

ADMINISTRATIVE PANEL DECISION

Sanosil AG v. Ammar Matouk

Case No. D2023-1174

1. The Parties

The Complainant is Sanosil AG, Switzerland, represented by Isler & Pedrazzini AG, Switzerland.

The Respondent is Ammar Matouk, United Arab Emirates, self-represented, and SANOSIL MENA Detergents & Disinfectants Manufacturing Co. LLC, United Arab Emirates, represented by IAA Middle East Legal Consultants LLP, United Arab Emirates.

2. The Domain Name and Registrar

The disputed domain name <sanosil-mena.com> is registered with GoDaddy.com, LLC (the “Registrar”).

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on March 16, 2023. On March 16, 2023, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On March 17, 2023, the Registrar transmitted by email to the Center its verification response confirming that the Respondent Ammar Matouk is listed as the registrant and providing the contact details.

The Center verified that the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy” or “UDRP”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2 and 4, the Center formally notified the Respondent of the Complaint, and the proceedings commenced on March 23, 2023. In accordance with the Rules, paragraph 5, the due date for Response was April 12, 2023. On April 10, 2023, the Respondent Ammar Matouk requested the automatic response extension, the due date for Response was amended to April 16, 2023, and the Response was filed with the Center on April 16, 2023.

The Center appointed Andrew D. S. Lothian as the sole panelist in this matter on May 1, 2023. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

4. Factual Background

The Complainant is a Swiss corporation established on July 13, 1982. The Complainant develops, produces, markets and sells disinfectants for fields such as the water industry, public health, facility management, and the food/beverage industry. The Complainant uses the brand and trademark SANOSIL in the course of its business and has agreements with local distributors in some 37 countries worldwide.

The Complainant cited (among others) its ownership of Swiss Registered Trademark No. 320087 for the word/figurative mark SANOSIL, registered on January 11, 1983, in Classes 3 and 5 (disinfectants for water). However, the Panel has noted that this mark was cancelled due to non-extension on March 11, 2023. The Panel notes nevertheless that the Complainant owns Swiss Registered Trademark No. 516378 for the word/figurative mark SANOSIL, registered on November 21, 2003, in Classes 1 and 5 (chemicals and disinfectants). The Complainant also owns United Arab Emirates Registered Trademark No. 47650 in respect of the same stylized word mark, registered on July 4, 2004, in Class 1 (chemical products). In addition, the Complainant owns multiple SANOSIL-formative domain name registrations.

The disputed domain name was registered on December 23, 2012. It points to a website operated by a company named SANOSIL MENA Detergents & Disinfectants Manufacturing CO. L.L.C. ("SANOSIL MENA"). Said website promotes the Complainant's Swiss formula for disinfectant products and notes that SANOSIL MENA manufactures products under an ISO standard in Dubai, United Arab Emirates. It also promotes a range of products branded under the SANOSIL mark.

On February 11, 2013, after the disputed domain name was registered, the Complainant entered into a Joint Venture Shareholder's Agreement with two individuals in order to establish SANOSIL MENA in Dubai. According to the Agreement, SANOSIL MENA would import and market SANOSIL branded chemical products in the United Arab Emirates along with certain other Middle East countries and possibly also North Africa, the Complainant would hold 10% of the shares of SANOSIL MENA, and SANOSIL MENA would purchase minimum quantities of SANOSIL products from the Complainant. SANOSIL MENA was established on May 19, 2015. The Respondent's name Ammar Matouk appears on its trade license, suggesting that it had some position at the company at that time. On the basis that SANOSIL MENA allegedly did not meet its minimum purchase requirements and distributed false statements regarding the areas covered by the said Agreement, the Complainant terminated the said Agreement by formal notice on June 22, 2022, whereby SANOSIL MENA was ordered to cease any use of the trademark SANOSIL including on websites, failing which the Complainant would resort to legal action. SANOSIL MENA disputes the validity of this termination and has allegedly applied for arbitration in respect of the said Agreement.

5. Parties' Contentions

A. Complainant

In summary, the Complainant contends as follows:

Identical or confusingly similar

The disputed domain name combines the Complainant's SANOSIL mark with the verbal element "mena" which stands for "Middle East and North Africa". This element increases the risk of confusion because it conveys the message that any website operated under the disputed domain name is the Complainant's official website for this region.

Rights or legitimate interests

The Respondent (being an individual) was never granted the right to use the SANOSIL trademark, has no such rights, and holds no corresponding applications or registrations anywhere in the world. According to the Respondent's LinkedIn profile, it was employed by SANOSIL MENA from April 2017 until September 2022. While the Respondent may have registered the disputed domain name for the benefit of SANOSIL MENA, the Respondent has no personal interests in respect of the disputed domain name. The Respondent never had any such rights or legitimate interests and may neither be the beneficial owner nor the person responsible for the corresponding website. The Complainant assumes that SANOSIL MENA is the beneficial owner of the disputed domain name and submits that it also has no rights or legitimate interests in the disputed domain name as from its receipt of the termination notice dated June 22, 2022.

