Decision for dispute CAC-UDRP-102204

Case number	CAC-UDRP-102204
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Domain names	sanatorium.com

Case administrator

Name	Šárka Glasslová (Case admin)

Complainant

Organization	SANATORIUMS.COM s.r.o.

Complainant representative

Organization	Rudolf Leška, advokát

Respondent

Organization	Book sanatorium s.r.o.

OTHER LEGAL PROCEEDINGS

The Panel is not aware of any other proceedings related to the disputed domain name.

IDENTIFICATION OF RIGHTS

The Complainant relies on its right to unregistered trademark SANATORIUMS.COM used for the booking service for the spa hotels.

FACTUAL BACKGROUND

The Complainant operates online booking service under the domain name SANATORIUMS.COM through which the internet users may choose and book stay in proper spa hotel.

The Respondent uses the disputed domain name SANATORIUM.COM for online reservation service for the booking of the spa hotels within the Europe.

PARTIES CONTENTIONS

PARTIES' CONTENTIONS:

COMPLAINANT:

The Complainant operates online booking service under the domain name SANATORIUMS.COM through which the internet users may choose and book stay in proper spa hotel and cooperates with many hotels in Europe. The Complainant provides its customers with the detailed information regarding the hotels, procedures, transfers and other useful information such as the need to acquire visa.

The Complainant owns common law rights in unregistered mark “SANATORIUMS.COM” which became a distinctive identifier associated with the Complainant and its services. Under this mark the Complainant has been present on the marketplace from July 2014 and acquired distinctiveness in 2017 at the latest, definitely before the Respondent purchased the disputed domain name. The Complainant also claim rights to this unregistered mark by virtue of permanent ongoing use of the mark, and extensive trade and marketing under it.

The Complainant is well known on the relevant market in Central and Eastern Europe as a reliable company. The first reservation was made on July 26, 2014 and since then popularity of the Complainant has risen sharply and started to be recognised under the mark “SANATORIUMS.COM” on the relevant market, i.e. between the persons who are interested in stay in spa hotel or sanatorium as well as by the hotels and sanatoriums themselves which wanted to cooperate with the Complainant.

From July 2014 to September 2018 more than 102,528 people made the reservation using the Complainant´s service under the domain name SANATORIUMS.COM. The annual revenues from own products and services of the Complainants were in 2015 455,432.8 EUR, in 2016 1,115,437 EUR and in 2017 reached 2,190,122 EUR. The domain name SANATORIUMS.COM was visited by 2,000,000 visitors during last 6 months. The designation “SANATORIUMS.COM” acquired the distinctive character on the relevant market (at the very least Czechia, Slovakia, Slovenia, Hungary, Israel, Russia, Italy, Germany) and is associated with the Complainant by ordinary customers.

The Complainant spent large amounts for the marketing of its services under the mark “SANATORIUMS.COM” – via Google AdWords from July 2014 to September 2018 costs in the amount of 549,952.97 EUR (territory of Russia) and 91,762.46 EUR (for banners focused on Russia). The Complainant spent in the same period costs in the amount of 25,579.6 EUR (for the territory of Germany). The Complainant always focused its advertisement through Google on the words “sanatorium.com” (or “sanatoriums”) as well as “sanatorium” and “sanatorium.com”.

Further, the Complainant promotes the awareness of its services under the mark “SANATORIUMS.COM” also through Yandex where paid from September 2015 to September 2018 for marketing campaigns in total amount of 335,415.37 EUR and for banners amount of 100,231.17 EUR.

The Complainant promotes its services under the mark “SANATORIUMS.COM” also through its channel on YouTube with 1,856 followers and 357 videos which were seen by 869,207 viewers from April 2014 and spent thousands euros on their production.

The Complainant´s Facebook profile named sanatoriums.com has 25,063 followers and Instagram profile has 281 followers. The spending of the Complainant on the promotion campaigns of the mark “SANATORIUMS.COM” on Facebook reached amount of 7,939.4 EUR.

Moreover, the Complainant created promotion material for its services under the mark “SANATORIUMS.COM”, such as leaflets, coating, mugs and T-shirts. Further, the Complainant uses the mark for its presentation in the premises of its offices, in e-mail communication and in other communication with the consumers and partners.

