

## Decision under '.nl' Dispute Resolution Regulations show that UDRP precedents serve as important source of reference Netherlands - Hogan Lovells LLP

Cybersquatting

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In a [recent domain name dispute proceeding](#) before the [World Intellectual Property Organisation](#) (WIPO), a German toy manufacturer has been able to obtain the transfer of a domain name identically reproducing its trademark under '.nl', the country-code top-level domain (ccTLD) for the Netherlands.

The complainant was Schleich GmbH, a leading toy manufacturer based in Germany. Founded in 1935, the complainant is widely known for producing traditional figurines and realistic 'play world' concepts. The complainant was the owner of several EU trademark and international trademark registrations designating the European Union and the Netherlands for SCHLEICH in many jurisdictions.

The respondent was Zint.nl, a company based in the Netherlands.

The disputed domain name was 'schleich.nl'. It was originally registered on July 2 2002 and was acquired by the respondent on August 17 2015. At the time of filing of the complaint, the domain name was not resolving to an active website.

To be successful under the [Dispute Resolution Regulations for '.nl' Domain Names](#), a complaint must satisfy the following three cumulative conditions set out in Article 2.1:

- (a) the domain name is identical, or confusingly similar, to:
  - (i) a trademark or trade name protected under Dutch law in which the complainant has rights; or
  - (ii) a personal name registered in the General Municipal Register ('*gemeentelijke basisadministratie*') of a municipality in the Netherlands, or the name of a Dutch public legal entity or the name of an association or foundation registered in the Netherlands under which the complainant undertakes public activities on a permanent basis;
- (b) the respondent has no rights to or legitimate interests in the domain name; and
- (c) the domain name has been registered or is being used in bad faith.

Similar to the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP), the first requirement under the '.nl' regulations is two-fold and requires a panel to assess, first, whether a complainant has relevant trademark rights, although they must be protected under Dutch law and, second, whether the disputed domain name is identical, or confusingly similar, to a complainant's trademark.

In the present case, the complainant relied on its EU and international trademark registrations (designating Benelux and the European Union) to support its case. The complainant's trademark registrations were protected under Dutch law and so the panel found that the complainant had established relevant trademark rights in the Netherlands.

The panel then went on to examine whether the domain name was identical or confusingly similar to the complainant's trademark. The panel found that the complainant's trademark was "recognisable" within the domain name. Furthermore, the '.nl' ccTLD is generally disregarded under this test, as it is a technical requirement of registration. The panel therefore found that the domain name was identical to the complainant's trademark.

The complainant therefore satisfied Article 2.1(a) of the '.nl' regulations.

Moving on to the second requirement under the '.nl' regulations, the complainant has the burden of showing *prima facie* that the respondent has no rights or legitimate interests in the domain name. If the complainant succeeds in making out this *prima facie* case, the burden of proof shifts to the respondent. Like the UDRP, Article 3.1 of the '.nl' regulations sets out a list of non-exhaustive circumstances that may be evidence of rights or legitimate interests in a domain name. The complainant stated that it had not authorised the respondent to make any use of its trademarks and argued that the respondent was unable to rely on any of the circumstances set out in Article 3.1 of the '.nl' regulations, particularly as the domain name was not resolving. The panel found that the complainant had established a *prima facie* case of lack of rights or legitimate interests in the domain name and so the burden of proof shifted to the respondent.

The respondent asserted that it intended to use the domain name to offer Schleich goods for sale. Whilst the panel acknowledged that, under certain circumstances, a reseller of trademarked products can be making a good-faith offering of goods (in accordance with the landmark UDRP decision *Oki Data Americas Inc v ASD Inc* (WIPO Case D2001-0903)), it noted that:

*"the mere intention to start using the domain name in the future for the purpose of an online shop is as such insufficient: respondent has not provided any concrete evidence of reasonable and demonstrable preparations to use the domain name for the stated purpose".*

Given the respondent's failure to provide evidence of demonstrable preparations to use the domain name, the panel found that the respondent had failed to demonstrate rights or legitimate interests in the domain name.

The complainant therefore satisfied Article 2.1(b) of the '.nl' regulations.

Moving on to the third requirement under the '.nl' regulations, Article 2.1(c) only requires a complainant to demonstrate bad-faith registration or use, unlike the UDRP, which requires a complainant to demonstrate bad-faith registration and use. Like the UDRP, Article 3.2 of the '.nl' regulations also sets out a list of non-exhaustive circumstances that may be indicative of bad faith.

As far as bad-faith registration was concerned, the complainant's trademark rights predated the registration of the domain name. Furthermore, the panel found that the respondent had awareness of the complainant's trademark rights at the time of registration of the domain name, particularly given the respondent's express stated intention of opening an online shop to offer the complainant's products for sale. The respondent also asserted that it had acquired the domain name because of the high rankings obtained on Google by the entering the term 'schleich'. In light of the respondent's statements, the panel concluded that the respondent deliberately registered the domain name to obtain high visibility on the internet in order to take advantage of the complainant's rights.

The panel also considered the respondent's failure to use the domain name and found that the respondent's passive holding did not preclude a finding of bad faith, in line with another landmark decision under the UDRP, *Telstra Corporation Limited v Nuclear Marshmallows* (WIPO Case D2000-0003).

The complainant therefore satisfied Article 2.1(c) of the '.nl' regulations.

The complainant satisfied all three requirements under the '.nl' regulations and so the panel ordered the transfer of the domain name to the complainant.

This decision is a typical cybersquatting case that underlines the effectiveness of alternative dispute resolution proceedings for the resolution of domain name conflicts. The decision also highlights that, whilst many ccTLDs, like '.nl', have adopted their own domain name dispute resolution policies, UDRP precedents and principles are an important source of reference for '.nl' proceedings given the similarities between the two policies. With the '.nl' extension representing one of the most popular ccTLDs, the effectiveness and predictability of the UDRP-inspired '.nl' alternative dispute resolution procedure can only be considered beneficial for brand owners.

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