Decision for dispute CAC-UDRP-103991

Case number	CAC-UDRP-103991
Time of filing	2021-08-26 10:06:42
Domain names	DROMOS.NET

Case administrator

Organization	Denisa Bilík (CAC) (Case admin)

Complainant

Organization	Dromos Technologies AG

Complainant representative

Organization	Sonnenberg Harrison Partnergesellschaft mbB

Respondent

Organization	Miyow Pty Ltd

OTHER LEGAL PROCEEDINGS

The Complainant has issued proceedings before a court in Munich, Germany which relate to the extent of its intellectual property rights relative to those of the Respondent and related parties. The Respondent asserts that these encompass the disputed domain name. This is not accepted by the Complainant.

IDENTIFICATION OF RIGHTS

The Complainant is the owner of a German trade mark, registration number 302020118505, for DROMOS, filed on December 18, 2020 and registered on July 13, 2021 in classes 9, 12, 39 and 42.

FACTUAL BACKGROUND

The Complainant company was founded in 2019 and is active in the field of autonomous driving. What the Complainant describes as its predecessor company, Dromos GbR, was founded, which became active in the market in 2018. The domain name <dromos.network> has been in use since that date. The Complainant provides goods and services under the name DROMOS and has obtained a German trade mark for DROMOS, full details of which are provided above.
The disputed domain name was registered on February 17, 2021.

PARTIES CONTENTIONS

PARTIES' CONTENTIONS:

COMPLAINANT:

The registrant of the disputed domain name is Miyow Pty Ltd, a company associated with a Mr Lars Herold and with other entities, namely Green Light Group Pte Limited and Dromos Transit Pte. Mr. Herold had been the Chief Executive Officer of the Complainant but was removed from that position in July 2021. Mr Herold does not hold rights in the name DROMOS and the disputed domain name was registered without the Complainant's knowledge. Notwithstanding that Mr. Herold owns the majority of shares in the Complainant does not change the fact that only the Complainant holds rights in the DROMOS mark and, indeed, Mr Herold filed the trade mark application for DROMOS on behalf of the Complainant.

Mr. Herold is also a shareholder of Green Light Group Pte Ltd. This company used the name "Dromos" with knowledge of the Complainant in 2018 and 2019, when the Complainant was in the process of formation, after which point it was agreed that only the Complainant should act under the name "DROMOS".

The website to which the disputed domain name resolves consists of a single page. It also states that Mr. Herold is the founder of the so-called "Dromos Group" and that the Complainant is a member of it. This is incorrect. The Respondent does not have any rights in the name "DROMOS" or any similar name. The burden of proof lies with the Respondent to show that it does.

The disputed domain name was registered in bad faith in order to prevent the Complainant from reflecting its mark in a corresponding domain name. It was also registered primarily for the purposes of disrupting the business of a competitor. By using the disputed domain name, the Respondent has intentionally attempted to attract, for commercial gain, Internet users to its website or other online location by creating a likelihood of confusion with the Complainant's mark as to the source, sponsorship, affiliation or endorsement of its website or a product or service on it.

RESPONDENT:

The Respondent says that it holds the disputed domain name on behalf of Dromos Transit Pte, which is a subsidiary of Green Light Group Pte ("GLG"). GLG has been developing autonomous network transit technology since 2014 and created the "Dromos" name and branding in early February 2018. The Respondent and GLG have the same shareholders. GLG also owns 54% of the shares in the Complainant. The Complainant was established in order to provide research and development for autonomous network transit technology in Germany.

The Complainant has failed to disclose that it has instituted legal proceedings, before the Regional Court of Munich, Germany, one week before filing the Complaint, which deal with the subject matter of this administrative proceeding.

The parties have been in dispute over the direction and control of the Complainant since early 2021. A critical issue has been the right of the Complainant to licence IP developed by GLG since at least 2014. The original agreement between the parties provided that Dromos would operate through a non-German holding company, that shares in the Complainant would be held by the operating company and that Mr Herold would be the CEO of the Dromos Group. The minority shareholders have refused to abide by the terms of the agreement and the parties have been in stalemate over control of the Complainant. GLG informed the minority shareholders that in the absence of an agreement by July 15, 2021, it would implement the original agreement for operating through a global holding company.

