

## Decision for dispute CAC-UDRP-104306

Case number CAC-UDRP-104306

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Domain names škoda.com

### Case administrator

Organization Iveta Špiclová (Czech Arbitration Court) (Case admin)

### Complainant

Organization ŠKODA AUTO, a.s.

### Complainant representative

Name JUDr. Jiří Čermák advokát

### Respondent

Name Oleg Frgacic

#### OTHER LEGAL PROCEEDINGS

The Panel is not aware of any other legal proceedings which are pending or decided and which relate to the disputed domain name.

#### IDENTIFICATION OF RIGHTS

In this proceeding the Complainant relies on a number of trademarks with the „ŠKODA“ word element, including the following:

- The international verbal trademark ŠKODA, Reg. No. 197564D, registration date is December 24, 1956;
- The international verbal trademark ŠKODA, Reg. No. 991107, registration date is October 15, 2008;
- The international verbal trademark ŠKODA, Reg. No. 1265214, registration date is May 4, 2015.

The Complainant also refers to its EU trademark applications No. 017991862 and 017874242.

#### FACTUAL BACKGROUND

The Complainant is the largest automobile manufacturer in the Czech Republic, with a tradition of more than 120 years.

The Complainant has a number of trademarks with the "ŠKODA" word element including the ones cited above.

The disputed domain name has been registered on January 29, 2003 and is currently used for PPC links.

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#### PARTIES CONTENTIONS

##### PARTIES' CONTENTIONS:

##### COMPLAINANT:

THE DISPUTED DOMAIN NAME IS IDENTICAL OR CONFUSINGLY SIMILAR TO A TRADEMARK OR SERVICE MARK IN WHICH THE COMPLAINANT HAS RIGHTS.

The Complainant is the largest automobile manufacturer in the Czech Republic with a tradition of more than 120 years. The first ŠKODA car was launched onto market in 1928.

In terms of its revenues, the Complainant had been the largest Czech company and, at the same time, the largest Czech exporter and one of the most prominent Czech employers in the long term.

In 1991 the Complainant became part of the German concern Volkswagen, whereby it has further strengthened its influence on the European automotive market. In addition to Europe, ŠKODA branded automobiles are further successfully exported abroad, with the Complainant having its sales agencies in Asia, Africa, South America, and Australia. The Complainant is also the holder of rights to a number of trademarks for the "ŠKODA" word element.

The disputed domain name was registered on January 29, 2003 and does not resolve to a website with genuine content, but instead to a site with automatically created links to third party content (websites) which is related to cars and automotive industry in general. In addition, the Complainant claims that the website by the disputed domain name includes a statement "buy this domain".

The Complainant states that the disputed domain name is confusingly similar with the Complainant's trademarks since it incorporates the verbal element of the Complainant's trademarks. The suffix ".com" does not have any distinctive meaning in the given case.

THE RESPONDENT HAS NO RIGHTS OR LEGITIMATE INTERESTS IN RESPECT OF THE DISPUTED DOMAIN NAME.

The Complainant claims that the Respondent is in no way affiliated to the Complainant or any company belonging to the same group as the Complainant and has no rights to the Complainant's trademarks or any other rights that would entitle the Respondent to register the disputed domain name.

Neither the Complainant nor any of the companies in the Complainant's group has granted any license to the Respondent to use Complainant's trademarks or other intellectual property belonging to the Complainant.

The Respondent is not known under the designations of "Skoda" or "Škoda".

The Respondent registered and is using the disputed domain name that is identical to the Complainant's trademark. The Complainant states that the Respondent is doing so with the intent of profiting from the goodwill of the well-known/famous trademark, because the domain name does not take you to a functioning website, but instead takes you to a site saying "buy this domain".

The absence of a real site indicates that the Respondent's purpose is to sell it back at a higher price. This constitutes a typical example of cybersquatting.

Therefore, the Complainant contends that the Respondent has no right or legitimate interest in respect of the disputed domain name.

THE DISPUTED DOMAIN NAME WAS REGISTERED AND BEING USED IN BAD FAITH.

The Complainant states that it is clear that by adding the top-level domain name postfix ".com" while all other characters of the disputed domain name are identical to the Complainant trademarks, it was Respondent's intention to target Internet users and confuse them about origin of the disputed domain name or its affiliation to the Complainant or his business.

