

Jonathan Agmon (Chairperson)
Leehee Feldman
Yuval Karniel

In the matter between

Acer, Inc.

v.

Ms. Marilyn Sharon

In respect of the domain Name:

ACER.CO.IL

Decision

(25 February 2007)

Jonathan Agmon (Chairperson):

In accordance with rules 16, 19.4 and 21 to the Rules for Allocation of Domain Names under the IL (Israel) Top Level Domain dated December 1998, version 2.1 as amended (2006) (hereafter: "**the Rules**") this panel decides as follows.

Background

On October 29, 2006 Acer Inc. (hereafter: "**Acer**") filed notice pursuant to Rule 19.3 of the Rules requesting the Advisory Committee Panel (hereafter: "**the Panel**") to reconsider the allocation of the domain name ACER.CO.IL to Ms. Marilyn Sharon (hereafter: "**the Domain Name**" and "**Respondent**" respectively).

Procedure

This Panel was established on November 8, 2006. Pursuant to establishment of the Panel, a copy of the notice was delivered to Respondent on November 29 2006. Respondent did not reply to complaint's arguments.

Nature of the Dispute

Pursuant to rule 19.3 of the Rules any person or organization who disputes the allocation of a Domain Name to a Holder may request reconsideration of the allocation, including transfer of the allocation to the challenger upon application to the Panel.

Arguments by Acer

1. Acer is a Taiwanese corporation. Since 1976 Acer has been manufacturing, marketing and distributing computers, computer parts and computer accessories. Acer is one of the largest leading computer companies in the world. Acer currently employs approximately 5,600 employees in more than 100 countries worldwide.
2. Acer manufactures and markets a broad range of computers and computer accessories including, desktops, laptops, PC boards, servers, handhelds, printers and monitors.
3. Acer is the owner of all the rights in the ACER trademark. Acer is the owner of the ACER trademark registration in Israel in classes 9, 16, 35 and 42. Acer has obtained similar trademark registrations for the ACER trademark in many countries around the world. The ACER trademarks in classes 9 and 42 were applied for in Israel by Acer in 1987 and registered during 1991.
4. As a result of Acer efforts and extensive investment, the ACER trademark is a well known trademark in Israel.
5. Acer has invested, and continues to invest, extensive resources in advertising and promoting its products.
6. Acer products are recognized and held in high esteem throughout the world and the Acer products have been awarded with many prizes.
7. Acer products are sold in over 40 countries throughout the world, including Israel. Acer products are currently imported into Israel by Newpan Ltd.
8. In the past 5 years the sales of Acer products have reached almost 21 million U.S dollars. At the same time Acer spent approximately US\$366,000 on advertising.
9. The ACER trademark is being used by Acer for many years. The Israeli consumer public associates the ACER trademark with Acer.
10. Acer owns many of the ACER domain names around the world. Acer makes extensive use of the ACER domain names for its websites, also to advertise its business and activities, to market its products and inform consumers of various issues relating to Acer's business.
11. Acer is interested in operating a website which is directed towards the Israeli public and which will operate under the www.acer.co.il domain name.
12. Between January and October, 2006 there was no active website using the www.acer.co.il domain name.
13. Respondent is a cybersquatter and domain name squatter who has registered additional domain names which incorporate famous trademarks. These actions have been made in bad faith and for the sole purpose to obtain financial gain.
14. Respondent is infringing Acer's well known registered trademark and by doing so is harming Acer right to exclusive use of its trademark.

15. Respondent is committing the tort of passing off by misleading the public and causing it to believe that there some connection between Respondent, the domain name and Acer. According to Acer the first association which is created when viewing the domain name is with Acer and its products.
16. Respondent is committing the tort of unfair intervention by preventing Acer from building and operating a website on the domain name.
17. Respondent is being unjustly enriched at the expense of Acer and is gaining profit without any legal right. Acer invested extensive effort and resources in the ACER and in bringing it to the attention of the public. Respondent acted in bad faith by registering the www.acer.co.il domain name.
18. Respondent misappropriates, dilutes and harms Acer's goodwill in the famous ACER trademark.
19. Respondent acted without good faith when requesting the Domain Name be registered in her name. Furthermore, Respondent offered to sell the domain name to Acer for \$13,000 and a laptop ACER Ferrari 4000 model computer, suggesting the real purpose for Respondent to register the domain name on its name was to prevent Acer from establishing a website under the domain name.

Arguments by Respondent

Respondent did not reply to Acer arguments.

Opinion

Having reviewed the arguments and facts presented to us by Acer we accept the petition. The reasons for our decision are as follows:

1. The Panel has delivered to Respondent the complaint. Respondent failed to respond to the complaint. Therefore, the panel accepts the allegations set forth by Acer, as shown by documents presented with the Petition and as provided herein below.
2. Acer has submitted voluminous documentation establishing it is the owner of the ACER trademark and good will in Israel and in many other countries, and that Acer significantly advertizes and promotes its name and brands. Acer has shown that the ACER trademark has been registered in Israel since 1991, well before Respondent applied for the Domain Name.
3. ACER also provided evidence showing the prizes Acer was awarded and a printout of Acer's local distributor – Newpan. Acer alleged to us it has sold goods for over \$20 million in Israel alone over the past five years, but has brought no evidence in support of this figure. Acer did bring forth evidence showing it has been widely selling Acer products in Israel for the past number of years. Acer also showed Respondent's attempted, through her representative, Mr. Elad Angel, to sell Acer the Domain Name for \$13,000 and an Acer laptop "Ferrari 4000" computer.
4. In accordance with Rule 26 to the ISOC-IL Rules the holder of a domain name represents to ISOC-IL that the allocation of the domain name does not infringe on a third party right in Israel and further that the information provided by the holder in the registration process is true and accurate.