On August 3, 2021, no such agreement having been reached, GLG's legal counsel sent a cease and desist letter to the minority shareholders and the Complainant requiring them, amongst other matters, to cease using GLG's intellectual property which included the name and trade mark DROMOS and to transfer the domain name <dromos.network> to GLG. On August 24, the legal counsel for the Complainant responded indicating that it had filed a lawsuit with the Regional Court in Munich in response to the Respondent's claim letter. The lawsuit is therefore clearly dealing with issues relating to use of the DROMOS name, which will include the disputed domain name. Neither these proceedings nor the lawsuit issued in the court in Munich have been authorised by the Supervisory Board of the Complainant.

ADDITIONAL SUBMISSIONS - COMPLAINANT

Both parties have filed supplemental and responsive submissions which the Panel is exercising its discretion to consider, notwithstanding that the parties have not always clearly articulated why a number of their assertions relate to the specific issues which the Panel is required to consider.

By way of its reply to the Respondent's Response, the Complainant says that it is authorised under Germany law to bring these proceedings. It says that the proceedings it has issued before the Regional Court in Munich do not relate to the disputed domain name. They only relate to the Complainant's intellectual property and, as of now, the Complainant is not the proprietor of the disputed domain name. Contrary to the Respondent's assertion, it is incorrect that the Dromos GbR was only founded in August 2019. In fact, it was active from February 2019. Moreover, the <dromos.network> domain name was registered for the Dromos GbR and that entity paid for the registration and ongoing costs relating to it. Contrary to the Respondent's assertions, it is incorrect that the parties initially agreed to set up a holding company in Singapore. In fact, whilst the relevant agreement stated that the three founders would set up a project company outside Germany and the structure and relationship of the holding company was never agreed upon.

ADDITIONAL SUBMISSIONS - RESPONDENT

The Respondent's additional submission takes issue with whether the proceedings which the Complainant has issued before the German court will deal with the question of ownership of the disputed domain name. It says that the fact that those proceedings have not been disclosed by the Complainant should lead the Panel to infer that they will, in fact, address the ownership of the disputed domain name. It raises issues concerning the status and activities of the Dromos GbR.

The Respondent addresses the Complainant's assertion that the <dromos.network> domain name was registered for the benefit of the Dromos GbR. It raises a number of other matters, many of which do not have a direct bearing on the issues the Panel is required to consider, save that the Respondent has also alleged that the Power of Attorney pursuant to which the Complainant claims to be enabled to bring these proceedings was actually created several weeks after the proceedings were issued.

RIGHTS

The Complainant has, 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 Complainant has not shown the Respondent to have no rights or legitimate interests in respect of the disputed domain name (within the meaning of paragraph 4(a)(ii) of the Policy).

BAD FAITH

In the light of the finding in relation to the second element, it has not been necessary or, on the facts of this case, appropriate, for the Panel to consider the third element.

PROCEDURAL FACTORS

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

Paragraph 4(a) of the Policy requires that the Complainant prove each of the following three elements in order to succeed in its Complaint:

(i) the disputed domain name is identical or confusingly similar to a trade mark or service mark in which it has rights; and

(ii) the Respondent has no rights or legitimate interests in respect of the disputed domain name; and

(iii) the disputed domain name has been registered and is being used in bad faith.

Rights

The Complainant's has established that it has a German trade mark registration for DROMOS, full details of which are set out above. Notwithstanding the substantive dispute between the parties as to ownership of the rights in the DROMOS name, which are addressed further below, the Complainant is shown as the owner of that mark. For the sole purpose of considering the first element, the Panel does not look behind the current record of ownership of the mark as recorded at the German Patent and Trade Mark Office and therefore, for this reason alone, finds that the Complainant has rights in the mark DROMOS.

When comparing the disputed domain name with the Complainant's mark, it is established practice to disregard the generic Top-Level Domain, that is ".net" in the case of the disputed domain name, as this is a technical requirement of registration. The remaining element of the disputed domain name is identical to the Complainant's mark. The Panel therefore finds that the disputed domain name is identical to a domain name in which the Complainant has rights.

No rights or legitimate interests

The second element of the Policy requires that the Complainant establish that the Respondent has no rights or legitimate interests in the disputed domain name. The Complainant must prove its case in relation to each element of the Policy on a balance of probabilities. Because of the difficulty in establishing a negative, the generally adopted approach by UDRP panels, when considering the second element, is that, if a complainant makes out a prima facie case, the the burden of proof shifts to the respondent to rebut it; see, for example, CAC Case No. 102333, Amedei S.r.l. v sun xin.

