



BELGIAN CENTRE FOR ARBITRATION AND MEDIATION

## DECISION OF THE THIRD-PARTY DECIDER

**Biosolar B.V.B.A. / KristoMatics**

**Case N°. 44256: biosolar.be**

### **1. Parties**

#### **1.1. Complainant:**

**Biosolar BVBA**, having its registered offices at 9620 Zottegem (Belgium), Opstalstraat 21 and represented by Mr. Koen Volckaert, Business Manager.

#### **1.2. Respondent / Licensee**

**Mr. Kristof Matton**, trading under the name **KristoMatics**, having his residence at 9630 Zwalm (Belgium), Krekelstraat 29.

### **2. Domain name**

www.biosolar.be (hereinafter the “**Domain Name**”), registered on 31 July 2007.

### **3. Procedure**

1. On 30 December 2011, the Complainant submitted a complaint form to CEPINA. The Complainant submitted a proxy and an English translation of the complaint form to CEPINA on 17 January 2012.
2. On 1 February 2012, the Respondent submitted a response form to CEPINA.
3. The undersigned was appointed by CEPANI as Third-party Decider to settle the dispute regarding the Domain Name on 14 February 2012. On the same day, a copy of the file was forwarded to the Third-party Decider in accordance with Article 9 of the CEPANI Rules for Domain Name Dispute Resolution (the “**Rules**”).
4. Deliberations were closed on 20 February 2012.

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#### **4. Factual information**

5. The Domain Name was registered by the Respondent on 31 July 2007.
6. The Complainant is a wholesale distributor of renewable energy systems, such as solar panels. The Complainant was incorporated on 17 October 2007 by, amongst others, the Respondent. The Respondent was named as one of the directors of the Complainant.
7. Due to differences with other shareholders, the Respondent sold his shares in the Complainant to another shareholder for a fee of 150.000 EUR. To this end, an agreement was concluded on 28 October 2011 (Complainant Exhibit 1). On the same day, an extraordinary general shareholders' meeting was convened to approve the Respondent's dismissal as director of the Complainant.
8. The agreement of 28 October 2011 does not contain a provision with respect to the Domain Name. Section 5.4 of the agreement provides that, for a term of 2 years as of the signing of the agreement, the Respondent shall refrain from competing, directly or indirectly, with the Complainant.
9. Up until very recently, the Domain Name was directed to the website of the Complainant. The Complainant's e-mail accounts were also linked to the Domain Name.
10. The Respondent has, according to an e-mail of 13 December 2011 (Complainant Exhibit 5), suggested to transfer the Domain Name to the Complainant. In compensation, the Respondent demanded a waiver of the non-compete clause in the agreement. The Complainant has denied this demand.

#### **5. Position of the parties**

11. In essence, the position of the Complainant is as follows:
  - > Although the agreement of 28 October 2011 does not expressly provide for the transfer of the Domain Name, it stems from the non-compete clause that the Respondent cannot use the Domain Name.
  - > The Complainant is holder of the trade mark BIOSOLAR with application nr. 1237467 and it is therefore entitled to the Domain Name.
  - > The Respondent wishes to keep the Domain Name for the sole purpose of injuring the interests and/or the rights of the Complainant.
  - > The Respondent refuses to transfer the Domain Name to consolidate his position in the dispute with regard to the transfer of shares, in particular on the non-compete clause.

- > The Respondent has de-activated the Domain Name twice, the result of which was that both the website and the e-mail traffic of the Complainant were blocked. This is further evidence of the Respondent's bad faith.

12. The Respondent's defense can be summarized as follows:

- > The Domain Name is and always has been the Respondent's exclusive property. It was registered on 31 July 2007 and the Complainant did not even exist at that point in time.
- > The Domain Name was not sold in the agreement of 28 October 2011 and therefore, the Complainant is not entitled to the Domain Name. The failed negotiations only confirm this.
- > The Respondent has legitimate rights in the Domain Name. He has always been the sole owner. As he is still employed in the same sector, the Domain Name may be of future use to him. The Respondent has consistently paid the renewal fees for the Domain Name.
- > The trade mark which the Complainant invokes is a mere application. The Respondent believes it was filed for the purpose of these proceedings.
- > The name BIOSOLAR was already used by other companies, years before the incorporation of the Complainant (e.g. www.biosolar.com).