There are several different reasons for such activity, as for example:

- to try to sell the disputed domain name back to the Complainant;
- as a phishing scheme to mimic the Complainant's site, while intercepting passwords or other information which the visitor enters unsuspectingly;
- to install drive-by malware or revenue generating adware onto the visitors' devices;
- to intentionally lure Internet users to the other website for commercial gain by creating a likelihood of confusion;
- to ride on the reputation of the well-known trademark to promote its own products;
- To harvest misaddressed e-mail messages mistakenly sent to the domain.

The Complainant notes that its trademarks were registered way before the registration date of the disputed domain name (some of the Complainant's trademarks were registered in 1956, 2008, while the disputed domain name was registered in 2019).

Since the disputed domain name was registered years after the registration of the Complainant's trademarks, it is obvious that by the moment of the registration of the disputed domain name:

- Given the distinctiveness and reputation of the Complainant's trademark, it is inconceivable that the Respondent could have registered the disputed domain name for a mere chance without actual knowledge of the Complainant's rights in such well-known marks;
- Even if the Respondent had no knowledge of the Complainant's trademark at the time of registration of the disputed domain name, it omitted to verify that the disputed domain name would have infringed the Complainant's earlier rights or, even worse, it verified it and intentionally did so;
- The Respondent intentionally registered the disputed domain name bearing the existence of the Complainant's trademarks in mind to boost its commercial gain by attracting the internet users to use the domain name by creating a likelihood of confusion with the Complainant's trademarks as to the source, sponsorship, affiliation, or endorsement of the disputed domain name.

Thus, the Complainant contends that 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.

## RESPONDENT:

The Respondent's submissions can be summarized as follows.

1. The Respondent is from Croatia from the area of Krk island. In Croatian, particularly in Chacavian dialect, the word „škoda“ is a common word, a synonym for the word „šteta“ (Croatian), which translates to English as: “damage”, “harm”, “loss”. It is a common and every-day word in the local community.
2. The disputed domain name was used for a project which involved creating a web-site and a mobile app. The project was about reporting communal problems to the city authorities via mob app. The project was presented as „Škoda.com – prijavi škodu u svojem kvartu“ (Škoda.com - "Report damage in your neighborhood").
3. The project was presented for the first time in 2005 in a tender for a small grant, and again in 2013. In 2018 a very similar solution was finally accepted, but under a different name „Popravi to“ (Fix that), and later the name was changed to („Gradsko oko“ – City eye – www.oko.hr). Even though it was not used for this project, the domain was kept till today (parked free with sedo.com on name.com) in expectance of a new project where it could potentially be used.
4. The Complainant's website is skoda-auto.com, not skoda.com (which is also not in Complainant's ownership), so there is no risk of confusion.

Furthermore, when searching the Internet with the keyword "škoda", the website of the manufacturer and (re-)sellers are displayed, so there is also no risk of confusion with the website by the disputed domain name.

5. Therefore, the Complainant simply has the same name as the word used every day in the Chakavian dialect of the Croatian language, and as such should be free to use, both in speech and writing, and in the same vein, for any project and website.

The Respondent, therefore, expects that the complaint is to be rejected.

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## 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).

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## NO RIGHTS OR LEGITIMATE INTERESTS

The Complainant has, to the satisfaction of the Panel, 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).

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## BAD FAITH

The Complainant has, to the satisfaction of the Panel, shown 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).

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## 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.

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## PRINCIPAL REASONS FOR THE DECISION

- A. Identical or confusingly similar with Complainant's trademark

The Complainant owns various trademarks with the "ŠKODA" verbal element including verbal "ŠKODA" marks.

As confirmed by WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("WIPO Overview 3.0"), see paragraph 1.2.1: "Where the complainant holds a nationally or regionally registered trademark or service mark, this prima facie satisfies the threshold requirement of having trademark rights for purposes of standing to file a UDRP case".

The Panel notes that trademark applications do not establish trademark rights for the purpose of UDRP (see par. 1.1.4 of WIPO Overview 3.0) and therefore the Panel does not take into account pending EU trademark applications referred to by the Complainant.

The disputed domain name fully incorporates the Complainant's word trademark.

As stated in WIPO Overview 3.0 "It is well accepted that the first element functions primarily as a standing requirement. The standing (or threshold) test for confusing similarity involves a reasoned but relatively straightforward comparison between the complainant's trademark and the disputed domain name. This test typically involves a side-by-side comparison of the domain name and the textual components of the relevant trademark to assess whether the mark is recognizable within the disputed domain name...While each case is judged on its own merits, in cases where a domain name incorporates the entirety of a trademark, or where at least a dominant feature of the relevant mark is recognizable in the domain name, the domain name will normally be considered confusingly similar to that mark for purposes of UDRP standing" (see par.1.7).