However, the burden of proof still remains with the Complainant to make out its case on a balance of probabilities; see, for example, CAC Case No. 102263 , Intesa Sanpaolo S.p.A. v Ida Ekkert. Moreover, the wording of paragraph 4(a)(ii) of the Policy requires a complainant to establish that the respondent has no rights or legitimate interests in the domain name in issue. Simply establishing that the complainant also has rights in the domain name in issue, or even that it has greater rights in the domain name than the respondent, is insufficient.

Paragraph 4(c) of the Policy sets out circumstances by which a respondent might demonstrate that it has rights or a legitimate interest in a domain name. These are, summarized briefly: if the respondent has been using the domain name in connection with a bona fide offering of goods and services, if the respondent has been commonly known by the domain name, or if the respondent has been making a legitimate noncommercial or fair use of the domain name. These circumstances are expressed to be without limitation. In other words, a respondent can establish rights or a legitimate interest on some other basis.

Before considering how this element of the Policy applies to the current proceedings, it is necessary to set out a chronology of some of the key issues and evidence, drawn from the extensive documentation provided by both parties. For ease of reference, save where the context otherwise requires, "GLG" is used below to refer to both Green Light Group Pte and/or the broader GLG group of companies comprising Green Light Group Pte, the Respondent and Dromos Transit Pte.
- Early February 2018 – Mr Herold on behalf of GLG conceived of the "DROMOS" name, logo and branding. This claim, asserted by the Respondent, does not appear to be challenged by the Complainant;
- February 2018 - the domain name <dromos.network> was registered. Exactly on whose behalf, and for whose use, this domain name was registered is in dispute between the parties;
- February 2018 - commencement of use of the DROMOS brand in the course of projects on which the Complainant was working;
- February 2018 –GLG produced, for its own use, DROMOS-branded presentations relating to autonomous urban mesh transport;

- May 2018 –GLG referred to itself as “Dromos” when entering into a confidentiality agreement with a third party;
- August 2018 - a memorandum of understanding entered into between GLG and a third party which mentioned that “Dromos is a project of Green Light Group Pte Ltd…”;
- September 2018 –the Respondent promoted a “a Dromos Autonomous urban transport system” to a prospective customer, via an email using the <dromos.network> domain name;
- April 2019 – GLG entered into an agreement with another third party containing a similar recital to the August 2018 agreement referred to above, which included in the recitals a claim that “Dromos is a specialist in urban high-density transportation”;
- October 23, 2019 - a Founders Agreement was entered into by individuals connected with the Dromos initiative which provided for the incorporation of the Complainant and recited, amongst other matters, that the parties to the Agreement would assign their respective intellectual property in the “Dromos Technology” by way of licence in exchange for the issuance of voting shares in the Complainant;
- June 8, 2020 – the Complainant’s application for an EU trade mark for DROMOS was rejected on the grounds of lack of distinctive character;
- December 18, 2020 – the Complainant applied for a DROMOS trade mark in Germany, which was registered on July 13, 2021;
- February 16, 2021 – registration of the disputed domain name by the Respondent;
- July 1, 2021 –GLG terminated the shareholders’ agreement with the Complainant alleging it had violated its terms;
- July 2, 2021 GLG incorporated a company in Singapore, Dromos Transit Pte.Ltd. The website of this company included the claim that “In January 2018 Green Light Group organised its activities in the ANT field under the Dromos Group” and that the group included the Respondent;
- August 3, 2021 – a claim letter was sent by lawyers for GLG putting Respondent on notice of its intellectual property rights, and its claims of ownership in respect of the projects. Much of the intellectual property concerns technical features of the networks but the claim letter also asserted that GLC’s intellectual property also includes “the name and trademark “Dromos” and logo, conceived and designed by GLG by January 2018 before the start of the collaboration, the domain name “dromos.network”…..”. The claim letter stated that “GLG has not licensed GLG IP to DTAG and has no intention to do so”;
- August 3, 2021 - response from the Complainant to the claim letter which stated, amongst other matters, that “it is to be noted that the entire IP developed in the Dromos GbR can be used by all partners of the GbR, regardless of who developed it”;
- August 24, 2021 - the lawyers for the Complainant replied indicating that a lawsuit was filed in the Munich Regional Court on August 23, 2021 in order to deal with the issues raised by the GLG claim letter.