Registered and used in bad faith

The Complainant has no knowledge of the Respondent's intentions when the disputed domain name was registered but the fact that the disputed domain name was taken in the Respondent's personal name is indicative of bad faith. Even if the disputed domain name had been registered in the name of a third party or later transferred to such party, the third element of the Policy would still be fulfilled by the concept of retroactive bad faith registration, and there would still be a bad faith registration even if the concept of retroactive bad faith is rejected.

The disputed domain name was registered before any agreements had been concluded and thus before the Complainant consented to the establishment of SANOSIL MENA and its use of the SANOSIL trademark. At that point, the Respondent was aware of the Complainant's prior rights in its trademark and that, by registering the disputed domain name, it would prevent the Complainant from acquiring this for itself. As far as bad faith use is concerned, SANOSIL MENA continues to use the disputed domain name even though the Complainant has terminated the Joint Venture Shareholder's Agreement. This is aggravated by the content of the related website, which substantially corresponds to the Complainant's website content at "www.sanosil.com" and creates a wrong impression of an existing association between the Complainant and SANOSIL MENA. The Respondent is allowing this situation to continue.

B. Respondent

General

The Response is made on behalf of SANOSIL MENA, noting that the named Respondent is representing itself. SANOSIL MENA has commenced arbitration proceedings at the Arab Centre for Dispute Resolution ("ACDR") against Sanosil Ltd (not the Complainant), as the proper party under the Joint Venture Shareholder's Agreement. SANOSIL MENA requests that the present administrative proceeding is suspended until a final decision is taken by that body. The Response is submitted on a without prejudice basis.

The rightful owner of the disputed domain name since 2012 is SANOSIL MENA, which has been operating its business in the UAE for more than 10 years with the knowledge and acceptance of the Complainant. The named Respondent Ammar Matouk, who was the manager and authorized agent for SANOSIL MENA from 2019 to 2022, was only acting as its agent in administering the associated website. By a Severance Agreement dated October 5, 2022, the named Respondent transferred its access credentials to SANOSIL MENA.

Identical or confusingly similar

The disputed domain name was registered in anticipation of the Joint Venture Shareholder's Agreement entered into between the Parties on February 11, 2013. SANOSIL MENA has conducted business in the United Arab Emirates since that date and under that name and the disputed domain name. The

Complainant has unlawfully terminated the Joint Venture Shareholder's Agreement and is unlawfully promoting itself in the region in breach of the restrictive covenants contained therein including via a website at "www.sanosilmena.com". The Complainant is attempting to deny SANOSIL MENA's lawful rights to conduct business under the disputed domain name when it is licensed to do so.

Rights or legitimate interests

Before the Complaint was submitted, SANOSIL MENA used the disputed domain name in connection with a *bona fide* offering of goods or services and has done so for more than 10 years, being licensed to do so for the entire time. It will continue to use the disputed domain name as it has long term contracts and other agreements under this name. It has been commonly known by the disputed domain name for more than 10 years.

Registered and used in bad faith

SANOSIL MENA has been using the disputed domain name and conducting its business with the Complainant's knowledge and approval since February 2013. The Complainant has unlawfully terminated the Joint Venture Shareholder's Agreement in violation of United Arab Emirates law to prevent SANOSIL MENA from operating in the corresponding region. It has also abused the restrictive covenant. The Complainant has failed to demonstrate any of the circumstances listed under paragraph 4(b) of the Policy.

6. Discussion and Findings

A. Preliminary matter: Identity of the Respondent

The Registrar-confirmed Respondent Ammar Matouk has not produced a Response in this case. However, SANOSIL MENA has provided a detailed Response in which it argues that it is the beneficial holder of the disputed domain name and that the Registrar-confirmed Respondent Ammar Matouk was its employee, manager and authorized agent, and had registered and held the disputed domain name on its behalf. The Response includes what is said to be a Severance Agreement between the said employee and SANOSIL MENA dated October 5, 2022, whereby the former is said to have transferred its access credentials for the disputed domain name to the latter. Irrespective of the Severance Agreement, as to the background to the registration and use of the disputed domain name, SANOSIL MENA appears to be the organization operating the related website, and which has been engaged in commercial relations with the Complainant.

