Decision for dispute CAC-UDRP-100559

Case number	**CAC-UDRP-100559**
Time of filing	**2013-03-07 21:09:35**
Domain names	**XTRANCE.INFO**

Case administrator

Name	**Lada Válková (Case admin)**

Complainant

Organization	**DILIA,... o. s.**

Complainant representative

Organization	**Vyskocil, Kroslak a spol.**

Respondent

Name	**Jan Novak**

OTHER LEGAL PROCEEDINGS

According to the Complainant, there is a "criminal proceeding conducted in the pre-trial phase by the Criminal Police Prague 1 under the file No. ORI-12270/TČ-2011-91-SAN regarding illegal possession and use of the domain name xtrance.info in violation of the Complainant's intellectual property rights. The proceeding has been postponed because the Police could not find the offender of the committed crimes".

IDENTIFICATION OF RIGHTS

The Complainant is the proprietor of Czech national trademark XTRANCE, registered under No. 328384 with the Czech Industrial Property Office (Úřad průmyslového vlastnictví) for services which include providing electronic books to the public (Nice class 38).

FACTUAL BACKGROUND

The Complainant, whose full name is DILIA, divadelní, literární, audiovizuální agentura o. s., is one of several Czech publishers claiming their copyright has been infringed by the unlawful uploading of their works in electronic form on the webpage xtrance.info, where those works have been freely offered for downloading.

The domain name xtrance.info ("the Domain Name") was registered on January 7, 2010. The police investigation was formally initiated by another publisher way of a report of the commission of a crime dated April 29, 2011. The Complainant's XTRANCE trademark was registered on November 14, 2012 upon application filed on April 2, 2012. The police investigation

was suspended on May 31, 2012 because of difficulty in obtaining international assistance to identify the administrator of the Domain Name, which was at the time registered in the name of a privacy service and was hosted in the United States of America.

This Complaint was initiated on March 7, 2013, naming the privacy service as respondent. After the Registrar identified Jan Novak as the registrant, the Complaint was amended to name him as Respondent.

PARTIES CONTENTIONS

PARTIES' CONTENTIONS:

COMPLAINANT:
The Complainant says the Domain Name is identical to the Complainant's Czech national trademark XTRANCE; that the Respondent has no rights or legitimate interests in the Domain Name, which was registered and is being used in bad faith.

As to legitimacy, the website to which the Domain Name resolves is designed to attract Czech customers, being in the Czech language. It offers illegal e-books services and advertises a forum on electronic books. The Respondent registered the Domain Name in order to operate a website offering these illegal services to the public and pop-up advertising. The Respondent could not have acquired any property rights or legitimate interest in a name used since the beginning exclusively for illegal criminal activity. There has been never any bona fide offering of goods or services by the Respondent.

The Complainant contacted the proxy registrant in 2011 and 2013 and was advised to contact the true domain name owner by a form provided on the proxy registrant’s website which did not result in any reply from the real domain name owner.

The sole purpose of the operation of the website at the Domain Name constitutes an illegal activity and diversion of consumers from the legitimate services of the Complainant and its clients. It is aimed to disrupt the legitimate e-book services of the Complainant and its clients and licensees by providing illegal free services and tarnishing the Complainant’s trademark.

As to bad faith, the Complainant admits that its trademark was registered only after the Domain Name was registered in connection with a long planned project for an e-book online marketplace. Even though the Complainant is well aware that generally, a registrant who has registered a domain name prior to the registration of the complainant’s trademark does not violate the UDRP, there are exceptions to this rule. Among such exceptions is a situation where the registrant has registered the domain name with the intent to disrupt a competitor’s business [UDRP 4(b)(iii)].

Here, the Domain Name registration has been executed with the intention to disrupt a competitor’s business which is clearly obvious from the use of a privacy registration service, failure to respond to cease-and-desist letters and from the operation of the website for commercial gain, including the advertisement of other persons’ services.

The Respondent's Intention to disrupt the Complainant’s business is also clear from the website’s only purpose – large scale criminal infringement of copyright of rights holders represented by virtue of law or by contract by the Complainant who licenses their rights to users.

RESPONDENT:

I must respond to some false incrimination.

The Domain Name xtrance.info was registered in January 2010 as a detailed database of authors-writers, books, stories and magazines - it is filled not centrally, but by the user community.

In 2011 the previous administrator had some problems with copyrighted materials - after notice from webhosting, the problems were corrected and now our webpages are fully legal, with no copyrighted material displayed, only links to other public sources with ebooks - freely dowloadable or for purchase. The webpages at xtrance.info are quite popular - now we

have 10.000 registered users, and our database expands every day.