The Complainant incurred further costs of 50,514.31 EUR for the promotion of its services under the mark “SANATORIUMS.COM” via internet websites of its partners, such as art-travel.cz, turbo-travel.cz and other, by publishing advertisement and information relating to the Complainant´s services and links to reservation system available on Complainant´s website

Total marketing expenses of the Complainant to promote its services under the mark “SANATORIUMS.COM” from July 2014

to September 2018 were 1,169,401.65 EUR. This large amount clearly shows that the mark “SANATORIUMS.COM” must have acquired distinctiveness in the relevant circle of customers.

The rights of the Complainant to the designation “SANATORIUMS.COM” are further derived from the fact that the Complainants holds the rights to its trade name SANATORIUMS.COM s.r.o. and is recognized under this trade name on the market. The domain name www.sanatoriums.com is connected with the trade name of the Complainant.

The mark “SANATORIUMS.COM“ acquired secondary meaning and the Complainant has common law rights in unregistered mark “SANATORIUMS.COM” for its use along with reservation services dating back to at least as early as July 26, 2014. The mark „SANATORIUMS.COM“ has been used by the Complainant in a way and to an extent which would justify a finding of trademark rights under the Policy.

This dispute concerns the domain name SANATORIUM.COM registered on July 24, 2003. The disputed domain name was transferred to the Respondent on February 13, 2018. It follows that the domain name was registered with the knowledge of older above-mentioned mark “SANATORIUMS.COM” of the Complainant. The website under the disputed domain name is being used by the Respondent solely as online reservation service to enable the internet users to book the stay in spa hotels in Europe (therefore targets the same market as the Complainant). This service of the Respondent is identical and therefore competing to the reservation service provided by the Complainant.

The disputed domain name is confusingly similar to the Complainant’s very well- known and continuously used mark “SANATORIUMS.COM”. It is not relevant, that the word “sanatoriums” means a medical center in which are provided health procedures because it still may acquire distinctiveness for the booking service. Moreover, the Complainant uses mark “SANATORIUMS.COM” also for stays in hotels and spas (it follows that to this extent it is not even descriptive).

The only difference between the Complainant´s mark and the disputed domain name is the letter “S”. This omission is not able to change overall impression and does not eliminate the confusing similarity with the older mark of the Complainant and this is even more true in a situation where Complainant itself provides identical services directly on its official website www.sanatoriums.com and knowingly refers to the Complainant.

On balance, an ordinary consumer will believe that the domain name registered by the Respondent is owned by the Complainant and will access the website and book the stay in one of the offered hotels only due to its misleading character assuming that the reservation service is provided directly by the Complainant. Moreover, the Respondent contributes to the confusion of the public by using the blue-green color as well as the same composition of the website as is used by the Complainant, obviously to evoke the characteristic trade dress of the Complainant. The confusion is more likely as the Respondent uses as an icon of the website letter “S” similarly as the Complainant. Furthermore, the Respondent created the account Sanatorium.com on YouTube and creates competing videos which have the same concept as the Complainant´s videos in which Vladyslav Burya represents the Complainant and the mark “SANATORIUMS.COM”. Vladyslav Burya identically performs in the Respondent’s videos. The ordinary person is not able to recognize that the Respondent is different from the Complainant. The confusion of the consumer is even more likely as Vladyslav Burya, as former employee of the Complainant (now due to conflict with the Complainant Vladislav Burya works for the Respondent), performs also on the Complainant’s popular YouTube videos.

B. The Respondent has no right or legitimate interests in respect of the domain name

No evidence suggests that the Respondent owns any identical or similar trademark before the beginning of this dispute. The Complainant did not grant any license or authorization to register or use the disputed domain name by the Respondent. The use of the Complainant’s mark on every page of the disputed website in the absence of Complainant’s authorization represents illegal unauthorized conduct of the Respondent. Further, the respondent was established on October 6, 2017 while the Complainant was established on June 13, 2014, in other words far before the Respondent. This proves that the respondent tries to imitate the Complainant.

The traffic on Respondent´s website under the domain name SANATORIUM.COM is very low (it can be assumed that most

visitors are misled clients of the Complainant). Similarly, the YouTube channel of the Respondent sanatorium.com which mimic the Complainant´s channel has only 15 subscribers and the videos have been seen by only 15,000 viewers (comparing to 869,225 viewers of the Complainant). It is clear that the Respondent established its business solely on the reputation of the Complainant and its mark “SANATORIUMS.COM”.

