



Alternative Dispute Resolution (ADR)

Decision
2016-12-21

Case number
954

Applicant

STEICO SE (org.nr HRB 195871)
Otto-Lilienthal-Ring 30
D-85622 Feldkirchen
Germany

Domain holder

Aiste B
Il "Merodax" (org.nr [LT]302424335)
Jaunimo g. 9-21
LT-20155 Ukmerge
Lettland

Matter

Alternative dispute resolution regarding the domain name < **steico.se** >.

Decision

The request for transfer of the domain name <steico.se> to the Applicant is not granted.

Background to the dispute

After the Applicant had applied for an Alternative Dispute Resolution regarding the domain name at issue and the Domain holder had submitted his observations, the Internet Foundation in Sweden nominated Mr. Henry Olsson to act as Arbitrator to deliver his decision by January 16, 2017.

Claims

The Applicant requests that the domain name <steico.se> be transferred to the Applicant.

The Domain holder contests the request.

Facts of the case / Parties' contentions

Both the Applicant and the Domain holder have provided detailed submissions and very comprehensive documentation to support their opinions. Only the main elements are summarized in the following.

1. Applicant

The applicant, "STEICO", is a producer of environmentally friendly wood fibre insulation materials and wood-based structural building products. It has its headquarters in Germany and production facilities in Poland and France.

The company is the holder of the European Union trademark "STEICO" registered on June 27, 2008, in class 19 under the Nice Classification (*inter alia*, building materials of wood).

The domain name at issue is identical with or at least confusingly similar to the trademark "STEICO" in so far as it reproduces integrally the mark.

The Applicant submits that the Domain holder is acting in bad faith by using the domain name at issue. The holder is a dealer in building and construction materials primarily in the Baltic region and is also one of the Applicant's customers. According to the Applicant, the Domain holder registered various domain names in the Baltic States and also the domain name <steico.se>. This was done without the consent of the Applicant and, moreover, the contents of the Applicant's German website was copied, thereby suggesting that it acted as an official representative of STEICO in the respective countries. Also, Mr. Dainius P, who had been acting for the registration of the domain name, was mentioned as the contact person on the website.

After the Applicant had received complaints from customers in the respective countries, the Applicant sent a letter to Mr. P requesting the transfer of the domain names to the Applicant. As there was no reaction from Mr. P, the Applicant initiated a dispute resolution process in Estonia which resulted in the transfer of <steico.ee> to the Applicant. With reference to that decision the Applicant requested that Managing Director of the Domain holder, Mr. Aiste B, to transfer the domain name <steico.se> to the Applicant and offered to pay EUR 3000 for the transaction. Mr. B refused both the request and the offer.

The Applicant submits that the Domain holder is operating the contested domain name to prevent the Applicant from use its own trademark in a domain name and with the aim to prevent STEICO's other customers from selling the company's products in Sweden. The Domain holder thus is obviously utilizing the good reputation and market position of STEICO to attract traffic to its own website and increase the revenue. Furthermore, according to the Applicant, the Domain holder causes harm to STEICO because the content of the website is not being updated on a regular basis. This leads to a negative perception of STEICO in Sweden because the domain name <steico.se> suggests it to be the official website of the company.

In addition, the Domain holder does not have any right to, or legitimate interest in, the domain name. Users of the website are led to believe that the Domain holder is the Applicant's exclusive sales partner in Sweden. "STEICO" as the holder of the trademark with the same name has, however, never allowed the Domain holder to use the trademark or to copy material from the Applicant's own website <steico.com>.