## **6. Discussion and findings**

13. Pursuant to Article 10(b)(1) of the Terms and conditions of domain name registrations under the ".be" domain operated by DNS BE (Version 5.0, hereinafter the "**Policy**"), the Complainant must provide evidence that each of the following requirements is met:

*(i) the licensee's domain name is identical or confusingly similar to a trademark, a tradename, a social name or corporation name, a geographical designation, a name of origin, a designation of source, a personal name or name of a geographical entity in which the Complainant has rights; and*

*(ii) the licensee has no rights or legitimate interests in the domain name; and*

*(iii) the licensee's domain name has been registered or is being used in bad faith.*

14. According to Article 19.1 of the Rules, the Third-party Decider must decide whether or not to stay the proceedings in case court proceedings were initiated or pending in respect of the Domain Name:

*“In the event of any legal proceedings initiated in court prior to or during a proceeding in respect of a domain-name dispute that is the subject of the complaint, the Third-party Decider shall decide whether to suspend the proceeding in whole or in part.”*

6.1. No stay of proceedings

15. The Respondent submits the following *sub* (5) of the response with respect to “Other Legal Proceedings, commenced or terminated, which relate to any of the domain name(s)”:

*“Complaint made to the federal police, Ecops, RCCU for attempted burglary on my computer using my Logmein account.”*

16. No further information was provided with regard to this complaint. The Third-party Decider sees no reason to stay or suspend the current proceedings on the basis of this statement, as there is no indication that the Domain Name is the subject of the complaint to which the Respondent refers. Further still, the mere lodging of a complaint with the police does not qualify as “*legal proceedings initiated in court*” for the purpose of Article 19 of the Rules.

6.2. Identity / confusing similarity

17. The Complainant has applied for a Benelux composite trade mark (application nr. 1237467, Complainant Exhibit 3). The sign for which trade mark protection is sought is depicted below:



18. The trade mark application was filed on 2 December 2011. On the date of the filing of the complaint, the application had not been granted. Therefore and as the Respondent rightfully points out, this title does not qualify as a trade mark in which the Complainant has rights. Article 10(1)(b)(i) of the Policy does not mention trade mark applications, nor does the Third-party Decider consider that it can be construed to include applications. Support for this finding can be found in precedents<sup>1</sup>, as well as in Article 2.19(1) of the Benelux Intellectual Property

<sup>1</sup> CEPINA 30 December 2005, Case N°. 44073, *kustweb.be*.

<sup>2</sup> “Behoudens de houder van een algemeen bekend merk in de zin van artikel 6bis van het Verdrag

Convention<sup>2</sup>. Consequently, the trade mark application cannot serve as a basis for the Complainant's action under the Policy.

19. However, it stems from the complaint and the documents on file that the Complainant uses and has used the sign BIOSOLAR as an identifier of its business. It therefore enjoys protection as a trade name in Belgium. Furthermore, BIOSOLAR is and has been the corporate name of the Complainant since its incorporation in 2007.
20. In that regard, the Respondent vainly refers to the website [www.biosolar.com](http://www.biosolar.com) to establish that "*the name Biosolar was already used by other companies years before they [the Complainant] came to existence*". The holder of the domain name [www.biosolar.com](http://www.biosolar.com) is a US-based company and there is no indication whatsoever that this company is or ever was active in Belgium or that it has directed its goods or services to the Belgian market<sup>3</sup>. This reference does not, therefore, affect the trade name rights of the Complainant in Belgium.
21. Save for the suffix .be, of which it is common ground that it is irrelevant for the assessment of identity and/or similarity<sup>4</sup>, the Domain Name is identical to the trade name and the corporation name of the Complainant.
22. In view of the foregoing, the first requirement is met.