The Complainant registered its trademark 'XTRANCE' in 2012 - more than two years after registration of the Domain Name, at a time when our pages were already very popular.

We beleive that the Complainant wants illegally enrich itself on public familiarity with the Domain Name and that the trademark registration was performed with the purpose of harming us.

Our pages are not commercial, we have no commercial advertising, no fees from users or other companies. We dont have money for lawyers as does the Complainant. We must defend ourselves.

We are not interested in spamming emails from companies such as the Complainant, which is why use the privacy service 'Privacy Protect', which offered us webhosting. They may contact us any time over private messages to the administrator on our webpages.

RIGHTS

The relevant time at which a complainant needs to show that it has trademark rights is the time of filing the complaint. The Complainant has, to the satisfaction of the Panel, shown the Domain Name is identical or confusingly similar to a trademark in which the Complainant has rights (within the meaning of paragraph 4(a)(i)of the Policy).

NO RIGHTS OR LEGITIMATE INTERESTS

Having regard to the Panel's findings in relation to bad faith, it is unnecessary for the Panel to determine whether the Complainant has shown the Respondent to have no rights or legitimate interests in respect of the Domain Name (within the meaning of paragraph 4(a)(ii)of the Policy).

BAD FAITH

The Complainant has not shown, to the satisfaction of the Panel, 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 UDRP were met and there is no other reason why it would be inappropriate to provide a decision.

PRINCIPAL REASONS FOR THE DECISION

It appears to be common ground that the website to which the Domain Name resolves has been used at some stage for the uploading and free downloading of copyright material, in violation of the rights of the copyright holders and/or their licensees, including the Complainant. The Panel is prepared to assume (without deciding) that this was the Respondent's intent when he registered the Domain Name.

The Complainant acknowledges that generally, a registrant who has registered a domain name prior to the registration of the complainant’s trademark does not violate the UDRP, but that there are exceptions to this rule. The Complainant submits that the circumstances contemplated in UDRP 4(b)(iii), namely the registration of a domain name primarily for the purpose of disrupting the business of a competitor, is one of these exceptions.

Paragraph 4(b) of the Policy sets out, without limitation, circumstances which are deemed to provide evidence of both bad faith registration and bad faith use for the purposes of paragraph 4(a)(iii). Sub-paragraph 4(b)(iii) is the only sub-paragraph of paragraph 4(b) that makes no mention of a complainant's trademark.

The Final Report of the WIPO Internet Domain Name Process (April 30, 1999) distinguished, in paragraph 170, between "cyberpiracy", which WIPO defined as "violation of copyright in the content of websites", and "cybersquatting", the "deliberate, bad faith abusive registration of a domain name in violation of rights in trademarks and service marks" . WIPO

recommended in paragraph 169 that the administrative procedure (which became the UDRP) be confined to the latter. The Policy, sub-paragraph 4(b)(iii) must be interpreted with this in mind. It follows that cyberpiracy alone (as defined by WIPO) is insufficient to establish bad faith registration and use under the Policy.

The Complainant rightly notes that, in exceptional cases, a domain name registrant may be found in violation of the Policy even where the complainant's trademark rights did not exist at the time of the registration of the domain name. As the Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition ("WIPO Overview 2.0") puts the consensus view (in paragraph 3.1, omitting cited cases): "Generally speaking, although a trademark can form a basis for a UDRP action under the first element irrespective of its date ..., when a domain name is registered by the respondent before the complainant's relied-upon trademark right is shown to have been first established (whether on a registered or unregistered basis), the registration of the domain name would not have been in bad faith because the registrant could not have contemplated the complainant's then non-existent right....However: In certain situations, when the respondent is clearly aware of the complainant, and it is clear that the aim of the registration was to take advantage of the confusion between the domain name and any potential complainant rights, bad faith can be found. This has been found to occur: shortly before or after a publicized merger between companies, but before any new trademark rights in the combined entity have arisen; or when the respondent (e.g., as a former employee or business partner, or other informed source) seeks to take advantage of any rights that may arise from the complainant's enterprises; or where the potential mark in question is the subject of substantial media attention (e.g., in connection with a widely anticipated product or service launch) of which the respondent is aware, and before the complainant is able to obtain registration of an applied-for trademark, the respondent registers the domain name in order to take advantage of the complainant's likely rights in that mark.