Some idea of the factual complexity of the position may be evident from the fact that the Complainant has filed a total of 16 exhibits to supplement its submissions and the Respondent has filed 27 exhibits. But, even now, some pieces of the jigsaw are missing – for example, not all the agreements between the parties and their associated entities have been disclosed, nor have the proceedings issued before the German court been provided and so their exact ambit is unclear.

In the light of the inherent factual complexity of this dispute coupled with the fact that, despite extensive disclosure, not all material documents have been produced, the Panel proceeds with some caution to assess whether the Complainant has made a prima facie case under the second element and, if so, whether the Respondent has met the burden of production. The central issue is the extent to which the Respondent may have retained any rights to use the name DROMOS. If it has such rights, then the Complainant is unlikely to be able to establish that the Respondent has no rights or legitimate interests in respect of the disputed domain name.

The following is evident from the chronology set out above;

(1) Up until at least October 2019, GLG (which includes the Respondent) was also using the mark DROMOS in connection with the promotion of autonomous vehicle goods and services and the Complainant acknowledges it was entitled to do so up to that point. The group of companies of which the Respondent is part continues to use the DROMOS name, albeit its right to do so is now disputed;

(2) In October 2019, a Founders Agreement was entered into by the key individuals in the companies involved in this dispute

that they would assign their respective intellectual property in the “Dromos Technology” to the Complainant by way of license in exchange for the issuance of voting shares in the Complainant.

The Panel notes, first, that GLG was not itself a party to the agreement, that is, the obligations in the Founders Agreement were directly binding on the individuals rather than on Green Light Group Pte or any of the other corporate entities involved in this dispute. Second the agreement does not expressly seem to deal with whether the parties envisaged that the assignors of the relevant intellectual property and/or the companies with which they were connected would retain any residual rights to use their own IP, notwithstanding the licences to the Complainant. Third, it is unclear whether the “Dromos Technology” to be assigned, which is defined as relating to “the development and instantiation of the Dromos Autonomous Network technology” was intended to embrace the parties’ trade mark rights as well as the technology. Finally, the rights and remedies of the parties (including the corporate entities which were not parties to the Founders Agreement), so far as assigned intellectual property was concerned, in the event of breach of contract or other non-contractual misconduct by a party to the Founders Agreement, are unclear.

It may that issues of this detail were to be resolved in subsequent agreements or that close analysis of all the relevant clauses in the Founders Agreement and any associated or subsequent agreements might produce answers to the issues articulated above. That said, the correspondence between the parties’ lawyers coupled with the issue of proceedings before the Regional Court in Munich suggests that the question of ownership of intellectual property, whether or not including the DROMOS name, is far from clear. The Panel notes, however, the assertion made on behalf of the Complainant in their response to GLG’s claim letter of August 3, 2021 namely that “it is to be noted that the entire IP developed in the Dromos GbR can be used by all partners of the GbR, regardless of who developed it”.

Against this complex background, the Complainant has not established in these proceedings, on a balance of probabilities, that it now has exclusive rights in the DROMOS trade mark, such that it can be said that, as a consequence, the Respondent has no rights or legitimate interests in the disputed domain name. Accordingly, the Complainant has not succeeded in establishing the second element under the Policy.

It is important to emphasise that the Policy is designed to deal with plain and obvious cases of cybersquatting. It is not designed to determine complex issues of fact of the type in issue here. See; Roger Martin v. Sandra Blevins, Social Design, WIPO Case No. D2016-0181. See also IL Makiage Cosmetics (2013) Ltd. v. Mark Rumpler / Mordechai Rumpler / Domains By Proxy, LLC, WIPO Case No. D2015-2311 and the comment of the panel that; “The issues raised by the Complainant here exceed the relatively narrow confines of the Policy, which is designed chiefly to address clear cases of “cybersquatting” … and are properly to be decided by appropriate judicial means as previous UDRP panels have consistently held in similar circumstances.”.

The decision of the Panel is based on the documents provided by the parties which, whilst extensive, are evidently only part of a complex and wide-ranging dispute. The Panel’s decision is not binding on a court and does not preclude the parties resolving their dispute in court proceedings, should they so choose.

Bad faith

The Panel having found that the Complainant has failed to establish the second element, it is neither necessary nor (on these facts) appropriate for the Panel to consider the third element under the Policy.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Rejected

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

1. **DROMOS.NET**: Remaining with the Respondent

PANELLISTS

Name	**Antony Gold**
DATE OF PANEL DECISION	2021-10-16

Publish the Decision