The Rules define the respondent as "the holder of a domain name registration against which a complaint is initiated". Nevertheless, the Panel has discretion to substitute or join another entity as a respondent by way of its general powers as set out in paragraph 10(a) of the Rules. In the present case, the Panel considers it reasonable in its discretion to substitute SANOSIL MENA as the Respondent in this case, and references to the Respondent hereafter refer to that entity. It is clear from the terms of the Complaint that the Complainant anticipated that the Panel might make such a determination. Indeed, the Complaint is directed not only to the Registrar-confirmed registrant but also to the beneficial holder of the disputed domain name, should the Panel decide that it is the proper respondent. In these circumstances, there is no need to invite the Complainant to make any further submission as a consequence of this preliminary determination.

B. Preliminary matter: Other Legal Proceedings and Respondent's request for suspension

The section on "Other Legal Proceedings" in the Complaint states "No other legal proceedings have been commenced or terminated in connection with or relating to the domain name that is the subject of the Complaint". However, while the corresponding section in the Response (section 9) states that there are "no legal proceedings either in the process or terminated in connection with the Complaint", it adds that the Respondent "has commenced arbitration proceedings against the complainant under the ACDR".

In turn, section 2 of the Response includes a request to suspend the present administrative proceeding until a final decision is rendered by the Arab Center for Dispute Resolution. Section 2.2 goes on to note that the closest dispute resolution center in relation to the domain name's domicile is the ACDR. Annex 1 to the Response is said to be the corresponding arbitration submission. This consists of a screenshot dated April 17, 2023 of a page headed "Arab Center for Dispute Resolution (ACDR)" below which are the words "Complaint Form Sent Successfully". The remainder of the page is blank. The Panel is unaware of the subject matter of the arbitration submission. The Respondent may be suggesting in section 2.2 of the Response that the disputed domain name is the subject matter of the arbitration or that the arbitration relates at least in part to it. However, the position is not clear.

Paragraph 18(a) of the Rules provides that the Panel has the discretion to decide whether to suspend or terminate the administrative proceeding, or to proceed to a decision, in the event of any legal proceedings initiated prior to or during an administrative proceeding. Section 4.14 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("[WIPO Overview 3.0](#)") notes that panels generally issue a UDRP decision on the merits even in an overlapping scenario where, notwithstanding the fact that a UDRP decision would not be binding on the court, the relative expediency of the UDRP versus courts is seen as a benefit to the parties. The section also notes that panel reluctance to terminate a UDRP case on this basis often also takes account of, and respects, the potential for a court action to address causes of action separate from that being addressed in the UDRP proceeding.

In the present case, the Panel has not received suitable information from either of the Parties as to the nature and subject matter of the arbitration allegedly in progress at the ACDR. The statements in the Response are ambiguous as to whether this relates to the disputed domain name or more generally to the dispute between the Parties.

In all of these circumstances, the Panel considers that it has not been furnished with any reasons that would suggest that it should exercise its discretion in favor of suspending the administrative proceeding. The Panel therefore denies the Respondent's request and will proceed to a Decision.

C. Identical or Confusingly Similar

The first element inquiry under the Policy is typically a two-stage process. First, the Complainant must demonstrate that it possesses UDRP-relevant rights in a trademark, whether registered or unregistered. Secondly, a comparison exercise follows in which such trademark is usually compared side-by-side with the disputed domain name, typically disregarding the Top-Level Domain (in this case ".com"). If, on the basis of such comparison, the disputed domain name is seen to be identical to the Complainant's trademark, identity will generally be found, while if the Complainant's mark is otherwise recognizable in the disputed domain name, confusing similarity will usually be found.

In the present case, the Panel finds that the Complainant has UDRP-relevant rights in its SANOSIL registered trademark as described in the factual background section above. This mark is a stylized word mark, and the stylized elements are easily severed from the textual component (see section 1.10 of the [WIPO Overview 3.0](#)). Comparing such textual component to the disputed domain name, it may be seen that this consists of an exact alphanumeric representation of said mark coupled with a hyphen and the initials "mena". The hyphen may be ignored on the basis that it serves here as a separator, spaces not being allowed in domain names for technical reasons. Given that the trademark is recognizable in the disputed domain name, the additional element, "mena" either being meaningless, or representing the acronym for the geographic areas Middle East and North Africa, would not prevent a finding of confusing similarity under the first element (see section 1.8 of the [WIPO Overview 3.0](#)).

In all of these circumstances, the Panel finds that the disputed domain name is confusingly similar to the Complainant's trademark and that the Complainant has carried its burden with regard to paragraph 4(a)(i) of the Policy.

D. Rights or Legitimate Interests

The essence of the Complainant's case on this topic is that, insofar as the Respondent is the beneficial holder of the disputed domain name, it has no rights or legitimate interests therein following the termination of the Joint Venture Shareholder's Agreement. The Respondent's case is that the said Agreement has been unlawfully terminated.

