Complainant started publicly offering its services, and since then has considerably expanded its business. Today, the Complainant is the second largest internet service provider in Slovenia and one of the top providers of telephone, IP Television and mobile telephony services.

The Complainant owns numerous trade mark registrations containing the term "T2", as described above. Such trade marks are all figurative trade marks featuring a logo containing "T2". The earliest of such trade marks dates from 16 March 2007.

The Respondent was managing director of the Complainant from 11 May 2004 to 16 September 2009, as asserted by the Complainant and not disputed by the Respondent.

The disputed domain name <t-2.net> (the Domain Name) was acquired by the Respondent from a third party on 22 January 2005, as stated by the Respondent in its Response.

Since 2005, the Domain Name has pointed and currently points to the Complainant's website at www.t-2.net.

On 28 May 2013, the Complainant submitted to the Respondent an offer to purchase the Domain Name for EUR 20,000.

On 1 June 2013 the Respondent rejected the Complainant's offer and invited it to submit a better bid for his consideration.

On 29 August 2013, the Respondent sent an invitation to the Complainant to participate in an auction for the Domain Name, stating that if the Complainant's bid was "at least close to the best bid" he would sell the Domain Name to the Complainant.

PARTIES CONTENTIONS

PARTIES' CONTENTIONS:

COMPLAINANT:

The Complainant asserts that its "T2" trade mark is a well-known trade mark. It owns several Slovenian and International trade mark registrations containing the term "T2", as detailed above. Such trade marks are all figurative trade marks featuring a logo containing the textual element "T2" and have been registered in connection with, inter alia, telecommunication services. The earliest of such trade marks dates from 16 March 2007.

The Complainant asserts that the Domain Name has been primarily and solely linked with the Complainant. As evidence, the Complainant has provided print-outs of the Nameserver history for the Domain Name, the historical Whois of the Domain Name and screen captures of the websites associated with the Domain Name from the Internet Archive.

The Complainant further asserts that the Respondent registered the Domain Name acting on behalf of the Complainant, as its managing director. The Complainant states that "when the Respondent registered the domain the latter was done in his function as a managing director of the Complainant, therefore by authorization of the Complainant for his needs as a company". In support of this claim, the Complainant points out that the Domain Name is exclusively used by the Complainant and submits evidence of the historical WHOIS of the Domain Name from 2007, showing that the contact details used by the Respondent, including telephone and address, were at the time those of the Complainant.

However, the Complainant asserts that it did not authorise the Respondent to register the Domain Name using his own personal name. Thus, the Complainant argues that by registering the Domain Name using his personal name, the Respondent acted in bad faith and created a conflict of interest, in accordance with the provisions of the Slovenian Companies Act.

The Complainant contends that, upon termination of the Respondent's position as managing director of the Complainant on 16 September 2009, the Complainant unsuccessfully attempted to obtain the transfer of the Domain Name from the Respondent.

The Complainant asserts that the Domain Name is a crucial and integral component of the Complainant's business. According to the Complainant, the servers needed for the proper functioning of the entire infrastructure of the Complainant as well as for the numerous services it offers, including the hosting of a number of Slovenian web pages, IP TV, broadband internet and e-mail, all rely on the Domain Name. The Complainant further asserts that if the Domain Name was transferred to a third party or cancelled, the Complainant would suffer damages that could exceed millions of euros.

Finally, the Complainant explains that it made a last attempt to reach out to the Respondent as the Domain Name was about to expire in May 2013. The Complainant explains that, although it considers that it is no way obliged to give any sort of financial compensation for the Domain Name, it nevertheless submitted an offer to purchase the Domain Name for EUR 20,000 to the Respondent on 28 May 2013. However, on 3 June 2013, the Respondent replied to the Complainant rejecting such offer, stating that it was "inadequate" and that, if he decided to sell the Domain Name, he would do so "to the best bidder". The Respondent invited the Complainant to submit a "better bid" for his consideration.

The Complainant asserted the following legal arguments:
(i) The Domain Name is identical or confusingly similar to the Complainant's trade mark.

The Complainant contends that the Domain Name is identical or confusingly similar to the Complainant's T2 trade mark. The Complainant further suggests that the date on which the Complainant acquired trade mark rights is irrelevant for the purposes of this first hurdle. In addition, the Complainant submits that the .NET suffix does not diminish the similarity between the Domain Name and the Complainant's trade mark.