### 6.3. Rights and/or legitimate interest of the domain name holder

23. Pursuant to Article 10(b)(3) of the Policy, the Respondent can demonstrate his rights or legitimate interest to the Domain Name by the following circumstances:

*"prior to any notice of the dispute, the registrant used the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services or made demonstrable preparations for such use; or*

*the registrant (as an individual, business, or other organization) has been commonly known by the domain name, even if he has no trademark; or*

*the registrant is making a legitimate and non-commercial or fair use of the domain name, without intent to misleadingly divert consumers for commercial gain or to tarnish the trademark, trade*

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<sup>2</sup> "Behoudens de houder van een algemeen bekend merk in de zin van artikel 6bis van het Verdrag van Parijs kan niemand, welke vordering hij ook instelt, in rechte bescherming inroepen voor een teken, dat als merk wordt beschouwd in de zin van artikel 2.1, lid 1 en 2, tenzij hij zich kan beroepen op een inschrijving van het door hem gedeponeerde merk."

<sup>3</sup> In that regard, the mere existence of a website that is accessible from a certain territory does not amount to use targeted to that particular territory, see CJEU 7 December 2010, Joined Cases C-585/08 and C-144/09, *Pammer*, §69.

<sup>4</sup> See e.g. CEPINA 23 May 2006, Case N°. 44082, *touringassurance.be*, §5.5 and the cases referred to therein.

*name, social name or corporation name, geographical designation, name of origin, designation of source, personal name or name of the geographical entity at issue.”*

24. The Respondent claims he has a legitimate interest in the Domain Name. He submits that (1) he is the sole owner of the Domain Name and he has paid all costs and that (2) the Domain Name could be of further use to him because he is still employed in the sector. The Third-party Decider is not convinced by these arguments.
25. With regard to the Respondent's reference to property rights, the Third-party Decider notes that the mere act of registration of a domain name cannot amount to a right or legitimate interest in accordance with Article 10(b)(1) of the Policy. If it could, the Policy would serve no purpose.
26. The Respondent also submits that the mandatory transfer of the Domain Name would be a “grave and unacceptable violation of the property laws”. However, even if a domain name were to qualify as an object of property rather than a contractual right of use<sup>5</sup>, its registration and the maintenance thereof are and remain subject to the requirements of the Policy<sup>6</sup>.
27. The same applies to the Respondent's statement that he has consistently paid the renewal fees for the Domain Name. This statement is true for the majority of domain name holders and, here too, accepting this as a legitimate interest would imply that the Policy serves no purpose.
28. Further still, the invoice the Respondent has submitted as Exhibit 3 to his response form is addressed to “biosolar”:



If anything, this Exhibit suggests that the costs were paid by the Respondent in his capacity of director of the Complainant, rather than in his personal capacity<sup>7</sup>.

<sup>5</sup> Cf. Article 3 of the Policy, “right of use”.

<sup>6</sup> Brussels Court of Appeal, 31 March 2009, *tweedehands.be*, RABG 2009/20, p.1409.

<sup>7</sup> While the address mentioned on the invoice corresponds to the Respondent's current address, the registered offices of the Complainant were also, at the time, located at this address, as is evidenced by the Respondent's Exhibit 2.

29. Thirdly, the Third-party Decider cannot accept the Respondent's argument that the Domain Name may be of further use to him because he is still employed in the sector. The Respondent has not provided any evidence to demonstrate even intent of such use. This statement further appears to be at odds with the fact that the Respondent was willing to transfer the Domain Name to the Complainant if his non-compete obligation was waived.

