

Dispute Resolution Panel

For the Internet Society of Israel

Ellen Shankman, Adv.

In the matter between

**Service Plus for Home Appliances Ltd.,
Mazor E. Services Repair and Renovation of Domestic Electrical
Appliances, Ltd.
Ron Technic, Ltd.
General Bar Technologies Ltd.**

(The "Petitioners")

Represented by Adv. Ehud Feldman

And

Alon Katz

(The "Respondent")

Represented by Adv. Oren Amir

Regarding the domain name

generalbar.co.il

(The "Domain Name")

DECISION

Procedural Background

The panel was established on 18 January 2011, in accordance with the Procedures for Alternative Dispute Resolution under the .IL ccTLD by Dispute Resolution Panels ("IL-DRP Procedures"), (http://www.isoc.org.il/domains/ildrp_rules.html)_ (in English) and (http://www.isoc.org.il/domain_heb/ildrp_rules.html)_ (in Hebrew)), in order to address the Petitioners' request to cancel the allocation of the Domain Name (generalbar.co.il) to Respondent and to reallocate the Domain Name to the Petitioners.

Respondent was notified that a petition had been filed and both parties notified of the appointment of the Panelist. Confirmation of receipt of the notification was made in a telephone call to the Panelist by Respondent's attorney. In addition there was continued correspondence between Respondent's attorney and the Panelist, confirming that Respondent was fully aware of the petition and of the deadline for response. The Panelist specifically told the Respondent's attorney that he could file a court complaint or other process to stop this current proceeding, but that if no action was filed and no response to this petition filed, the Panelist would make a decision on the information presented ex parte.

Per Section 8.2 of the IL-DRP Procedures, either party may request that the dispute be reviewed by an extended panel within 7 days of the notification. Further, per Section 8.4 of the IL-DRP Procedures, either party may request exclusion of the appointed Panelist on the grounds of any potential conflict of interests. No such requests were made.

Further, per Section H. of the IL-DRP Procedures, either party may request Court Review.

“Section H. Right To Seek Court Review

20. Petition to the IL-DRP in no way precludes access or petition to an Israel Court of Law.

21. Notwithstanding, should a party, in parallel, institute Court proceedings regarding a Domain Name during the proceedings of the IL-DRP, such petition to the Court shall not affect or stay the IL-DRP proceedings under these Rules, unless a court order regarding such be served on ISOC-IL.”

No such review was made that would affect or stay these IL-DPR proceedings.

Further, in response to Respondent's request for an extension of time for filing a response, the Respondent was granted an additional seven day extension for which to respond to the petition. The parties were specifically reminded of notification of the deadline for response, and Respondent has not submitted a response.

Instead, on the date for the deadline for response, the Respondent's attorney sent an e-mail threatening:

“PLEASE NOTE THAT MY CLIENT CANNOT FILE HIS RESPONSE TO THE PETITION TODAY SINCE HE ONLY RECEIVED A NOTICE OF ITS EXISTANCE **WITHOUT THE PETITION ITSELF.** RESPONSE WILL BE FILLED WITHIN 7 DAYS FROM RECEIVING THE PETITION TO THIS E-MAIL. ANY DECISION TAKEN WITHOUT GIVING MY CLIENT A FAIR OPPORTUNITY TO DEFEND MAY CAUSE HIM DAMAGE WHICH YOU CAN BE HELD RESPONSIBLE FOR.”

The Panelist confirmed that the Petition and all correspondence thereto was posted by ISOC and e-mail sent to the address of the Holder in the records.

Accordingly, since I am satisfied that the Respondent had more than ample notice, and give no credibility to the statements made in the above-quoted e-mail exchange, I am taking my decision based on an assessment of the material presented in Petitioner's Petition.

