

DECISION OF THE PANEL OF THREE THIRD-PARTY DECIDERS

MEGUIAR'S INC. / W3COMPANY

Case no. 444140: meguiarsshop.be

1. Parties

1.1. Complainant in appeal:

MEGUIAR'S INC., Mitchell South 17991, Irvine, 92614 California (USA) (e-mail: trademarks@mmm.com)

Represented by Mr. Michaël DE VROEY, Attorney at law – Baker McKenzie, Borsbeeksebrug 36 bus 8, 2600 Berchem (BE) (e-mail: michael.devroey@bakermckenzie.com)

1.2. Respondent in appeal:

W3COMPANY, Tilgrupweg 3, 8439 SR Oude Willem (NL) (e-mail: info@w3company.nl)

Represented by Mr. Niek Bakker, Legal advisor - ICTRECHT BV, Jollemanhof 12, 1019 GW Amsterdam (NL) (e-mail: n.bakker@ictrecht.nl)

2. Domain name

“meguiarsshop.be”

3. Contested decision

The appeal is made against the Decision of 26 October 2021 of the Third-Party Decider, Mr. Tom Heremans, in case no. 444140 / meguiarsshop.be between Meguiar's Inc. and W3Company.

4. Procedural documents

- 4.1. Request for appeal by Complainant in appeal dated 12 November 2021 and supporting documents 1-26
- 4.2. Response form by Respondent in appeal dated 25 November 2021 and supporting documents 1-13
- 4.3. Appointment of the Panel of Third-Party Deciders by CEPANI by letter of 1 December 2021
- 4.4. Decision of the Panel of Third-Party Deciders by letter of 9 December 2021 as to the calendar
- 4.5. Retort statement in appeal by Complainant in appeal dated 24 December 2021 and supporting document 27
- 4.6. Response form of Respondent in appeal dated 13 January 2022 and supporting documents 15-16

5. Facts

5.1. Complainant in appeal

The Complainant in appeal is Meguiar's, a 100-year-old business that manufactures MEGUIAR'S car care products for cleaning and protecting automotive surfaces.

The Complainant in appeal owns a number of registered trademarks throughout the world, including the following:

- (a) Benelux word mark "MEGUIAR'S" with registration number 485255, filing date 30 May 1990, registered for the goods in class 3, including car care products; and
- (b) EU word mark "MEGUIAR'S" with registration number 003255759, filing date 4 July, 2003, registered for the goods in classes 1, 3 and 21, including car care products.

(hereafter, "**MEGUIAR'S trademarks**" or "**Complainant in appeal's trademarks**")

The Complainant in appeal and its authorized partner Meguiar's Belgium Polish & Cleaning Products are commercially active in Belgium, including through the website www.meguiars.be. The sign "MEGUIAR'S" is also used as a trade name in Belgium.

5.2. Respondent in appeal

Like the Complainant in appeal, the Respondent in appeal also undertakes commercial activities in Belgium, by reselling Complainant in appeal's products through its websites, accessible through inter alia the Domain name "meguiarsshop.be". Respondent in appeal purchases the products from G.K.B. Import BV, a reseller of the Complainant in appeal in the Netherlands.

On 7 May 2020, the Respondent in appeal registered the Domain name without the Complainant in appeal's consent or approval.

6. Discussion and findings of the Panel of Third-Party Deciders

6.1. Governing rules and applicable law

According to Article 10, a) and b) of the Terms and Conditions for .be domain name registrations, version 6.1 – 6 April 2018 (hereafter, “**Terms and Conditions**”), domain name disputes will be governed by the Terms and Conditions and the rules of procedure of the accredited Dispute Resolution Entity, in this case the CEPANI Rules for Domain Name Dispute Resolution (hereafter, “**CEPANI Rules**”).

Both Complainant in appeal and Respondent in appeal raise procedural issues for which there are no provisions in the aforementioned rules. The Panel of Third-Party Deciders therefore considers it important to establish the applicable law before examining the merits of the case.

The Terms and Conditions are an arbitration agreement and the CEPANI (panel of) third-party deciders are an arbitration tribunal as per Article 1676 of the Belgian Judicial Code (hereafter, “**Judicial Code**”). This is not disputed by the Parties. Moreover, the Complainant in appeal makes explicit reference to the Belgian rules on arbitration (Request for appeal, p. 11) to which the Respondent in appeal did not reply.

According to Article 1700, § 3 of the Judicial Code, the arbitration tribunal decides freely on the admissibility and probative value of the evidence, unless parties have agreed otherwise.