30. Against this backdrop, the second requirement is satisfied.

6.4. Registration and/or use in bad faith

31. The Policy requires that the Domain Name has either been registered **or** that it is being used in bad faith by the domain name holder. Bad faith can, according to Article 10(b)(2) of the Policy, be established by:

*“circumstances indicating that the domain name was registered or acquired primarily for the purpose of selling, renting, or otherwise transferring the domain name to the complainant who is the owner of the trademark, trade name, registered name or company name, geographical designation, name of origin, designation of source, personal name or name of the geographical entity, or to a competitor of the complainant, for a price that exceeds the costs directly related to the acquisition of the domain name; or*

*the domain name was registered in order to prevent the owner of a trademark, a trade name, a registered name or a company name, a geographical designation, a name of origin, a designation of source, a personal name or a name of a geographical entity to use the domain name and that the registrant has engaged in a pattern of such conduct; or*

*the domain name was registered primarily for the purpose of disrupting the business of a competitor; or*

*the domain name was intentionally used to attract, for commercial gain, Internet users to the registrant's web site or other on-line location, by creating confusion with the complainant's trademark, trade name, registered name or company name, geographical designation, name of origin, designation of source, personal name or name of a geographical entity as to the source, sponsorship, affiliation, or endorsement of the registrant's web site or location or of a product or service on his web site or location; or*

*the registrant has registered one or more personal names without the existence of a demonstrable link between the registrant and the registered domain names.”*

32. It follows from the use of the terms “*inter alia*” in this provision that the list is non-exhaustive and that other circumstances can amount to a finding of use and/or registration of the Domain Name in bad faith<sup>8</sup>.

**a) Registration in bad faith**

33. The Domain Name has not been registered in bad faith. The Complainant was incorporated after the registration of the Domain Name, so the Respondent could not have registered the Domain Name in bad faith.

**b) Use in bad faith**

34. However, it does not suffice, to avoid mandatory transfer of the domain name, that it is determined that the Domain Name was not registered in bad faith. Use in bad faith is sufficient to meet the requirement of Article 10(b)(iii) of the Policy.

35. While the Respondent has long been affiliated with the Complainant, that was no longer the case at the time of the filing of the complaint.

36. From the facts and exhibits submitted by the parties, the Third-party Decider deduces that the Respondent currently holds on to the Domain Name (i.e. refuses to transfer control to the Complainant) to use it as leverage in negotiations regarding the broader business dispute with the Complainant.

37. Use for the sole purpose of obtaining a better negotiation position vis-à-vis the Complainant has been qualified as use in bad faith in other decisions (emphasis added by the Third-party Decider):

*“Aan de hand van de informatie waarover hij beschikt stelt de Derde beslisser vast dat (1) de Domeinnaamhouder geen legitiem belang heeft bij de Domeinnaam, (2) dat de Domeinnaam steeds werd aangewend in het kader van de activiteiten van de Klager en (3) **dat de Domeinnaamhouder de overdracht van de Domeinnaam naar de Klager weigert om zijn positie in het geschil tussen de Klager en de Domeinnaamhouder omtrent de rechten op de website van de Klager, een geschil dat vreemd is aan deze procedure, te versterken.** Welnu, gelet op het feit dat artikel 10, b, 1 van de Algemene voorwaarden voor domeinnaamregistratie binnen het “.be”-domein beheerd door DNS BE op een niet limitatieve wijze bepaalt onder welke omstandigheden er sprake kan zijn van een registratie of gebruik te kwader trouw van een domeinnaam en gelet deze heel specifieke omstandigheden van deze zaak, is de Derde Beslisser van oordeel dat de Domeinnaamhouder de Domeinnaam te kwader trouw gebruikt.”<sup>9</sup>*

<sup>8</sup> See e.g. CEPINA 12 June 2009, Case N°. 44158, *denazalee.be* and CEPINA 28 July 2011, Case N°. 44236, *duratherm.be*.

<sup>9</sup> CEPINA 12 June 2009, Case N°. 44158, *denazalee.be*.

