

## Corporación Habanos S.A. v Tobias Pischetsrieder

Case No. D2009-1041, World Intellectual Property Organisation (WIPO)

An arbitration panel for the World Property Organisation decided that a 13-year delay in enforcing a trademark owner's rights to an existing trademark counts against a finding of bad faith.

Corporación Habanos S.A., the distribution arm of state-owned Cuban tobacco manufacturer Cubatabaco, is the owner of more than 800 trademarks worldwide containing the term COHIBA. The trademark COHIBA, for Cuban cigars, was created in 1966 and first registered in 1969. In Germany - the domicile of the respondent, Tobias Pischetsrieder - the COHIBA mark was registered in 1985. However, the ownership of rights to the COHIBA brand is disputed in the USA. US General Cigar Company, Inc., has registered, and uses, the COHIBA brand for Dominican Republic made cigars. In February 2005, the 2nd Circuit Court ruled that General Cigar Company was the rightful owner of the brand COHIBA in the US. The battle is far from over, though. In December 2009, New York Federal Judge Robert W. Sweet enjoined General Cigar from using the COHIBA name, relying on a state cause of action and unfair trade by misappropriation. He also stayed the injunction pending General Cigar's appeal.

In the case at hand, the respondent had registered the domain name 'cohiba.com' in 1996 - he did not use it for any commercial purpose, neither offered to sell it or placed any advertising on it. The site is only accessible through a login and is not open to the public.

In August 2009, Habanos S.A. filed a request for transfer of the domain name under the Uniform Domain Name Dispute Resolution Policy ('the Policy' or UDRP), in Spanish, with the World Intellectual Property Organisation (WIPO) Arbitration and Mediation Center.

The complainant was informed that the request had to be submitted in the language of the registration agreement of the

domain name at issue. The agreement in this case was in German, and Habanos S.A. subsequently filed a German translation of the complaint.

The respondent argued that, in 1996, when the domain was registered, it was not clear under German law whether the registration and use of a domain name constituted trademark infringement. The COHIBA mark was not famous and did not deserve protection, irrespective of the goods it was registered for (the respondent did not dispute that he was aware of the COHIBA brand at the time of registration). There co-existed trademarks with the term COHIBA for different goods. His registration and use of 'cohiba.com' was not in bad faith, and the use was for purely private, non-commercial purposes.

The WIPO three-member panel noted that Paragraph 4(a)(iii) of the Policy required that the domain name be registered and used in bad faith - this is supported by the clear wording of the Policy. However, in practice, some panellists have acted as if the Policy only required either registration or use in bad faith. After reciting the circumstances listed in paragraph 4(b) of the Policy - that support a finding of bad faith - the panel largely agreed with the arguments of the respondent and held that he had neither registered nor used the domain name in bad faith. While the panel hesitated to a degree on whether the respondent had registered the domain name in bad faith - he had, after all, admitted that he was aware of the trademark COHIBA at the time of registration and had no apparent legitimate interest in the term COHIBA - there were no indications of use in bad faith. A key element considered was also the 13-year delay before the

complainant enforced his rights. While the panel noted that the Policy did not foresee forfeiture (*Verwirkung*) of the claim for transfer of an infringing domain name, a long delay between the registration of the domain name at issue and the enforcement of the alleged rights counts against a finding of bad faith<sup>1</sup>.

This case is unusual in at least two regards:

- The trademark owner waited for 13 years before filing a request for transfer. In 1996, when the domain name 'cohiba.com' was registered, the Policy was not yet established. The trademark owner could have filed a request after institution of the UDRP as early as in 2000. It is certainly never a good idea to wait nine years before enforcing one's rights.

- From the facts, according to the decision, it appears indeed that respondent did not try to profit in any way from the attraction of the well-known mark COHIBA, whether financially or in any other way. Although the application of the Policy in practice often supports the view that the owner of a well-known mark has an unconditional right of ownership in a domain name corresponding to his mark, this case shows that this is a misconception - the Policy requires registration and use in bad faith for a transfer.

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1. Citing *The Knot, Inc. v. Ali Aziz*, WIPO case No. D2007-1006.