(ii) The Respondent does not have any rights or legitimate interests in the Domain Name

The Complainant asserts that the Respondent does not have any rights or legitimate interests in the Domain Name. The Complainant states that the Respondent has never had a legitimate interest in the Domain Name during the lifespan of the Complainant as a company at any point. The Complainant states that the Respondent should have registered the Domain Name in the Complainant’s name and not in his own personal name. The Complainant further asserts that by doing so the Respondent violated the Slovenian Companies Act (article 516 para. 6 in connection with article 263), which states that a managing director has the obligation of performing his duties with utmost diligence. Thus the Complainant argues that the Respondent unlawfully and willingly created a conflict of interest, in violation of Slovenian law.

The Complainant further argues that the Respondent's intention to launch a public auction to sell the Domain Name to the highest bidder does not constitute a bona fide offering of goods or services. Rather, the Complainant contends that the sole purpose of such public auction is to obtain financial gain for the Respondent and/or possibly to sell the Domain Name to the Complainant's competitors.

The Complainant further states that the Respondent is not commonly known by the Domain Name.

Finally, the Complainant further submits that the fact that the Respondent no longer works for the Complainant shows that the Respondent no longer has any legitimate interest in holding on to the Domain Name and that the Respondent has never had such an interest at any point, given that the Domain Name points to the Complainant's website. The Complainant further asserts that for the past 4 years the Respondent has been merely holding on to the Domain Name, without any active use.

(iii) The Domain Name was registered and is being used in bad faith

The Complainant asserts that the Domain Name has been registered and is being used in bad faith.
The Complainant states that although its trade mark rights post-date the registration of the Domain Name, the Respondent was clearly aware of the Complainant at the time of registration of the Domain Name. The Respondent registered the Domain Name for the purposes of the Complainant, as its managing director. The Complainant further argues that the fact that the Respondent registered the Domain Name in his own personal name, instead of the Complainant's name, without the Complainant's authorisation, is in itself evidence of bad faith.

Furthermore, the Complainant asserts that the Respondent had the clear intention at the time of registration of the Domain Name to take advantage of the Complainant's rights further down the line. In support of this claim, the Complainant argues that the Respondent did not try to transfer the Domain Name to the Complainant during his position as managing director of the Complainant. In addition, the Complainant argues that the Respondent's intention to take advantage of the Complainant's rights is further demonstrated by the fact that the Respondent intended to put the Domain Name up for auction.

The Complainant further relies on Paragraph 4(b)(i) of the Policy which provides that bad faith is shown when the Respondent has registered the Domain Name primarily for the purposes of selling, renting or otherwise transferring the Domain Name registration to the Complainant or to a competitor, in excess of the Respondent's documented out-of-pocket costs which are directly related to the Domain Name. The Complainant argues that this is demonstrated by the fact that the Respondent turned down its offer to purchase the Domain Name for EUR 20,000 and intended to put the Domain Name up for auction.

The Complainant further argues that the Respondent's conduct demonstrates a pattern of preventing the Complainant from reflecting its mark in the corresponding Domain Name, in accordance with paragraph 4(b)(ii) of the Policy.
Finally, the Complainant argues that the Respondent is attempting to obtain commercial gain by creating a likelihood of confusion with the Complainant's trade mark in connection with the Domain Name, in accordance with paragraph 4(b)(iv) of the Policy. The Complainant points out that the Domain Name is still pointing to the Complainant's website. Thus, when internet users enter the Domain Name, they reach the Complainant's website, in spite of the fact that there is no connection between the Respondent and the Complainant.

RESPONDENT:

The Respondent asserts that he bought the Domain Name on 22 January 2005 for USD 500. However, the Respondent denies that he bought the Domain Name in bad faith.

The Respondent explains he bought the Domain Name from a third party because he wanted to keep the costs of the purchase low, given that the Respondent believed that the seller might increase his price if negotiating with a company.

The Respondent denies that there was any conflict of interest as a result and that such conflict of interest would have only arisen if the Respondent had attempted to sell the Domain Name to the Complainant during the course of his employment as managing director.

The Respondent asserts that the Complainant has conveniently omitted the fact that in 2010, shortly after having left his position as managing director of the Complainant, the Respondent offered the renewal of the Domain Name to the Complainant, but that the Complainant did not respond. The Respondent claims that he thus decided to renew the Domain Name himself, in the interest of the Complainant, given that failure to do so would have resulted in serious problems for the Complainant as a result of its own negligence.

The Respondent further asserts that the Complainant's failure to respond to his offer in 2010 constituted a forfeiture of the Complainant's rights in the Domain Name.