2. The Domain holder

The Domain holder has submitted a detailed and very comprehensive description, in Latvian with an English translation, of his and his company's relations over the years with the Applicant. The Domain holder has summarized his position as follows: *"I would like to inform you that the company MERODAX, a long-term representative of the company "STEICO", has not stolen the name of the company STEICO in any way. We purchased the domains only after we had obtained permission from the company STEICO. Therefore, MERODAX is the legal owner of the*

domain name steico.se. The website steico.se, just like all the other websites, was developed in 2009-2010 according to the data and the instructions provided by the company STEICO. After the reorganization of the company STEICO and inappropriate actions, cooperation deteriorated. From somewhere around 2013, our company has received neither promotional information nor information relating to the manufacture of new products, so we cannot put on the website new and relevant information. The company STEICO has presented the updated version of the website but not the one according to which the website <steico.se> was developed. We understand that, after the changes in the market conditions and the sales strategy of the company STEICO, the company wants to recover the domains in those markets where the company has become known as a result of our excessive and hard work and investment, but it has to be done in a civilized way by common accord. Once again, we agree to transfer the domains, if the company covers our costs”.

To support that the domain name <steico.se> was obtained by “MERODAX” with the consent of the Applicant, the Domain holder has submitted a copy of an English translation of a letter, dated September 8, 2009, from a sales representative of STEICO for the Baltic region relating to among others the domain name at issue. From the letter follows that “the company”, (“STEICO) “is not against and will not have any claims in the future that the company MERODAX will purchase and use them” (some domain names, inter alia <steico.se>) “in order to advertise the company STEICO and its production”.

As mentioned above, the Domain holder has, to support his statements, submitted extensive documentation, especially relating to his contacts and relations with the Applicant.

Findings of the Arbitrator

The Terms and Conditions of Registration applicable to the top-level domain .se sets in its Paragraph 7.2, out he situations when a domain name may be de-registered or transferred to the party seeking dispute resolution proceedings. For this to happen, three conditions have to be met

1. The domain name is identical with, or similar to, a) a trade mark/symbol, b) a business symbol, c) a family name, d) an artist’s name (unless the name refers to someone deceased long ago), e) the title of a copyright-protected literary or artistic work, f) a name protected by the Regulation (1976:100) concerning Certain Official Designations, g) a geographical indication or indication of origin protected by Council Regulation (EU) 510/2006, h) a geographical indication protected by Council Regulation (EU) 110/2008, l) a geographical indication protected by Council Regulation (EC) 1234/2004, and, j) the name of a government authority listed in the Registry kept by the Central Bureau of Statistics under Regulation (2007:755) on the General Registry of Authorities, or its generally accepted abbreviation, which has legal force in Sweden and to which the party requesting a dispute resolution can prove its right,
2. the domain name has been registered or used in bad faith, and
3. the domain holder has no rights in, or justified interest in the domain name.

1. Identity or similarity

The Applicant is the owner of the European trademark “STEICO”, which was registered in 2008 and has legal force in Sweden.

The disputed domain name incorporates the trademark with the addition of the top level domain “.se”. It is thus established that the domain name is similar to the Applicant’s trademark and that the first condition under the Terms and Conditions of Registration is met.

2. Use in bad faith

The relations between the Applicant and the Domain holder over the years have been complex. The documents submitted in the case seem, however, to indicate that the Domain holder registered the domain name with the consent of a representative for the Applicant at that point in time. The relations then deteriorated and the Applicant wanted to have the domain name transferred to him.

From the evidence submitted it is clear that the Domain holder is willing to transfer the domain name to the Applicant against compensation for his costs. The parties disagree on the amount to be paid as such compensation.

The Domain holder has kept the domain name despite the obvious wish of the Applicant to have that name transferred to him. The willingness of the Domain holder to transfer the domain name provided that his costs are covered, as well as the overall picture of the relations between the parties over time lead, however, to the conclusion that the activities of the Domain holder do not amount to use of the domain name in bad faith in the sense of the Terms and Conditions of Registration. This conclusion is not affected by the fact that the parties disagree about the economic aspects of the transfer of the domain name.

3. *Rights and justified interest*

As use in bad faith has not been proved and the transfer request by the Applicant thus cannot be granted, the Arbitrator finds no reason to consider separately the issue of rights and justified interest.

4. *Conclusion*

The findings under the previous three headings have as their end result that the Applicant's request for transfer of the domain name to him shall not be granted.

On behalf of IIS

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Henry Olsson