It follows from the preceding that procedural matters that cannot be solved based on the Terms and Conditions or the CEPANI Rules shall be decided based on the Belgian Judicial Code and the Civil Code (where applicable).

Furthermore, in application of the above rules (and more particularly, Article 748bis of the Judicial Code), the Panel of Third-Party Deciders limits its examination to the grievances and pleas as formulated in appeal.

6.2. The admissibility of the request for appeal

The request for appeal was filed by the Complainant in appeal on 12 November 2021.

The Respondent in appeal considers the request for appeal inadmissible for reason that “*15 full calendar days had passed by the time that Complainant signed and filed the request for appeal: if October 28 is day 1, November 11 is day 15.*” (Response form dated 25 November 2021, p. 2).

The Panel of Third-Party Deciders does not follow this reasoning.

Following Article 5.10 of the CEPANI Rules, if the last day of the relevant period of time granted is an official holiday or a non-business day in the country where the notification or communication has to be made, the period of time shall expire at the end of the first following business day.

November 11 is a public holiday in Belgium. The last day for filing the request for appeal was thus extended to the next day, i.e. 12 November 2021. The request for appeal was filed on that day and is thus admissible.

6.3. The validity of the Contested decision

The Complainant in appeal considers that the Contested decision should be annulled by reference to Article 1717, §3, a), v) of the Judicial Code, for the reason that the Third-Party Decider “*delegated some of his decision powers by relying on a trainee to study the Complaint and Response and draft the decision, whereby the Third-Party Decider has only reviewed the draft decision prepared by the trainee*” (Request for appeal, p. 11).

The Panel of Third-Party Deciders does not follow this reasoning.

The Complainant in appeal’s reasoning is based on an erroneous citation of the law.

Article 1717, §3 of the Judicial Code lists exhaustively the cases that can lead to the annulment of a contested decision. Sub v) of this article reads as follows:

“§ 3. *The arbitration decision may be set aside only if :*
a) the party making the claim provides evidence: (...)
v) that the composition of the arbitration tribunal or the arbitration procedure was not in accordance with the agreement of the parties, insofar as the agreement was not in violation of a provision of the Sixth Part of this Code from which the parties cannot derogate, or, in the absence of agreement thereon, insofar as it was not in accordance with the Sixth Part of this Code; these irregularities cannot result in the annulment of the arbitration decision, if it appears that they had no effect on the decision, except as regards an irregularity concerning the composition of the arbitration tribunal” (non-official translation - emphasis added).

The Complainant in appeal does not establish that the composition of the arbitration tribunal or the arbitration procedure was not in accordance with the agreement of the Parties.

The CEPANI Rules on appointment of the third-party decider (Article 7) have been respected.

The Third-Party Decider remained the same over the course of the proceedings, as appears from the appointment of Mr. Heremans on 6 September 2021 and the Contested decision, signed by Mr. Heremans.

For the sake of completeness, the CEPANI Rules, nor in the Belgian Judicial Code do not provide, nor imply, that the preparation of a decision (e.g. by a trainee) amounts to a delegation.

The Panel of third-party deciders observes that Mr. Heremans was appointed, examined the case and rendered the decision by signing the Contested decision in his name. The fact that the case was prepared by a trainee or an associate does not detract from this finding. The Third-Party Decider assumes responsibility over his associates and accepts the final responsibility for his decision.

For these reasons, the Contested decision cannot be annulled.

6.4. The assessment of the DNS conditions (in general)

Pursuant to Article 16.1 of the CEPANI Rules, the Panel of Third-Party Deciders shall rule on domain name disputes following the parties' views and in accordance with the dispute resolution policy of DNS.be, the registration agreement and following the provisions of the CEPANI Rules. Two questions arise:

(i) Pursuant to Article 10, b) (1) of the Terms and Conditions, the Complainant in appeal must prove that:

1. the domain name holder's domain name is **identical or confusingly similar** to a trademark, a trade name, 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 Complainant has rights; and
2. the domain name holder has **no rights or legitimate interests** in the domain name; and
3. the domain name holder's domain name has been registered or is being used **in bad faith**.

The aforementioned conditions have to be fulfilled cumulatively (see CEPANI no. 444150, "sddeboucheur.be and sd-deboucheur.be").

As opposed to what the Complainant in appeal holds (Request of appeal, p. 5), all of the conditions must each be examined on their own merits. Deciding otherwise would make the conditions optional. Therefore, the fulfilment of the second condition does not *ipso facto* lead to the fulfilment of the third condition.

(ii) Although it is certain that, according to Article 10, b), (1), of the Terms and Conditions, the Complainant in appeal has to prove that the Respondent in appeal has

no rights or legitimate interests in the Domain name, the question arises to the **admissible evidence** and the **standard of proof**. The Complainant in appeal and Respondent in appeal have diverging opinions.