*“Nevertheless, I find that the Respondent has registered and used the Domain Name in bad faith. Respondent’s registration and use of the Domain Name **for purposes of gaining bargaining power in a dispute with his former employer is not a good faith use of the Domain Name.** Although there is no allegation that the Respondent sought payment from his former employer, the use of the Domain Name registration as a means to strong-arm the Complainant into negotiating his employment-related grievances is akin to trying to extract an exorbitant price for the Domain Name, and therefore should be viewed as bad faith.”<sup>10</sup>*

*“The Panel has already reached the conclusion that the **motivation for the Respondent’s registration and use of the domain name has been to try to force a settlement of the ongoing dispute and litigation between them.** [...] **Without making any judgment on those matters, the fact is that the Respondent has brought the user to those issues for the purpose of achieving his objective, namely leverage of a settlement of the litigation.** In so far as this conduct involves the use of the domain name it is bad faith, for it is an abuse of the proper and responsible use that all registrants should make of the internet and of domain names they have been permitted to register.”<sup>11</sup>*

38. While it is true that several of the abovementioned precedents relate to UDRP disputes, which are governed by a different (if very similar) policy, the Third-party Decider considers that they have some precedential value for .be ADR proceedings<sup>12</sup>. These decisions, and others before them<sup>13</sup>, provide support for the finding that a domain name in which another party has rights cannot be held hostage for the sole purpose of obtaining a more favorable bargaining position in a broader dispute with that party, in or out of court and regardless of who is right in the underlying dispute.
39. The Third-party Decider sees no reason to decide otherwise in these proceedings. The Respondent’s use of the Domain Name to obtain leverage in negotiations or a dispute with the Complainant qualifies as use in bad faith as required in the Policy. That is the more so in view of the Complainant’s statement, uncontested by the Respondent, that the Respondent has, on two occasions, disabled access to the Complainant’s website and e-mail accounts.

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<sup>10</sup> WIPO 3 June 2004, Case N°. D2004-0213, *avcraftaviation.com*.

<sup>11</sup> WIPO 2 May 2006, Case N°. D2006-0300, *assetloanco.net*.

<sup>12</sup> T. Heremans, *Domeinnamen: een juridische analyse van een nieuw onderscheidingssteken*, Larcier 2003, p. 103 and B. Lieben & F. Petillion, “Overzicht van de .be beslissingen in de ADR-procedure van Cepina (2001-2006)”, *Computerrecht* 2007, 42 (§5.2). On the requirement of bad faith, however, it must be kept in mind that UDRP requires that *both* use and registration are in bad faith, whereas the .be Policy is more lenient towards the complainant in that either use *or* registration in bad faith is sufficient to meet the requirement of the Policy.

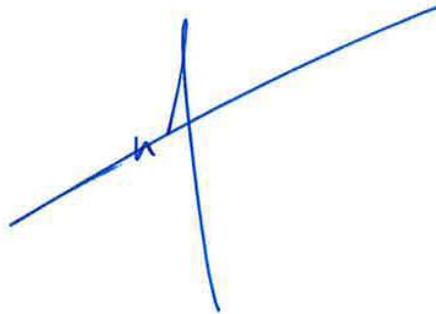
<sup>13</sup> WIPO 18 May 2000, Case N°. D2000-0227, *westfieldshopping.com*.

40. This decision should not, however, be construed as a vindication of the Complainant's position with regard to the dispute regarding the agreement of 28 October 2011. This is not the appropriate venue to decide such matters, nor does the Third-party Decider have jurisdiction to do so. This decision relates strictly to the use of the Domain Name as a means to exert pressure on the Complainant in the context of a broader business dispute.
41. In view of the foregoing, the Third-party Decider finds that the third requirement of the Policy has been met.

**7. Decision**

42. Consequently, pursuant to Article 10(e) of the Terms and conditions of domain name registrations under the ".be" domain operated by DNS BE, the Third-party Decider hereby rules that the domain name registration for the "biosolar.be" domain name is to be transferred to the Complainant.

Brussels, 22 February 2012

A handwritten signature in blue ink, consisting of a stylized 'K' followed by a long horizontal line that extends to the right and then curves downwards at the end.

Kristof Neefs  
Third-party Decider