The Complainant's word trademark is fully incorporated in the disputed domain name without any additions or alterations.

The Complainant's mark is clearly recognizable within the disputed domain name as there is both visual and phonetic (aural) similarity between the disputed domain name and the Complainant's trademarks. The disputed domain name can be considered identical with the word mark "ŠKODA" of the Complainant.

The gTLD suffix ".com" shall be disregarded under the confusing similarity test as it does not change the overall perception of the disputed domain name.

Therefore, the Panel finds that the first requirement of the Policy has been satisfied.

## B. Rights or Legitimate Interests

Both Parties have made a number of assertions.

The Complainant states that it did not provide any authorization or permission to the Respondent to use its trademarks in the disputed domain name and that the Respondent is not known by the disputed domain name.

The Respondent, on the other hand claims that the disputed domain name was registered for a project dealing with communal problems and the disputed domain name includes a common word in Croatian language (one of its dialects).

Currently the disputed domain name is used for a page hosting PPC links.

The Panel agrees that the word "škoda" is a dictionary word and has meanings in some languages and dialects, including Croatian (as explained by the Respondent) or, for instance, Ukrainian (where «шкода» or "škoda" means "pity").

However, registering dictionary words that have been adopted as trademarks and used as such does not automatically grant rights and legitimate interests to the respondents in UDRP proceedings. Dictionary words very often function as arbitrary trademarks.

The Panel first notes that previous UDRP panels recognized that merely registering a domain name comprised of a

dictionary word does not by itself automatically confer rights or legitimate interests on the respondent and that mere arguments that a domain name corresponds to a dictionary term/phrase will not necessarily suffice.

In order to find rights or legitimate interests in a domain name based on its dictionary meaning, the domain name should be genuinely used, or at least demonstrably intended for such use, in connection with the relied-upon dictionary meaning and not to trade off third-party trademark rights...Panels also tend to look at factors such as the status and fame of the relevant mark and whether the respondent has registered and legitimately used other domain names containing dictionary words or phrases in connection with the respective dictionary meaning (see par. 2.10.1 of WIPO Overview 3.0).

When it comes to use of the disputed domain name for PPC links previous UDRP panels have recognized that the use of a domain name to host a page comprising PPC links would be permissible – and therefore consistent with respondent rights or legitimate interests under the UDRP – where the domain name consists of an actual dictionary word(s) or phrase and is used to host PPC links genuinely related to the dictionary meaning of the word(s) or phrase comprising the domain name, and not to trade off the complainant's (or its competitor's) trademark. However, such use does not confer rights or legitimate interests when where such links compete with or capitalize on the reputation and goodwill of the complainant's mark or otherwise mislead Internet users (see par. 2.9 of WIPO Overview 3.0).

The Respondent made a number of assertions regarding his planned use of the disputed domain name for a social project or his alleged past use of the disputed domain name (i.e. references to a tender for a small grant in 2005 and 2013).

Had the Respondent provided actual information and proof regarding his alleged plans for the project and his use of the disputed domain name in a dictionary sense, the Respondent's arguments would have been valid.

However, the Respondent did not provide any additional information that could confirm his plans in respect of the disputed domain name, i.e. anything that would prove "demonstrable preparations to use" or actual use.

There is nothing in the case file that could prove that the disputed domain name was indeed used or was intended for use in a dictionary sense of the word "škoda" in Croatian as alleged by the Respondent. The mere statements are insufficient to confer legitimate rights and interests.

Some of the PPC links placed on the web page by the disputed domain name are actually related to the Complainant and its car business (e.g.. "Auto Škoda", "Online Sites to Buy Cars").

Past decisions under the Policy have held that such use of a confusingly similar domain name is not a bona fide offering of goods or services"; the Forum Case No. 1894753, "Kimberly-Clark Worldwide, Inc. v. Carolina Rodrigues / Fundacion Comercio Electronico" ("Use of a disputed domain name to divert users to a site containing various commercial hyperlinks is not considered a bona fide offering of goods or services or legitimate noncommercial or fair use under Policy 4(c)(i) or (iii). See Danbyg Ejendomme A/S v. Ib Hansen / guerciotti, FA1504001613867 (Forum June 2, 2015) (finding that the respondent had failed to provide a bona fide offering of goods or services, or a legitimate noncommercial or fair use of the disputed domain name where the disputed domain name resolved to a website that offered both competing hyperlinks and hyperlinks unrelated to the complainant's business)").