For the reasons set out above, the Panel of Third-Party Deciders refers to Belgian procedural law to determine the admissible evidence and the standard of proof (*lex loci arbitri*) (see CEPANI no. 44082, in which explicit reference was made to case law of the Belgian Supreme Court on burden of proof).

As set out in section 6.1, according to Article 1700, § 3 of the Judicial Code, the arbitration tribunal decides freely on the admissibility and probative value of the evidence, unless parties have agreed otherwise.

This is in line with the evidentiary principles for conflicts between undertakings set out in the new Belgian Civil Code.

This means that for the present case (i) evidence can be provided by all means of evidence, including witnesses and presumptions (Article 8.11 of the New Civil Code); (ii) except in cases where the law provides otherwise, the evidence must be provided with a reasonable degree of certainty (Article 8.5 of the New Civil Code); and (iii) without prejudice to the obligation of all parties to cooperate in the taking of evidence, the party who bears the burden of proving a positive fact for which it is not possible or reasonable, because of the very nature of the fact to be proven, to require certain proof, may be satisfied with providing the probability of that fact (Article 8.6 of the New Civil Code).

The Panel of Third-Party Deciders concludes that all DNS conditions have to be cumulatively met, but the proof thereof should not be more stringent than what is required by the New Civil Code.

6.5. The assessment of the first DNS condition (identical or confusingly similar domain name)

According to the first DNS condition, the Complainant in appeal has to prove that it has rights in a trademark (or other protected signs) and that the Domain name is identical or confusingly similar to such trademark (or other protected sign).

It is established that the Domain name “meguiarsshop.be” incorporates the MEGUIAR’s trademarks entirely, in combination with the generic word “SHOP”.

For the present examination, the suffix “.be” should not be taken into consideration in deciding whether the Domain name is identical to the trademarks (see CEPANI no. 44082, “touringassurance.be” and no. 444132, “Accenture-insights.be”).

The word ‘shop’ in the Domain name does not diminish the confusing similarity, but even adds to the confusion (namely the sale of MEGUIAR’s car care products, which

takes place in shops) (see WIPO no. D2008-0923, “yourtamiflushop.com” and no. DNL2016-001, crestwhiteshop.nl”).

The Respondent in appeal did not raise any arguments in relation to this condition.

The Panel of Third-Party Deciders concludes that the Domain name is confusingly similar to the trademarks of the Complainant in appeal and that the first condition of Article 10, b), (1) is fulfilled.

6.6. The assessment of the second DNS condition (no right or legitimate interest)

According to the second DNS condition, the Complainant in appeal has to prove that the Respondent in appeal has no rights or legitimate interests in the Domain name.

It is settled CEPANI case-law that the complainant must not be imposed the burden of proving a negative assumption (i.e. the absence of rights and of legitimate interest). Its burden of proof is satisfied when, considering all the facts of the case, the complainant could credibly state that he is unaware of any reason or circumstance which could be indicative of such a right or legitimate interest (see CEPANI, no. 4038, 4064, 4030, 4013). Furthermore, the respondent is expected to cooperate and produce evidence of the existence of a right or a legitimate interest (see CEPANI, no. 44334, “thomann.be”).

The simple fact that the Respondent in appeal was the first to register the Domain name does not suffice to establish that it has a right or legitimate interest in the Domain name (see CEPANI no. 44088, “carte-bleue.be”).

Article 10, b) (3) of the Terms and Conditions stipulates that if a complaint is filed, the registrant can demonstrate his rights or legitimate interests 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 organisation) 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 name, social name or corporation name, geographical designation, name of origin, designation of source, personal name or name of the geographical entity at issue.

The case law concerning the “bona fide” offering of goods is abundant. The Panel of Third-Party Deciders retains that the offer must be lawful and may not infringe the rights of the trademark owner. This condition may, for example, be considered fulfilled

when the domain name holder is a licensee of the complainant or when the complainant has consented to the use of the domain name for this purpose. When it comes to a reseller or distributor of the products bearing the complainant's trademark, case law requires that the website the domain name holder sets out precisely and clearly the relationship between the domain name holder and the complainant. When there is no distribution contract between the licensee and the applicant, additional requirements are required, such as the certain agreement of the complainant (see: B. Docquir, *Le contentieux des noms de domaine - Examen de jurisprudence (1995-2005)*, *J.T.* 2007, p. 67; B. Docquir and O. De Prele, « L'enregistrement abusif des noms de domaine : aperçu de la jurisprudence des Tiers-décideurs du CEPANI » in *Les noms de domaine .be / .be domeinnamen*, Brussels, Bruylant, 2012, p. 52).