The Respondent further claims that the fact that he rejected the Complainant's offer to purchase the Domain Name as being "inappropriate", does not mean that the Respondent considered it to be too low. On the contrary, the Respondent claims that he rejected the Complainant's offer because accepting it would have meant that the Respondent was trying to obtain financial gain for himself. The Respondent contends that the Complainant offered an amount grossly exceeding the Respondent's out-of-pocket costs in order to fabricate the claim that the Respondent acted in bad faith, with the goal of obtaining financial gain.

According to the Respondent, it was only after receipt of the Complainant's inappropriate offer that the Respondent decided

to put the Domain Name up for auction. However, the Respondent asserts that he always acted in good faith and with the Complainant's best interests in mind. In support of this claim, the Respondent points out that in his invitation to the Complainant to participate in the auction of the Domain Name, the Respondent stressed that he would accept the Complainant's offer even if it was not the best offer received, despite the fact that the Complainant had forfeited its rights to the Domain Name.

The Respondent insists that he never acted in bad faith, and specifically without the primary intention or goal of obtaining financial gain for himself, as shown by the fact that he offered the Complainant the renewal of the Domain Name soon after leaving the company and has protected the Domain Name for the Complainant by repeatedly renewing it even after having left company and in spite of the Complainant's forfeiture of rights, negligence and bad faith.

The Respondent concludes by stating that the Domain Name rightfully belongs to him, in view of the Complainant's forfeiture of its rights, and thus there are no grounds for a transfer of the Domain Name.

RIGHTS

Paragraph 4(a)(i) of the Policy requires the Complainant to prove that the Domain Name registered by the Respondent is identical or confusingly similar to a trade mark or service mark in which the Complainant has rights.

The Complainant's trade mark rights, as described above, post-date the registration of the Domain Name. However, the Policy does not make any specific reference to the date on which trade mark rights were acquired. Thus, the fact that the Complainant's trade mark rights post-date the registration of the Domain Name is irrelevant for the purpose of assessing identity or confusing similarity between the Complainant's trade mark and the Domain Name, in accordance with paragraph 4(a)(i) of the Policy (although this may be a relevant consideration in assessing bad faith if it means that the Respondent may not have been aware of the Complainant at the time that the Domain Name was registered, which is clearly not the case here).

The Complainant is the registered owner of several Slovenian and International registered figurative trade marks featuring both textual and design elements. It is accepted that design elements of a figurative trade mark are generally disregarded for the purpose of assessing identity or confusing similarity, given that such elements are incapable of being represented in a domain name. Therefore the assessment of identity or confusing similarity is limited to a comparison between the dominant textual elements of the figurative mark and the Domain Name. Accordingly, the dominant textual elements of the Complainant's trade marks are "T" and "2", in that order. The only difference between the Complainant's trade marks and the Domain Name is the presence of a hyphen between "T" and "2". However, the hyphen is, in the present context, insufficient to distinguish the Domain Name from the Complainant's trade marks.

In addition, the suffix ".NET" does not distinguish the Domain Name from the Complainant's trade marks.

Therefore the Complainant has, to the satisfaction of the Panel, established that the Domain Name is identical or confusingly similar to a trade mark or service mark in which the Complainant has rights, within the meaning of paragraph 4(a)(i)of the Policy.

NO RIGHTS OR LEGITIMATE INTERESTS

Paragraph 4(a)(ii) of the Policy requires the Complainant to prove that the Respondent has no rights or legitimate interests in the Domain Name.

The Complainant asserts that the Respondent registered the Domain Name for and acting on behalf of the Complainant during the course of his employment with the Complainant. Furthermore, the Complainant states that the Respondent registered the Domain Name in his own name without the Complainant's authorisation. In addition, the evidence shows that since its acquisition, the Domain Name has never been used for any purpose other than in connection with the Complainant's business. The Respondent has not done anything else with the Domain Name since he left the Complainant's employment over 4 years ago.

The Panel thus finds that the Complainant has made a prima facie showing that the Respondent does not have any rights or legitimate interests in the Domain Name. Once a Complainant makes a prima facie showing, then the burden of proof shifts to the Respondent.

Paragraph 4(c) of the Policy sets out a list of circumstances on which a Respondent may rely to demonstrate rights or legitimate interests in a domain name for the purposes of paragraph 4(a)(ii), including but not limited to:

(i) before any notice to the Respondent of the dispute, the Respondent used, or made demonstrable preparations to use, the Domain Name or a name corresponding to the Domain Name in connection with a bona fide offering of goods or services; or

(ii) the Respondent is commonly known by the Domain Name, even if the Respondent has acquired no trade mark or service mark rights; or

(iii) the Respondent is making a legitimate non-commercial or fair use of the Domain Name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trade mark at issue.