5. Having reviewed the arguments presented to us it is our finding that Respondent requested the assignment of the domain name ACER.CO.IL when she knew, or should have known, that the Domain Name is associated with Acer, and that the Domain Name is a trademark used by Acer.
6. Several previous Panels have noted that the good faith duty is a tenet of Israeli law and covers all contractual and legal acts performed by a person. See decision in Windows.co.il (decided on January 31, 2005); Accenture.co.il (decided January 15, 2003); THK.co.il (decided October 9, 2005). Since the duty of good faith spans to the acts of Respondent with respect to the request for assignment of the Domain Name and later her failure to use the Domain Name in good faith and her attempt to sell the Domain Name to Acer, we conclude that Respondent's request and use of the Domain Name was made in bad faith.
7. Respondent should have known at the time of application that Acer is likely to request for its use the Domain Name in Israel. See In re Amdocs (Israel) Ltd. and Ofir Respondent (decided January 2, 2002). Respondent knew or should have known at the time she made the application for the Domain Name that the statement that she was not in violation of a third party's rights in the Domain Name (ACER.CO.IL) was incorrect, and at best was performed while shutting her eyes to Acer's rights in the ACER trademark. This also leads us to conclude that Respondent acted in bad faith when it applied for the Domain Name. This was made contrary to the Rules and in breach of its contractual obligations to ISOC-IL.
8. We therefore find that Respondent took the Domain Name in order to prevent Acer from using it, and also with the desire to eventually sell the Domain Name to another, probably to Acer itself. While Respondent did not make use of the Domain Name, she also did not hand it over immediately to Acer upon Acer's request and presentation of Acer's superior rights to the ACER trademark. Respondent knew sufficiently to request Acer, through her representatives, for a laptop computer made by Acer, showing that she clearly knew who Acer is and what Acer is selling. The above clearly shows that the respondent acted in bad faith and contrary to the Rules and her contractual obligations to ISOC-IL when requesting the Domain Name.
9. Furthermore, we reach the same conclusion using the three part test provided by the UDRP (See: Skype Technologies v. Gal Vallerius, decided January 7, 2007). According to the three part test a complaint must prove three elements to support the transfer of a domain name. 1) The registered domain is identical or confusingly similar to a trademark or service mark in which the complainant has rights; 2) The respondent has no rights or legitimate interests in respect of the domain name; and 3) The respondent has registered and is using the domain name in bad faith.
10. The Domain Name is confusingly similar as the ACER trademark registered in Israel since 1991 in classes 9 and 42. The addition of the suffix ".co.il" does not distinguish the Domain Name from the ACER trademark. To the contrary, the suffix represents that the Domain Name is merely registered for a commercial organization (see Rule 2.7). As such the suffix "co.il" is purely descriptive of the domain name address type. As such the Domain Name and the ACER trademarks are confusingly similar.
11. The Respondent has no rights or legitimate interest in the Domain Name. Respondent failed to respond to this petition. We therefore have no information before us showing the Respondent has any rights to the Domain Name. Respondent is not using the Domain Name and we have no evidence before us that she is known to be associated with the Domain Name. Acer, on the other hand, has produced ample evidence showing it is the good will and trademark owner of the ACER

trademark in Israel. The only evidence we have before us relating to the position the Respondent took vis-à-vis the Domain Name is in an e-mail sent by Respondent's representative to Acer on 23 January 2006 (Annex N to Petition). In this e-mail Respondent, through her representative, Mr. Angel, claimed that her use of the Domain Name was proper since the definition of the mark ACER is a "strong tree" and also sounds in Hebrew like the number ten. At present we have no evidence before us that Respondent makes use of the Domain Name and the arguments made by her as to the alleged purpose of use or meaning of the mark ACER are therefore irrelevant and unpersuasive. In addition, Respondent had the opportunity to bring forth evidence supporting her position. Respondent failed to do so. We construe her avoidance from bringing evidence to support her claim against her. (See Civil Appeal 548/78 Sharon et al v. Levy, Judgments 35(1) 736, 760) In the same e-mail, Respondent also agreed, through her representative, that she is familiar with the brand ACER. In view of the above and since the Panel may make its determination on the material provided by one party alone (Rule 21.2), we find that the Respondent has no rights or legitimate interest in the Domain Name.

12. The Respondent, as noted above, has tried to sell the Domain Name to Acer in return for the transfer thereof (Annex P to Petition). As such the attempt to sell the Domain Name is evidence of registration and use in bad faith contrary to the UDRP. UDRP section 4.b.(i) provides that the following circumstances, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith: circumstances indicating that the domain name holder registered or have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name. See <http://www.icann.org/udrp/udrp-policy-24oct99.htm>. The result is that Respondent registered and used the Domain Name in bad faith, contrary to the UDRP. The three part test is therefore fulfilled and based on the UDRP test we also determine that the Domain Name should be transferred to the Acer.
13. While Acer alleged a number of additional causes of actions to include the torts of passing off and unfair intervention, unjust enrichment, misappropriation, dilution and harm to Acer's goodwill, we do not find it necessary to discuss these in view of our findings above.
14. The result is that we order ISOC-IL to revoke the assignment of the domain name ACER.CO.IL to Respondent. ISOC-IL may reassign the Domain Name to Acer pursuant to the Rules.
15. As to costs in accordance with Rule 24, we hold that Acer and Respondent shall pay each ISOC-IL the sum of NIS2,400, as expenses.

Leehee Feldman, (Member):

I agree.

Yuval Karniel, (Member):

I agree.

25 February, 2007

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