The Panel of Third-Party Deciders is of the opinion that the Complainant in appeal has made it plausible that the Respondent in appeal has no rights or legitimate interests in the Domain name.

None of the (non-exhaustively) listed circumstances in Article 10, b), (3) of the Terms and Conditions above appears to be present in the case at hand.

The Respondent in appeal does not establish it had any rights to the sign "MEGUIAR's" or "meguiarsshop" prior to the registration of the Domain name or that it was operating under that sign. On the contrary, only the Complainant in appeal had rights thereto, as detailed above (see 5.1).

The Respondent in appeal does not provide evidence of any permission from the Complainant in appeal to use the Complainant in appeal's trademarks in any domain name.

The Respondent in appeal maintains it has a legitimate interest to use Complainant in appeal's trademarks because it is a reseller of the Complainant in appeal's products and is mentioned as such on the Complainant in appeal's website.

The Panel of Third-Party Deciders observes that the Respondent in appeal is not buying the Complainant in appeal's products it offers for sale from the Complainant in appeal directly, but from G.K.B. Import BV, the Dutch reseller of Complainant in appeal.

Moreover, even if the Respondent in appeal is a (official) reseller of Complainant in appeal, this does not provide *ipso facto* permission to use Complainant in appeal's trademarks or any similar trademark for a domain name whether for registration or use thereof (see CEPANI no. 44043, "mitsubishi.be" and CEPANI no. 44323, "muckboots.be"; the same position is also taken by Belgian courts, see Pres. Court of Enterprises Antwerp, 30 March 2016, docket number A/15/11847, Vaillant-Saunier Duval / Eco-Star, published on www.IE-Forum.be ; and Court of First Instance Antwerp 9 March 2006, BVBA C&M / Utensilerie Associate Spa, published in *TBH* 2006/6, p. 666-671). The authorization to sell products under the trademark and therefore to use

the trademarks for reselling purposes does not entail the authorization to use the trademarks for a web shop or in a domain name.

The evidence brought forward by the Respondent in appeal does not provide proof of permission regarding the use of Complainant in appeal's trademark for the Domain name whether for registration and/or use in a domain name.

The transcripts brought forward of a conversation with Mr. Rick McDonough are contradicted by a testimony of Mr. Rick McDonough himself. The Respondent in appeal does not submit the actual recordings.

The Respondent in appeal does not provide any other proof of his alleged right or legitimate interest in the Domain name.

The Panel of Third-Party Deciders therefore concludes that the Respondent in appeal has no rights or legitimate interests in the Domain name and that the second condition of article 10, b), (1) is also fulfilled.

6.7. The assessment of the third DNS condition (bad faith)

In order to meet the third and last condition of Article 10, b) (1) of the Terms and Conditions, Complainant in appeal must demonstrate that the Domain name was registered or used in bad faith.

Bad faith is to be construed as the knowledge (proven as having been actual or having taken place with a reasonable certainty of evidence in the circumstances) by the domain name holder, that a third party enjoyed a factual or legal situation previous to, and conflicting with, the litigious registration or use (see CEPANI no. 44436, "bollore-logistics.be").

Article 10, b) (2) of the Terms and Conditions provides a non-exhaustive list of circumstances which prove that a domain name is used or registered in bad faith:

- 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 that the registrant can show are 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.
- the registrant has registered one or more personal names without the existence of a demonstrable link between the registrant and the registered domain names.

It should be noted that the notion of bad faith is a broad notion and that according to previous CEPANI decisions, it is sufficient that the domain name has been registered in bad faith *or* is being used in bad faith, these two criteria being non-cumulative (see CEPANI no. 44046, “zodiac.be”). The simple use in bad faith is sufficient, even if bad faith is not established at the time of registration (CEPANI no. 44208, “lookhatme.be”).

Bad faith can be proven by any reasonable means, including presumptions and circumstances that indicate with a reasonable degree of certainty, that the domain name holder knew, or ought to know, the complainant's prior rights and nevertheless registered the domain name (see CEPANI no. 44068, “vueling.be” and CEPANI no. 44067, “rembostyling.be”). See also 6.1.

In the case at hand, the Respondent in appeal knew of Complainant in appeal's trademarks and nevertheless registered the Domain name, even though there were numerous other options available (such as using its own company name).

In addition, the Respondent in appeal uses the same “look and feel” for its website (which holds a web shop) as the website of the Complainant in appeal (which also holds a web shop). The colour scheme of black and yellow and the favicons (tab icons) are identical, and the (product) pictures used on the website are similar to the ones found on the website of the Complainant in appeal. The Respondent in appeal's website uses MEGUIAR's trademarks and logos, not only to identify the products offered for sale but also in the website's title and in the meta tags (description and keywords).