Before the dispute the Respondent did not use the disputed domain name or a name corresponding to the disputed domain name in connection with a bona fide offering of goods or services because he used the mark to bait Internet users and then switch them to his competing service. The Respondent attempts to mimic the look and feel of Complainant’s marks on a website designed to confuse Internet users about Complainant’s relationship to the disputed domain name, which has resulted in an actual confusion by Internet users and Complainant´s clients.

The Respondent was seeking to create a false impression of association with the Complainant, which does not constitute a bona fide offering of goods or services or a legitimate non-commercial or fair use of the disputed domain name.

C. The domain name has been registered and is being used in bad faith

There is no indication that the disputed domain name was registered and is used bona fide. The Respondent was clearly aware of the registration and the use of the Complainant´s mark before the registration of the domain name as follows from the Respondent´s email communication to the Complainant´s clients as well as from the connection of the disputed domain name with Vladyslav Burya. This is supported by the fact that the Respondent´s websites and marketing copy the Complainant´s trade dress. Further the Respondent targets advertisement through Google Adwords on the mark of the Complainant. This supports the existence of bad faith on the Respondent´s side and its knowledge of the mark “SANATORIUMS.COM”.

Vladyslav Burya is a minority shareholder of the Complainant who had access to all information related with the services presented under the mark “SANATORIUMS.COM”, but after a dispute with other shareholders decided to create identical, competing reservation system under the disputed domain name for the Respondent and cooperate with the Respondent. Vladyslav Burya is also performing in the Respondent´s videos on YouTube and the Complainant was many times confronted by its own clients that they were electronically contacted by Vladyslav Burya (acting on behalf of the Respondent) who sent them a newsletters explaining that he started his own reservation system under sanatorium.com and offered them Respondent´s services. Vladyslav Burya and the Respondent misused e-mail addresses given by the clients to the Complainant for their business purposes without the Complainant´s permission what establishes also the criminal liability of the Respondent and clearly shows bad faith in the purchase of the contested domain name. The Complainant´s clients started to be confused whether sanatoriums.com and sanatorium.com belong to the Complainant or not.

From the all above mentioned facts proving intention of the Respondent to create competing service to the Complaint´s service using mark of the Complainant, it is evident that the disputed domain name was registered primarily for the purpose of disrupting the business of the competitor (the Complainant).

The disputed domain name is used by the Respondent to reach the Complainant´s customers and offer them the identical (and therefore competing) service as is offered by the Complainant on its website. This suggests (incorrectly) that the Respondent operates as an affiliate or a partner of the Complainant. The quality of the service provided by the Respondent is not under the Complainant´s control and therefore his service can very easily harm good reputation built by the Complainant for years.

The Respondent uses the Complainant´s mark solely for the commercial gain to misleadingly divert the Complainant´s consumers and to tarnish the marks at issue by creating the likelihood of confusion with the Complainant´s marks and to abuse the good reputation of this mark and the Complainant in its favour.

Factors finding in favour of the conclusion that the domain name has been registered and is being used in bad faith are mainly similarity between the Complainant’s official web site and the web site under the disputed domain name and the identical presentation on the marketplace, as well as a clear indication that the Respondent was aware of Complainant’s

marks and Respondent´s illegal communication with the Complainant´s clients.

Furthermore, it was repeatedly held that the use of a proxy service by the true owner hidden behind the Respondent is often by itself an indicator of bad faith.

RESPONDENT:

The Respondent raises an objection that the Czech Arbitration Court has no subject-matter jurisdiction and the procedural language should be Czech and not English. The Respondent further claims that there are 30 companies in the Czech Commercial Register whose company name includes the same term “sanatorium”. This term is therefore common and with no sign of origin that it cannot be granted special protection, and no one can claim the right to such a designation and this term is not a registered trademark.

RIGHTS

The Complainant has not, to the satisfaction of the Panel, shown the disputed domain name is identical or confusingly similar to a trademark 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

The Panel did not consider whether the Respondent has rights or legitimate interests in respect of the disputed domain name (within the meaning of paragraph 4(a)(ii) of the Policy).

BAD FAITH

The Panel did not consider whether the disputed 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 has to answer two procedural objections of the Respondent related to the competence of the Czech Arbitration Court to administer this domain name dispute and the language of the proceedings.

The Czech Arbitration Court (with full name Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic) is one of the Dispute Resolution Service Providers approved by ICANN (Internet Corporation for Assigned Names and Numbers) as confirmed on ICANN’s webpage https://www.icann.org/en/dndr/udrp/approved-providers.htm.