While the Panel understands that Respondent's arguments could have been valid, there is nothing on the record that could back up Respondent's position.

The Panel finds that the Complainant has satisfied the second element of the Policy.

### C. Registered and Used in Bad Faith

Paragraph 4(b) of the Policy lists non-exhaustive circumstances indicating registration and use in bad faith.

These circumstances are non-exhaustive and other factors can also be considered in deciding about the bad faith element. Some of such factors are:

- (i) the nature of the domain name;
- (ii) the chosen top-level domain;
- (iii) the content of any website to which the domain name directs;
- (iv) the timing and circumstances of the registration;
- (v) other indicia generally suggesting that the respondent had somehow targeted the complainant (see par. 3.2.1 of WIPO Overview 3.0).

It is well established that bad faith under the UDRP is broadly understood to occur where a respondent takes unfair advantage of or otherwise abuses a complainant's mark (see par. 3.1 of WIPO Overview 3.0). Targeting of the complainant by the respondent is important in establishing bad faith under UDRP.

The Complainant made a number of statements and assertions and some are inconsistent, i.e. referring to the date of the registration of the disputed domain name once as "2019", however it appears from the "whois" record (and also confirmed by the Complainant in the introductory part of its Complaint) that the actual year is 2003 and there is no proof of some of the bad faith instances alleged by the Complainant, e.g. "use for phishing scheme" and "for malware".

At the same time the Panel accepts the fact that the Complainant's "Škoda" marks are indeed well-known, at least in Europe and Central and Eastern Europe in particular. See e.g. CAC Case No. 103310 where the Panel recognized "škoda" mark as "well-known/famous".

At least one of the Complainant's marks had been registered prior to the registration of the disputed domain name (IR No. 97564D), the Complainant and its "Škoda" business has a long history and tradition, the mark is distinctive and the name itself was used well before the registration of the disputed domain name.

UDRP panels have consistently held that "the mere registration of a domain name that is identical or confusingly similar to a famous or widely-known trademark by an unaffiliated entity can by itself create a presumption of bad faith" (see par. 3.1.4 of WIPO Overview 3.0).

The Respondent claims he registered the disputed domain name because "škoda" is a dictionary word in a local dialect of Croatian language in the region where the Respondent lives. The Respondent denies bad faith by saying that this word shall be free to use, „both in speech and writing, for any project and website" and that there is no confusion of Internet users.

When it comes to dictionary words and bad faith, it is often tough for the complainants to establish bad faith. A number of previous UDRP decisions confirm the complexity of this issue, e.g. Air Serbia a.d. Beograd Jurija v. Domains By Proxy, LLC / Meijun Lu, WIPO Case No. D2017-1986 and Glory Ltd. v. MicroStrategy, Inc., WIPO Case No. D2017-1900.

In WIPO Case No. D2017-1986 the Panel denied the complaint and noted that the word "Jat" (the disputed domain name was <jat.com>) was a common idiom in Respondent's linguistic community: " the Panel notes that the word "Jat" has a dictionary meaning referring to an ethnic group of Indo-European people from North India and Pakistan" and "the Complainant's trademark does not exhibit any notable distinctiveness outside the relatively narrow confines of its use as an identifier of air transport services. Greater emphasis has to be given to the fact that there are likely to be multiple alternative meanings or uses of that term which do not necessarily reference the Complainant's trademark...It has not provided any evidence showing or tending to show that the term "jat" is more likely than not to be seen by the public as referencing that trademark as distinct from other possible uses or meanings".

In WIPO Case No. D2017-1900 (the disputed domain name was <glory.com>) the Panel did not find bad faith of the respondent and noted that: "Complainant's GLORY trademark, in turn, is made up of this very term alone and Complainant has not demonstrated that its GLORY trademark is famous or well known (particularly not in the United States where Respondent is located)."

Another factor to consider in this dispute is the fact that the disputed domain name was registered back in 2003. Even if the Respondent became registrant of the disputed domain name at some point later as a result of transfer, the Panel does not have any evidence thereof, thus, assuming that January 29, 2003 is the correct date.

However, the mere delay between the registration of a domain name and the filing of a complaint neither bars a complainant from filing such case, nor from potentially prevailing on the merits and the Panels refused to apply the concept of "laches" in UDRP disputes (see par. 4.17 of WIPO Overview 3.0).

The Panel notes that the Respondent's arguments are not improbable and could be legit under certain circumstances, i.e. had the Respondent provided any actual evidence of his alleged plans to use the disputed domain name for a social project in his area in Croatia, any proof of a contemplated use of the disputed domain name back in 2005 or 2013 (as alleged by the Respondent) or any other proof of his plans, it would have made his case rather strong.