Petitioners' Arguments:

1. Petitioners have been in the business of selling, distributing, and providing maintenance services to General Bar mini-bars and other water treatment products under the trademark "General Bar" since 2008.
2. Petitioners obtained the domain name general-bar.co.il in May 2008.
3. Petitioners registered its logo trademark GENERAL BAR in Israel in August 2009.
4. Petitioners established and registered the company General Bar Technologies Ltd. in November 2009.
5. Respondent's use of the mark is confusingly similar to Petitioners' trademark.
6. Petitioner claim to have 400,000 customers serviced by them, and operate a system of 80 technicians. Petitioners also cite additional consumer information services, including the Israeli Consumer Organization "Emun Hatzibur".
7. Respondent is a direct competitor of Petitioners and the website operated by Respondent is under the company name Gal-On Products for Quality of Life Ltd. Further, the domain name www.generalbar.co.il resolves to Respondent's Gal-On website. The goods offered on that website are various water mini-bars. The name 'general bar' is used solely within the domain name, and the website does not promote sale of General Bar products.
8. Petitioners sent the Respondent a "cease and desist" letter that received no response.
9. The disputed Domain Name was acquired by Respondent on 17 January 2010 with a view to make use of Petitioner's reputation and business.
10. Respondent has registered and used the Domain Name to redirect Internet users seeking Petitioners' goods and services to Respondent's commercial website.
11. The Domain Name is being used to capitalize on and gain advantage from customers searching for Petitioners' products will reach Respondent's website rather than Petitioners' website at www.general-bar.co.il.
12. The Domain Name identical to Petitioners' trademark.
13. Respondent has no rights or legitimate interest in the Domain Name.
14. Respondent registered and used the Domain Name in bad faith. Respondent registered the Domain Name with full knowledge of Petitioners' mark and products.

Respondent's Arguments:

In the preliminary phone call with the Panelist, Respondent's attorney questioned and challenged the authority of the Panelist and the IL-DRP to determine re-allocation of the Domain Name, altogether. Further, although not officially filed, in that same phone conversation, Respondent's attorney questioned the nature of the proceeding at all, since his client had "purchased" the domain name, and thus was "his".

Apart from the e-mail quoted above, Respondent has not filed any further response by the extended deadline of 9 February, and indeed has not filed any response to date of the drafting of this decision.

Discussion:

Procedural Issue:

Respondent's attorney was specifically directed by the Panelist to the Rules for allocation of domain names, and more specifically to the IL-DRP.

This Panelist wishes to address what appears to be Respondent challenge to the authority of the IL-DRP to determine re-allocation of the Domain Name, altogether.

Sections C and F of the Rules for Allocation of Domain Names provide (emphasis in the original and italicized here for quoted emphasis):

C. Application & Allocation Process

5. The Application

5.1. Applicant

An application for allocation of a Domain Name may be made by the party who will hold the Domain Name ("Holder") or by a third party, including by way of an ISOC-IL Accredited Registrar ("AR"), on behalf of the Holder (collectively "Applicant").

5.3. Application Form and Fees

The allocation process will be initiated by submission to ISOC-IL of the completed application form according to the procedures set by ISOC-IL ("Application"). The Applicant will pay the initial allocation fee together with filing the Application. All details in the Application should be full and correct.

5.4. Application Incorporates the Rules

These Rules and procedures thereunder (hereinafter "Rules") are binding the Applicant and the Holder upon submission of the Application and prevail over any other representations made by ISOC-IL.

F. Disputes and the IL-DRP

24. ISOC-IL Not Arbiter of Disputes

...

24.3. As a service to the Internet Community, ISOC-IL has established an alternative expedited dispute resolution mechanism, namely, the IL-DRP. The procedures and rules regarding dispute resolution under the IL-DRP are available at http://www.isoc.org.il/domains/ildrp_rules.html, and are an integral part of these Rules.

24.4. Holder agrees to submit to a procedure and a decision made under the IL-DRP. This section does not abrogate any individual's right to go to court or arbitration to resolve disputes regarding a Domain Name.

24.5. Section F does not apply to Domain Names allocated under the Rules prior to January 1, 1999, unless the Holder so agrees.

Accordingly, I find that Respondent, by submission of his application to obtain the Domain Name, agreed to the Rules and the IL-DRP procedures.

Further, I reject Respondent's position that he "owns" the Domain Name because he paid for it.