Panels tend to assess claimed respondent rights or legitimate interests in the present, *i.e.*, with a view to the circumstances prevailing at the time of the filing of the complaint. A respondent claiming a right or legitimate interest in a domain name based on a prior agreement or based on past good-faith use (thus demonstrating merely a past right or legitimate interest) would not necessarily have rights or legitimate interests in the domain name at the time a decision is rendered (see section 2.11 of the [WIPO Overview 3.0](#)). However, the issue for the Panel in this proceeding is that one party asserts that the agreement is not a "prior agreement" because it has not been validly terminated. That party, the Respondent, argues that its rights and legitimate interests to operate the disputed domain name in support of its distribution arrangement, as it has done for over a decade, remain very much in the present.

A UDRP panel should not normally have to review a distribution agreement in detail in order to determine an administrative proceeding under the Policy (see, for example, the panel's comment to this effect in *Forbo Financial Services AG v. Ashrad*, WIPO Case No. [D2019-1203](#)). It is not for this Panel to say whether or not the Joint Venture Shareholder's Agreement has been validly terminated by the Complainant. Indeed, the Panel notes from a review of cases relating to distribution agreements under the Policy that in many such cases the parties have already agreed that termination has occurred, or that complaints asserting valid termination are unopposed.

In these circumstances, the Panel cannot determine whether or not the Respondent has rights or legitimate interests in the disputed domain name. It is not for the Panel to assess the detailed terms of the distribution agreement or the validity of its termination. However, in light of the Panel's findings under the third element below, it is unnecessary for the Panel to reach a firm conclusion on the second element analysis.

E. Registered and Used in Bad Faith

The evidence in the present case shows that the disputed domain name was registered shortly before the Joint Venture Shareholder's Agreement came into force. The Respondent says that this was done, on its behalf, in contemplation of the conclusion of its commercial agreement with the Complainant. The Panel assumes that the Respondent is effectively saying that it caused the registration of the disputed domain name to be made in order to secure the most suitable online identity for a distributor working in the territories concerned.

The Complainant's position is that it did not know about the registration of the disputed domain name and gave no permission therefor. Does this lack of knowledge and lack of permission at the point of registration necessarily mean that the disputed domain name must have been registered in bad faith? The Complainant has not pointed to any aspect of the Joint Venture Shareholder's Agreement containing an express prohibition of the registration of domain names, nor has it described how that might have been prohibited in some other way. The disputed domain name could only have been registered in bad faith if, at the time of registration, the Respondent had some form of abusive or malign intent, such as to divert business from the Complainant, to pass off third party goods as those of the Complainant, or otherwise to take unfair advantage of the Complainant's rights in its SANOSIL mark.

No evidence is before the Panel that reasonably points to the presence of such an abusive or malign intent on the Respondent's part at the material time. For example, there is no evidence that the disputed domain name was used as leverage in the negotiations leading to the completion of the Joint Venture Shareholder's Agreement, nor is it conceivable that the present dispute between the Parties, however acrimonious and adversarial it might appear to be today, could reasonably have been in the Respondent's contemplation a decade before it occurred. On the contrary, when considering the balance of probabilities, it strikes the Panel as more likely that the Respondent registered the disputed domain name in the expectation of the

Parties' negotiations leading to a commercial agreement, which they duly did less than two months later. Although it may have done so without permission, there is no evidence that it did so with any abusive or malign intent (see, for example, the discussion on this topic in *APT Advanced Polymer Technology Corp. v. Matt Arnold, Majestic Capital*, WIPO Case No. [D2019-0824](#)). The Panel rejects the Complainant's argument that bad faith in these circumstances may be retroactive, *i.e.*, that registration of the disputed domain name, if originally effected without malign or bad faith intent, could be considered tainted in some way by the Respondent's behavior following alleged termination of the Joint Venture Shareholder's Agreement.

On the basis of the analysis set out above, the Complainant has not proved registration of the disputed domain name in bad faith. As the Complainant has not succeeded in proving the first part of the conjunctive requirement, the question of use of the disputed domain name in bad faith is moot, and, accordingly, the Complainant has not proved the conjunctive requirement of registration and use in bad faith in terms of paragraph 4(a)(iii) of the Policy. The terms of alleged breaches of the Joint Venture Shareholder's Agreement and the validity of its termination are not matters within the scope of the Policy, which is limited to abusive registration of domain names (see the discussion on these topics in *Groupement des Laboratoires Francais/Soras v. Embryolisse USA*, WIPO Case No. [D2019-0664](#), and, more generally, section 4.14.6 of the [WIPO Overview 3.0](#)).

In all of these circumstances, the Panel finds that the Complainant has failed to carry its burden in terms of paragraph 4(a)(iii) of the Policy.

7. Decision

For the foregoing reasons, the Complaint is denied.

/Andrew D. S. Lothian/

Andrew D. S. Lothian

Sole Panelist

Date: May 15, 2023