None of these circumstances, or indeed any others, would seem to assist the Respondent. The Respondent is not commonly known by the Domain Name and neither can the use of the Domain Name in relation to the Complainant's business be said to constitute a bona fide offering of goods or services by the Respondent himself or a legitimate non-commercial use.

The only argument that the Respondent has put forward in an attempt to justify his rights or legitimate interests in the Domain Name is based on an alleged forfeiture of the Complainant's rights on the basis that the Complainant failed to respond to the Respondent's offer to renew the Domain Name shortly after having left his position with the Complainant. The Panel however is not prepared to accept the Respondent's assertion that the Complainant's failure to respond constitutes a forfeiture of the Complainant's rights, thus making the Respondent the rightful owner of the Domain Name. Regardless of whether or not the Complainant failed to respond to the Respondent's offer, the Respondent cannot be said to have acquired any rights or legitimate interests in a respect of a Domain Name that he registered for and on behalf of the Complainant during the course of his employment, unless there was an express agreement to the contrary (see Blemain Group v. Mr. Stuart Frost, WIPO Case No. D2006-0871).

There is no evidence on record suggesting the existence of such an agreement and so the Panel finds that the Complainant has established that the Respondent does not have rights or legitimate interests in respect of the Domain Name, within the meaning of paragraph 4(a)(ii)of the Policy.

BAD FAITH

Paragraph 4(a)(iii) of the Policy requires the Complainant to establish that the Domain Name was registered and is being used in bad faith.

The Policy contains a list of examples of bad faith behaviour at paragraph 4(b) as follows:

(i) circumstances indicating that the Respondent has registered or acquired the Domain Name primarily for the purpose of selling, renting, or otherwise transferring it to the Complainant or to a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly related to the Domain Name; or

(ii) the Respondent has registered the Domain Name in order to prevent the Complainant from reflecting its trade mark in a corresponding domain name, provided that the Respondent has engaged in a pattern of such conduct; or

(iii) the Respondent has registered the Domain Name primarily for the purpose of disrupting the business of a competitor; or

(iv) by using the Domain Name, the Respondent has intentionally attempted to attract, for commercial gain, internet users to its website, by creating a likelihood of confusion with the Complainant's trade mark as to the source, sponsorship, affiliation,

or endorsement of its website.

The Panel finds that none of the above fact patterns exactly fits the circumstances of this case. As far as (i) is concerned, the Panel is not convinced that the Respondent's primary purpose at the time when he registered the Domain Name in his own name was to eventually to sell it to the Complainant – in the Panel's opinion this is something that came about several years afterwards based on subsequent events. Concerning (ii), there is no evidence to suggest that the Respondent has done this before and engaged in any kind of pattern of conduct. Number (iii) requires the Respondent to have registered the Domain Name to disrupt the business of a competitor, which is not the case. Finally, (iv) is not relevant either as the Domain Name does not point to the Respondent's website – it points, and has always pointed since its acquisition, to the Complainant's website.

However, this list is non-exhaustive and the Panel is able to consider bad faith in a wider context. Clearly this is not a typical cybersquatting case, given the relationship history between the parties and the particular circumstances surrounding the registration and use of the Domain Name.

As far as bad faith registration is concerned, the Complainant asserts that the Respondent registered the Domain Name on the Complainant's behalf whilst employed by the Complainant, and the Respondent does not deny this. The fact that the Domain Name was registered on behalf of the Complainant is illustrated by the Respondent's use of the Complaint's address and telephone number as the contact details for the Domain Name. In addition, it seems more likely than not that the Respondent used the Complainant's money to fund the initial purchase of the Domain Name for $500 (in any event the Respondent has not asserted that he used his own money to do this).

Prior decisions under the Policy have refused to find bad faith registration in similar circumstances where the respondent was authorised to register the disputed domain name using its own name (or at least such authorisation was implied by the fact that the Complainant knew about the personal registration). See, for instance, Thread.com, LLC v. Jeffrey S. Poploff, WIPO Case No. D2000-1470. However, where the respondent employee was not authorised to register the domain name in his own name, then bad faith registration may be found. See Champion Innovations, Ltd. v. Udo Dussling (45FHH), WIPO Case No. D2005-1094.