However, no such evidence has been provided by the Respondent.

Current use of the disputed domain name for PPC links is not related to the claimed dictionary meaning of the word "škoda". Even though the links are actually provided by a third party and not the Respondent directly, it is well established that "a respondent cannot disclaim responsibility for content appearing on the website associated with its domain name (nor would such links ipso facto vest the respondent with rights or legitimate interests)" (see par. 3.5 of WIPO Overview 3.0 and e.g. *Billards Toulet v. Damon Nelson - Manager, Quantec LLC/Novo Point, LLC*, WIPO Case No. D2016-2502).

As noted before, the evidence available in this case shows that the links provided on the web page by the disputed domain name are related to the Complainant's activity – cars and automobiles.

Under paragraph 10(a) of the Rules the Panel shall conduct the administrative proceeding in such manner as it considers appropriate in accordance with the Policy and the Rules and the Panel shall be able to independently visit the Internet in order to obtain additional information (see *Société des Produits Nestlé SA v. Telmex Management Services*, WIPO Case No. D2002-0070).

The Panel conducted its own research as to the past use of the disputed domain name via the web.archive.org site and did not find any proof confirming that the disputed domain name was somehow used for a project the Respondent described in his response. As far as the Panel could see the disputed domain name was either offered for sale or used for parking along with the offer for sale.

The Panel notes that the applicable standard of proof in UDRP is "balance of probabilities".

That means a party should demonstrate to a panel's satisfaction that it is more likely than not that a claimed fact is true and the panels may draw certain inferences in light of the particular facts and circumstances of each case e.g., where a particular conclusion is prima facie obvious, where an explanation by the respondent is called for but is not forthcoming, or where no other plausible conclusion is apparent (see par. 4.2 of WIPO Overview 3.0).

This particular case is borderline: the Complainant has strong marks with a long history and reputation, some of which were protected before the registration of the disputed domain name, however some of the Complainant's arguments and assertions were rather declaratory.

On the other hand, the Respondent's assertions are not without grounds taking into account potential possible legitimate

uses of the disputed domain name in the area of Respondent's residence, however they are not supported by any actual evidence.

On the balance of probabilities, the Panel finds in the Complainant's favor taking into account the following:

- Strength of Complainant's "škoda" mark, its popularity in Europe and the fact that the disputed domain name fully incorporates the Complainant's strong mark;
- The fact that at least one of the Complainant's marks was registered before registration of the disputed domain name and taking into account a long history of the Complainant's "Škoda" brand and business. The Complainant's mark and "Škoda" business had been already known by the date of the registration of the disputed domain name (January 29, 2003);
- Geographic proximity of the parties: the Complainant is from the Czech Republic and the Respondent is from Croatia. Unlike in some other cited cases involving dictionary words (i.e. WIPO Case No. D2017-1986 and WIPO Case No. D2017-1900) where the Parties were located far away from each other and it was highly plausible that the respondents did not know about the complainants' marks, in the present dispute it is highly unlikely. One can imagine that a person residing in Singapore did not know about the "JAT" mark that was used by an airline company from Yugoslavia and later Serbia. However, it is highly unlikely that a person residing in Croatia was not aware of the Complainant's "škoda" trademark and business of the Complainant from the Czech Republic;
- The disputed domain name is used for PPC links some which are related to the Complainant's business and this is an additional indication of bad faith;
- As noted above, the mere registration of a domain name that is identical to a widely-known trademark by an unaffiliated entity can by itself create a presumption of bad faith" (see par. 3.1.4 of WIPO Overview 3.0) and this is the case here since the disputed domain name is identical with the Complainant's well-known mark;
- While some of the Respondent's arguments appear to be reasonable, there was no concrete evidence supporting Respondent's statements and, in particular, no evidence whatsoever supporting use of the disputed domain name in its alleged dictionary meaning in the Croatian language dialect.

Based on the facts and available evidence, it is more likely than not that the Respondent registered the disputed domain name with the Complainant's mark in mind.

The Complainant in this dispute prevails on the balance of probabilities.

Therefore, Panel holds that the third requirement of the Policy has been satisfied.

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FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Accepted

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

1. ŠKODA.COM: Transferred

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## PANELLISTS

Name	Igor Motsnyi / Mocni Konsalting doo
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DATE OF PANEL DECISION 2022-03-07

Publish the Decision

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