The WIPO overview continues: "Furthermore: Irrespective of whether the domain name was registered before the relevant trademark was registered or acquired, a small number of panels have begun to consider the effect of the requirement of paragraph 2 of the UDRP, which states: "By applying to register a domain name, or by asking us to maintain or renew a domain name registration, you hereby represent and warrant to us that . . . (d) you will not knowingly use the domain name in violation of any applicable laws or regulations. It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights." Some panels have regarded this as a warranty at the time of registration that the domain name will not be used in bad faith, finding that, by breaching such warranty, use in bad faith may render the registration in bad faith. Other panels have looked at the totality of the circumstances in assessing "registration and use in bad faith," as a unitary concept, given that some of the circumstances listed as evidence of bad faith registration and use in paragraph 4(b) of the UDRP appear to discuss only use and not registration. Still other panels that have considered these approaches have instead reaffirmed the "literal" interpretation of bad faith registration and bad faith use regardless of paragraphs 2 or 4(b) of the UDRP. This is a developing area of UDRP jurisprudence."

The principal cases in which the "continuing warranty" view has been expressed are City Views Limited v. Moniker Privacy Services / Xander, Jeduyu, ALGEBRALIVE, WIPO Case No. D2009-0643, <mummygold.com> and Octogen Pharmacal Company, Inc. v. Domains By Proxy, Inc. / Rich Sanders and Octogen e-Solutions, WIPO Case No. D2009-0786, <octogen.com>.

In Octogen it was held that:"bad faith registration can be deemed to have occurred even without regard to the state of mind of the registrant at the time of registration, if the domain name is subsequently used to trade on the goodwill of the mark holder."

In Mummygold it was held that:"Section 2 of the Policy, entitled “Your Representations,” provides in pertinent part: “[Y]ou will not knowingly use the domain name in violation of any applicable laws or regulations. It is your responsibility to determine whether your domain name infringes or violates someone else's rights.” ... As this Panelist sees it, this provision not only imposes a duty on the part of the registrant to conduct an investigation at the time of registration, but also includes a representation and warranty by the registrant that it will not now or in the future use the domain name in violation of any laws or regulations. This effectively imposes on the registrant a continuing duty to ensure that the domain name is not used in violation of another's rights and clearly covers intellectual property rights and the laws protecting them, including copyright and trademark. This representation and warranty is not limited to the moment at which the registrant registers the domain name; rather, it extends to any use of the domain name in the future. This obligation is an integral part of the Policy,

and it cannot be ignored. A party can register or acquire a domain name in good faith, yet use the domain name in the future in such a way that the representations and warranties that the registrant made as of the time of registration are violated. If a party uses the domain name in the future so as to call into question the party's compliance with the party's representations and warranties, there may be retroactive bad faith registration."

Although the above reference to copyright might be thought to afford some encouragement to the present Complainant, the rationale in these cases has been rejected in numerous subsequent cases, including Validas, LLC v. SMVS Consultancy Private Limited, WIPO Case No. D2009-1413, <validas.com>, Torus Insurance Holdings Limited v. Torus Computer Resources, WIPO Case No. D2009-1455, <torus.com>, Eastman Sporto Group LLC v. Jim and Kenny, WIPO Case No. D2009-1688, <sporto.com>, Camon S.p.A. v. Intelli-Pet, LLC, WIPO Case No. D2009-1716, <walkydogusa.com>, Tata Communications International Pte Ltd (f/k/a VSNL International Pte Ltd) v. Portmedia Inc. / TRUEROOTS.COM c/o Nameview Inc. Whois, WIPO Case No. D2010-0217, <trueroots.com>, and Mile, Inc. v. Michael Burg, WIPO Case No. D2010-2011, <lionsden.com>. Accordingly, it is still the consensus view that a Complainant must establish bad faith at the time of registration and that the kind of bad faith contemplated by the Policy is bad faith in relation to the Complainant's actual or anticipated trademark rights.

Here there is no basis to conclude that the Respondent, when he registered the Domain Name, contemplated the possibility of the Complainant (or anyone else) acquiring trademark rights in the word XTRANCE. At worst, he contemplated establishing a website to facilitate the unlawful infringement of the copyrights of Czech publishers, of which the Complainant is one. This does not involve registration of the Domain Name to trade off any actual or anticipated trademark rights.

Accordingly, the Panel finds that the Complainant has failed to establish that the Domain Name was registered in bad faith, in the sense in which that concept should be interpreted under the Policy.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Rejected

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

1. **XTRANCE.INFO**: Remaining with the Respondent

PANELLISTS

Name	**Alan Limbury**

DATE OF PANEL DECISION 2013-03-29

Publish the Decision