Section A of the Rules states:

"A. Introduction

2. A Domain Name is an entry on ISOC-IL's register database, reflected by the .il Domain Name System ("DNS") nameservers as part of the resolution service provided by the Registry. **A Domain Name is not an item of property and has no 'owner'. [Emphasis added].**

Further, by submission of his application Respondent warranted and conditioned his obtaining the Domain Name as follows in Section C of the Rules:

“5.2. Holder's Representations and Warranties

A submission of an Application by an Applicant constitutes the Holder's representation and warranty that the Holder is a legal entity and that the allocation or use of the Domain Name by the Holder does not infringe the legal rights of a third party. Further, it constitutes the Holder's agreement that ISOC-IL will not bear liability for any allocation and use of any Domain Name.

That the allocation of a Domain Name is not an unconditional ‘purchase’ is further emphasized in Section C of the Rules:

“9. Allocation No Guarantee of Validity of Use

The examination of the Application and the allocation of the Domain Name shall not be a guarantee that the Domain Name is valid for use by the Holder under Israel law, and ISOC-IL or its employees shall bear no responsibility whatsoever because the Domain Name was allocated. “

Accordingly, this Panelist has the authority to make a determination regarding the Domain Name, and these proceedings are appropriate for such determination. Further, under the Procedures, the parties retain the right to go to court, should they wish to challenge the decision of this Panelist.

Grounds for Decision

Notwithstanding that Respondent has not filed a response, the determination of whether the Petitioners have proven sufficient grounds for re-allocation of the domain name, remains standing. Mere “default” is not determinative. Accordingly, this Panelist will proceed with the evaluation of whether there are sufficient grounds to order re-allocation of the domain name.

The Procedures state:

“B. Grounds for IL-DRP

3. Disputes regarding allocation of a Domain Name by a Holder may be brought by a third party ("Petitioners") on the following grounds:

3.1. *the Domain Name is the same or confusingly similar to a trademark, trade name, registered company name or legal entity registration ("Name") of the Complainant; and*

3.2. *the Complainant has rights in the Name; and*

3.3. *the Holder has no rights in the Name; and*

3.4. *the application for allocation of the Domain Name was made or the Domain Name was used in bad faith.*

4. Evidence of Allocation or Use in Bad Faith

4.1. *For the purposes of Paragraph 3.4 above, the following circumstances, in particular but without limitation, if found to be present, shall be evidence of the allocation or use of a domain name in bad faith:*

- a. *the Holder continues to hold the domain name during or after termination of employment or work for hire contract where the domain name allegedly should have been allocated to the employing/contracting party; or*
- b. *the Holder has requested allocation of the domain name primarily for the purpose of disrupting the business of a competitor; or*
- c. *circumstances indicating that the Holder has requested allocation or holds the Domain Name primarily for the purpose of selling, renting, or otherwise transferring the Domain Name allocation 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 documented out-of-pocket costs directly related to the domain name; or*
- d. *the Holder has requested allocation of the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that there is evidence of having engaged in a pattern of such conduct; or*
- e. *by using the domain name, the Holder has intentionally attempted to attract, for commercial gain, Internet users to its web site or other on-line location, by creating a likelihood of confusion with*

the Complainant's Name as to the source, sponsorship, affiliation, or endorsement of its web site or location or of a product or service on its web site or location."

Thus, in order to prevail, the Petitioners must establish all four elements: confusing similarity to the Name, rights in the Name, that the Holder has no rights in the Name, and an element of bad faith.

The Petitioners raise arguments that go to the substantive issues of trademark infringement, passing-off, unfair competition and unjust enrichment regarding use of the mark in the domain name, but acknowledge that they are outside the scope of these Rules. Reference is also made to C&D letters between the parties. These substantive issues are outside the scope of these proceedings, and any conflict regarding these matters should be determined by resolution between the parties or by a court of law.

The IL-DRP was designed to address an alternative expedited dispute resolution mechanism with regard to the allocation of domain names, and this decision is limited to the determination regarding allocation of the Domain Name generalbar.co.il alone.