In this case, the Complainant asserts, and the Respondent does not deny, that the Respondent was not authorised by the Complainant to register the Domain Name in his own personal name. The Panel notes the Respondent's reasoning that he decided to register the Domain Name in his own name to lower the costs of the purchase price of the Domain Name from a third party. However, this does not excuse the Respondent's behaviour. Based on the evidence provided, it seems that the Respondent did not consult the Complainant in relation to his decision to negotiate the purchase in his own name in order to potentially lower the price. It is therefore possible that the Complainant may have refused this proposal at the time, preferring instead to acquire the Domain Name securely in its own name, and taking the risk that the price may be higher. However, it seems that the Complainant was never given the opportunity to consider the question and that the Respondent unilaterally decided to negotiate and purchase the Domain Name in his own name. Indeed, the Respondent provides no evidence that the Complainant, either expressly or impliedly, authorised this course of action, such as Board minutes, for example. Thus the Panel finds that the Respondent's failure to act in accordance with the Complainant's wishes, or indeed to consult the Complainant on what those wishes were, meant that he was acting outside the scope of this employment when he registered the Domain Name in his own name. Such registration may therefore be said to have been made in bad faith.

As far as bad faith use of the Domain Name is concerned, the Respondent's failure to transfer the Domain Name into the Complainant's name since its acquisition over 8 years ago is a clear indication of the Respondent's ongoing bad faith. In addition, the Respondent's recent decision to put the Domain Name up for auction, even though the Domain Name has exclusively been used by the Complainant for over 8 years and is an integral part of the Complainant's business, is also a strong indication of the Respondent's continuing bad faith. The Respondent refused the Complainant's offer of EUR 20,000 and stated that he would preferentially sell the Domain Name to the Complainant if the Complainant's bid was "at least close to the best bid". This implies that if the Complainant's bid was not close to the highest bid, the preferential treatment would not apply. This is clearly the Respondent's way of putting pressure on the Complainant to put in a more substantial bid - if not the Domain Name could potentially be sold to a third party, perhaps even a competitor. Such behaviour cannot be

described as being in good faith. First, because the Complainant should not have to pay for a Domain Name that it is already the beneficial owner of – it has been using the Domain Name for a number of years and it was registered on its behalf, in all likelihood using the Complainant's money. Secondly, the Respondent's behaviour means that he is effectively holding the Complainant to ransom because, if the Complainant loses the Domain Name, the consequences for its business would be catastrophic.

In view of the factors outlined above, namely the Respondent's registration of the Domain Name in his own personal name without the consent of the Complainant and his later decision to auction the Domain Name off to the highest bidder, the Panel is of the opinion that this case is one that falls under the terms of the Policy. To find otherwise would be to allow the Respondent's inequitable conduct to persist, thus putting the Complainant's entire business at risk and potentially forcing it to pay a considerable sum to obtain legal ownership of a Domain Name that was purchased on its behalf.

In some way it is true that the Complainant only has itself to blame for this situation, given that it failed to secure the Domain Name before the Respondent left its employment and also failed to take the Respondent up on his offer of renewal in 2010. In this regard the Panel does not accept the Respondent's argument that the Complainant's non-response to his email meant that the Complainant forfeited all its rights to the Domain Name. Such a renunciation of rights would have far reaching consequences and common sense would dictate that it would require an express declaration, as opposed to the Complainant's mere silence as a result of what was almost certainly an oversight. The Respondent's actions in subsequently renewing the Domain Name despite the Complainant's non-response certainly saved the Complainant a great deal of inconvenience, but this in no way excuses the Respondent's subsequent behaviour.

In view of the above, the Complainant has, to the satisfaction of the Panel, shown that the Domain Name has been registered and is being used in bad faith, within the meaning of paragraph 4(a)(iii)of the Policy.

PROCEDURAL FACTORS

The Panel is satisfied that all procedural requirements under the Policy have been met and that there is no other reason why it would be inappropriate to issue a decision.

PRINCIPAL REASONS FOR THE DECISION

The Panel finds that the Complainant has successfully established each of the following, in accordance with Paragraph 4(a) of the Policy:

(i) the Domain Name registered by the Respondent is identical or confusingly similar to a trade mark or service mark in which the Complainant has rights; and

(ii) the Respondent has no rights or legitimate interests in the Domain Name; and

(iii) the Domain Name has been registered and is being used in bad faith.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Accepted

AND THE DISPUTED DOMAIN NAME(S) IS (ARE) TO BE

1. **T-2.NET**: Transferred

PANELLISTS

Name	**David Taylor**

DATE OF PANEL DECISION 2013-10-25

Publish the Decision