The Uniform Domain Name Dispute Resolution Policy (“Policy”) has been adopted by ICANN and is applicable across all gTLDs (generic top level domains) including the .COM domain. The Policy is incorporated by reference into each registration agreement between the respective registrar and its customer (the domain name holder or registrant) and sets forth the terms and conditions in connection with a dispute between the domain name holder and any party other than the registrar over the registration and use of an Internet domain name registered by the domain name holder.

Proceedings under Paragraph 4 of the Policy (Mandatory Administrative Proceeding) are conducted according to the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the selected administrative-dispute-resolution service provider's supplemental rules.

Each domain name holder is required to submit to a mandatory administrative proceeding in the event that a third party (a "complainant") asserts to the applicable dispute resolution service provider, in compliance with the Rules of Procedure, that (i) the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and (ii) the domain name holder has no rights or legitimate interests in respect of the domain name; and (iii) the domain name has been registered and is being used in bad faith.

Therefore, the Respondent is required to submit to a proceeding initiated by the Complainant with respect to the disputed domain name. The competence of the Czech Arbitration Court as the UDRP dispute resolution service provider is therefore based on the registration agreement conducted between the Respondent and the registrar of the disputed domain name. The respective proceeding is not the arbitration proceeding within the meaning of any of the arbitration acts within any of the world systems of law.

Unless otherwise agreed by the parties the language of the proceedings is the language of the registration agreement (Paragraph 11 of the Rules). As the registrar confirmed that the language of the registration agreement is English in this case, and there is no other agreement of the parties, the language of this proceeding shall be English.

Therefore, the Panel is satisfied that all procedural requirements under UDRP were met and there is no other reason why it would be inappropriate to provide a decision.

PRINCIPAL REASONS FOR THE DECISION

For the Complainant to succeed it must prove, within the meaning of paragraph 4(a) of the Policy, that:

(i) The domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
(ii) The respondent has no rights or legitimate interests in respect of the domain name; and
(iii) The domain name has been registered and is being used in bad faith.

All these three elements must be proved simultaneously.

I. Domain Name Is Identical or Confusingly Similar to a Trademark or Service Mark

The Complainant claims that it owns common law rights in unregistered mark SANATORIUMS.COM which became a distinctive identifier associated with the Complainant and its services.

The disputed domain name is SANATORIUM.COM. For the purpose of the assessment of the rights in unregistered mark, the suffix COM (gTLD) should not be taken into account both in case of the unregistered mark and the disputed domain name as the relevant gTLD is the essential part of each domain name and presence of this suffix in the mark doesn't mean nothing for the distinctiveness of the mark.

It is important in this case that the term "SANATORIUMS" as the plural of the term "SANATORIUM" is a descriptive term which is not inherently distinctive.

It is not necessary to have a registered trademark in order to prove the identicality or similarity according the paragraph 4(a) (i) of the Policy. Many UDRP panels have held that it is possible to obtain unregistered trademark rights to satisfy the requirements of this paragraph. However, to establish unregistered or common law trademark rights for purposes of the UDRP, the complainant must show that its mark has become a distinctive identifier which consumers associate with the complainant's goods and/or services. Relevant evidence demonstrating such acquired distinctiveness (also referred to as secondary meaning) includes a range of factors such as (i) the duration and nature of use of the mark, (ii) the amount of sales under the mark, (iii) the nature and extent of advertising using the mark, (iv) the degree of actual public (e.g., consumer, industry, media) recognition, and (v) consumer surveys (section 1.3 of the WIPO Jurisprudential Overview 3.0).

The Complainant presented an evidence to prove the duration and nature use of the mark, the amount of sales under the mark, the number of customers and reservations, number of visitors of the Complainants web page, the nature and extent of advertising (using Facebook, Instagram, YouTube, Yandex, Google or other servers). However, the Panel could not automatically accept an assertion of unregistered trademark rights but will examine the evidence which may establish that the Complainant holds rights in an unregistered trademark, especially in the case of the generic terms.

The terms SANATORIUM/SANATORIUMS are descriptive terms not being inherently distinctive as noted above. In cases involving unregistered or common law marks that are comprised solely of descriptive terms which are not inherently distinctive, there is a greater onus on the complainant to present evidence of acquired distinctiveness/secondary meaning (section 1.3 of the WIPO Jurisprudential Overview 3.0).