The Respondent in appeal however maintains it obtained permission from the Complainant in appeal. The Panel of Third-Party Deciders already established above that this is insufficiently proven (see 6.6).

Moreover, as correctly observed by the Third Party-Decider, the relation between the Parties is not sufficiently disclosed on the website of the Respondent in appeal. The disclaimer is at the bottom of each page in a non-prominent manner and, as it must be searched for, website users will only read such statement if they are purposefully

looking for such information. In addition, it may still cause confusion, as reference is made up to three times to the Complainant in appeal's trademarks, possibly so creating impression of connection with the Complainant in appeal.

That being the case, it appears that the Respondent in appeal is trying to unlawfully ride on Complainant's coattails to build up its own success by consciously using the Complainant in appeal's trademarks in the Domain name (for which it does not have permission), by copying the "look and feel" of the Complainant in appeal's website (for which it also does not have permission) and by not disclosing properly the relationship with the Complainant in appeal.

The fact that the Respondent in appeal claims being willing to make adjustments to the website regarding the "look and feel" and the mentions regarding its relation to the Complainant in appeal does not alter the finding of the Panel of Third-Party Deciders. This offering cannot be taken into consideration as it has not taken place.

The Panel of Third-Party Deciders therefore concludes that the Respondent in appeal has registered the Domain name in bad faith and that the third condition of Article 10, b), (1) is also fulfilled.

6.8. The suitability of the CEPANI proceedings

The Complainant in appeal asserts that the Third-Party Decider wrongfully considered that the CEPANI proceedings were not suitable to solve the current dispute.

According to the Third-Party Decider, the CEPANI proceedings are not designed to solve a legal dispute that is 'complex' or 'much broader' (than plain cybersquatting) and that court proceedings are the appropriate forum for such a dispute.

The Panel of Third-Party Deciders agrees with the Complainant in appeal that there is no basis for such a reasoning. Appropriateness of the forum is not a relevant criterion to assess the DNS conditions.

6.9. The taking into consideration of the possible consequences of ordering transfer of the Domain name

The Complainant in appeal asserts that the Third-Party Decider wrongfully considered the possible consequences of ordering the transfer of the Domain name.

According to the Third-Party Decider, the ordering of the transfer "*will have far-reaching consequences for the Domain Name Holder, which may lose part of the business that it built by offering for sale only genuine products of the Complainant*" (Contested decision, p. 11). The Respondent in appeal makes claims of allegedly "*investing for years in the domain name*", *its reputation with "thousands of customers"*, also claiming that, "*as a result of these investments, the web shop is highly indexed in Google*" (Response form dated 25 November 2021, p. 6), without however providing evidence thereof.

The Panel of Third-Party Deciders holds the opinion that there is no basis for such a reasoning. The Terms and Conditions do not allow considerations to be given to the investments made for using the domain name and the possible consequences of a transfer of this domain name (see CEPANI no. 44323, “muckboots.be”). This would add a new condition for which there is no basis. The DNS conditions have been drafted by already weighing the different interests of the domain name holder against those of the complainant.

For the sake of completeness, the Panel of Third-Party Deciders observes that the Respondent in appeal can continue to sell the products of the Complainant in appeal, possibly under a different domain name. Distinction must be made between the possibility to use a trademark to sell the products and the possibility to use a trademark to register as a domain name (see 6.6).

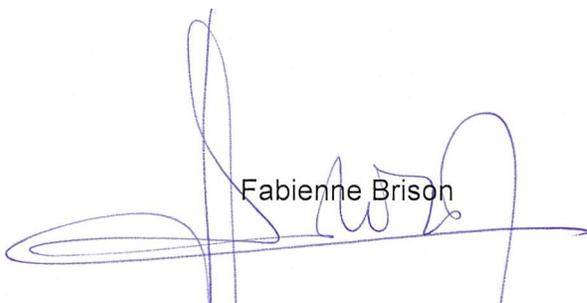
7. Decision

Consequently, pursuant to Article 10, e) of the Terms and Conditions, the Panel of Third-Party Deciders hereby rules that the domain name registration of “meguiarsshop.be” is to be transferred to the Complainant in appeal.

For the costs the Panel of Third-Party Deciders refers to Article 10 of the Terms and Conditions.

Brussels, 21 February 2022

The Panel of Third-Party Deciders



Fabienne Brison

Fabienne BRISON, Chair



Christine DE KEERSMAEKER



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