Confusingly Similar

The first question is: Is the Domain Name the same or confusingly similar to a trademark, trade name, registered company name or legal entity registration ("Name") of the Petitioners?

I find the answer to this "yes". The Domain Name generalbar.co.il is confusingly similar to the registered trademark and key element of the company name of the company.

The Dispute Resolution IL-DRP Panel, in its decision regarding the domain name rakevet.co.il, expressed it well:

"The concept of "confusingly similar has its pedigree in both trademark and 'passing-off' law, which we refer to by way of analogy for guidance, without

expressing an opinion on the ultimate parameters of the test within the context of ISOC-IL Procedures. Both trademark and passing-off law require that when a name is similar to a trademark or business name, that the similarity creates, in the words of the court in Civil Appeal (CA) 5792/99 **Communication and Religious-Jewish Education Mishpaha 1997 Ltd. et al v. SBC Advertising, Marketing and Sales Promotion Ltd. et al**, Decisions of the Supreme Court 54 (3), 933, at p. 942, “a reasonable concern about confusing the public to think that the product or service offered by the defendant to the public – is the product or the service of the plaintiff or that they are connected to him.” Pp 15-16.

In my opinion, such reasonable concern is raised in this case.

Petitioners’ Rights in the Name

The second question is: Has Petitioners established that they have rights in the name?

I find the answer to this “yes”. Petitioners has provided evidence of registration of the trademark “General Bar” logo in Israel. The Panelist further takes notice that an additional wordmark trademark application filed by Petitioners for GENERAL BAR is also pending in the Israel Trademarks Office. In addition, Petitioners hold domain names: general-bar.co.il and general-bar.com.

Respondent’s Rights in the Name

The third question is: Does the Respondent have rights in the Name?

I find the answer to this “no”. Respondent has demonstrated no “rights” in the Name “generalbar” and that there appears to be no legitimate business reason for him to be holding the domain name with the name of a competitor.

It should not be incumbent upon a party to acquire all possible variations of its mark in domain name strings in order not to forfeit any rights or prevent allocation of such domain names to others.

Bad Faith

The fourth question is whether there appears to be any evidence of bad faith in the allocation or use of the Domain Name. I find that there is evidence of bad faith.

In a non-exclusive list of possible evidence of bad faith, Section 4.1. (e) states:

- e. by using the domain name, the Holder has intentionally attempted to attract, for commercial gain, Internet users to its web site or other on-line location, by creating a likelihood of confusion with the Complainant's Name as to the source, sponsorship, affiliation, or endorsement of its web site or location or of a product or service on its web site or location."*

I find that the Respondent does attempt to draw users to its website in the creation of a likelihood of source, sponsorship or affiliation with Petitioners, or at minimum with diversion for those typing in the trademark of the Petitioners' in direct navigation.

[As an observation, the registration of a domain name with another's mark in the domain name string is arguably different from the use of a mark as a key word to direct traffic to a website or the use of a mark in the content of a website. However, I wish to emphasize that I am not commenting on or giving any opinion with regard to the questions of trademark use, infringement, passing off, unfair competition or any other substantive copyright or trademark legal issues regarding use of the mark within a website or on the use of keywords. That determination is outside the scope of this proceeding.]

In addition, Respondent's own statement of its redirection of the generalbar.co.il to gal-on.co.il, evidences that Respondent is holding the Domain Name to use it to attract Internet users to his website. It emphasizes that Respondent can sell his wares under a different domain name (i.e. gal-on.co.il), and is not utilizing the Domain Name for any primary purpose other than to re-direct such traffic.

Decision

In light of the above, I find that the Domain Name is confusingly similar to the Petitioners' registered and unregistered trademark, that the Petitioners have rights in the trademark, that the Respondent has no legitimate interest in the domain name, and that the allocation or use of the Domain Name by the Respondent is in bad faith. Therefore, I hold that the Domain Name shall be reallocated to the Petitioners within 45 days of the date of this decision.

Date: 15 February 2011

Ellen B. Shankman, Adv.

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