Therefore, the Panel expects that the Complainant presents not only that it promotes or uses the unregistered mark, but that the mark acquired the distinctiveness or secondary meaning. The promotion of the mark nor the use of the mark itself doesn't mean that the mark acquired the distinctiveness.

It is not sufficient to say that a lot of customers bought Complainant's goods or services. It is necessary to establish the certain knowledge of the mark by the public (not only the customers). As stated in the WIPO Jurisprudential Overview 3.0, the public knowledge could be proved by the degree of the public recognition or the consumer surveys. Such surveys should contain the view not only of the Complainant's customers who know the Complainant just because they are the customers. The survey should cover the relevant part of public in order to know, whether the appropriate part of the respondents is informed about the Complainant's trademark and whether this mark is connected with the Complainant in the view of such appropriate part of the respondents.

And it is not sufficient to say that a lot of people viewed the Complainants advertisement. To establish the certain knowledge of the mark, the Complainant must prove that such people connects the trademark with the Complainant and the trademark, therefore, acquired the distinctiveness or secondary meaning.

It has been accepted that a Panel may undertake limited factual research into matters of public record if it would consider such information useful to assessing the case merits and reaching a decision. It has been especially accepted that the Panel may access trademark registration databases (section 4.8 of the WIPO Jurisprudential Overview 3.0). Using this power, the Panel found out that there were several registered trademarks with the term "SANATORIUM" within the trademark registered by EUIPO or the Czech Industrial Property Office (as both Parties are registered Czech companies). Besides that, there could be more unregistered marks with term "SANATORIUM/SANATORIUMS" used within the trademark as these terms are generic terms and it could be hard to register the trademark with such a generic term within certain jurisdictions.

It is clear in this case that there are many other users of marks and signs containing the term SANATORIUMS (or SANATORIUM in the singular) and the term is a common dictionary word available to all in its common meaning. And it is also clear that the Complainant uses the term SANATORIUMS in its common meaning, i.e as the medical center with the health procedures and accommodation, as it is providing the booking service for the spa hotels, i.e. for the sanatoriums. The Complainant's use of this term is therefore specialized on the sanatoriums booking service, not the general booking, and therefore, cannot acquire the distinctiveness for the general booking service.

On the totality of the evidence and on the balance of probabilities, taking into account the plethora of users of trading names or trademarks identical or similar to "sanatorium/sanatoriums" (including the unregistered trademarks combining one of these term with the name of the accommodation facility), particularly in the field of spa hotel accommodation, the Panel finds that the Complainant has not sufficiently demonstrated secondary meaning of the unregistered trademark that identifies it solely (or at least primarily) with the Complainant, probably not even in the countries where the Complainant operates (Central and Eastern Europe). In other words, the Complainant did not show that mark SANATORIUMS.COM has become a distinctive identifier which consumers associate with the Complainant or Complainant's goods and/or services.

There is another matter to which the Panel should draw attention. It follows from the Complainant's assertion, that there was a close cooperation between the Complainant and Mr. Vladislav Burya who is a minority shareholder of the Complainant. The Complainant claims that Mr. Burya cooperates with the Respondent and both of them misuse the Complainants e-mail database and harm the Complainant's business. It is clear to the Panel that the dispute between the Parties is not entirely a domain name dispute but a much wider commercial dispute, that includes the trade secrets breach, personal data abuse or unfair competition, which cannot be resolved within the limited scope of the UDRP, which is intended for clear cases of abusive domain name registration and use.

The Panel finally finds that the Complainant does not have rights in “SANATORIUMS” nor “SANATORIUMS.COM” as an unregistered trademark within the meaning of paragraph 4(a)(i) of the Policy.

II. Rights or Legitimate Interests

As the first element within the meaning of paragraph 4(a)(i) of the Policy has not been met, the Panel did not consider whether the Respondent has no rights or legitimate interests in respect of the disputed domain name within the meaning of paragraph 4(a)(ii) of the Policy.

III. Domain Name Registered and Used in Bad Faith

As the first element within the meaning of paragraph 4(a)(i) of the Policy has not been met, the Panel did not consider whether the disputed domain name has been registered and is being used in bad faith within the meaning of paragraph 4(a)(iii) of the Policy.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Rejected

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

1. **SANATORIUM.COM**: Remaining with the Respondent

PANELLISTS

Name	**JUDr. Petr Hostaš**

DATE OF PANEL DECISION 2018-12-05

Publish the Decision