



**Binney & Smith, Inc., Binney & Smith LLC., Crayola Properties, Inc. and  
Crayola LLC. v. Avi Kriheli**

**IL-DRP Panel Decision**

**1. The Parties**

The Complainants are Binney & Smith, Inc., Binney & Smith LLC., Crayola Properties, Inc. and Crayola LLC., represented by Advocate Eitan Shaulsky of Sanford T. Colb & Co., from Tel Aviv, Israel.

The Respondent is Avi Krihelli, from Ramle, Israel.

**2. The Domain Name and Registrar**

The disputed domain name <crayola.co.il> is registered with InterSpace Ltd.

**3. Procedural History**

The Complaint was filed with ISOC-IL on July 20, 2011. The Complaint was transmitted to the Israeli Dispute Resolution Panel of ISOC-IL ("**IL-DRP**") under the IL-DRP Rules ("**Rules**").

On July 23, 2011 the IL-DRP appointed Jonathan Agmon as the sole panelist.

In accordance with the Rules, on July 31, 2011, the Panel transmitted by e-mail to the Respondent a copy of the Complaint, providing the Respondent 15 days to respond to the Complaint. The Respondent did not submit a Response to the Complaint.

**4. Factual Background**

The disputed domain name was registered by the Respondent on July 18, 2010.

The Complainants are a group of companies with the same ownership, which main business is children's art and educational products. The Complainants have been engaging in this field for more than 120 years.

The Complainants employs more than 1,100 employees and sells its products in more than 80 countries. The Complainants sales volume for last year is approximately US\$700,000,000.

The Complainants have been using the mark CRAYOLA for their products since as early as the year 1903.

The Complainants own numerous trademark registrations for the mark CRAYOLA worldwide. For example: United States trademark registration No. 0641294 – CRAYOLA, with the registration date of February 12, 1957; United States trademark registration No. 0644752– CRAYOLA, with the registration date of April 30, 1957; Community trademark registration No. 000220145 – CRAYOLA, with the registration date of October 19, 1998, and many others.

The Complainants also own multiple Israeli trademark registrations. For example: Israeli trademark registration No. 24001 – CRAYOLA, with the Registration date of December 20, 1965; Israeli trademark registration No. 61878 – CRAYOLA, with the registration date of September 21, 1990, and others.

The disputed domain name currently resolves to an offline webpage.

## **5. Parties' Contentions**

### **A. Complainants**

The Complainants argue that their CRAYOLA trademark is a well known trademark, as the term is defined under the Israeli law.

The Complainants further argue that as a result of the Complainant's extensive promotional activities by using various types of media, including on the internet, the public associates the CRAYOLA trademark, with the Complainant.

The Complainants further argue that a representative of the Complainants contacted the Respondent and requested him to transfer of disputed domain name to the Complainants. The Complainants claim that the Respondent requested a payment of NIS100,000, in return for transferring the disputed domain name to the Complainants.

The Complainants further argue that the Respondent's demand to receive payment for transferring the disputed domain name is a sign of his bad faith.

The Complainants further argue that the Respondent acted in bad faith when registering the disputed domain name. The Complainants contend that the Respondent registered the disputed domain name to make profit by associating the Complainants' vast goodwill in the CRAYOLA mark to a business of the Respondent.

The Complainants further argue that they have not licenses, sold, transferred or in any way authorize the Respondent to use the CRAYOLA trademark.

The Complainants further argue that the Respondent's actions constitute various civil injustices.

The Complainants further argue that it is implausible that the Respondent had no knowledge of the Complainants and their use of the CRAYOLA mark, when registering the disputed domain name.

The Complainants further argue that in his actions, the Respondent is misappropriating, diluting and harming the Complainant's goodwill in its CRAYOLA trademark.

For all of the above reasons, the Complainants request the transfer of the disputed domain name.

## **B. Respondent**

The Respondent did not reply to the Complaint.

## **6. Discussion and Findings**

The IL-DRP is an alternative dispute resolution procedure intended to provide expedited resolution to disputes regarding the allocation of domain names under the .IL ccTLD in accordance with the Rules. The Respondent submitted to this process and Rules when he applied for and registered the disputed domain name. The InterSpace domain name registration agreement provides that the applicant for the domain name accepts the ISOC-IL registration rules (see section B(1) on [http://www.internic.co.il/domain\\_agreement.htm](http://www.internic.co.il/domain_agreement.htm), which also provides a link to the ISOC-IL registration rules). The ISOC-IL registration rules provide that "the [domain name] holder agrees to the jurisdiction of the IL-DRP." (See section 24.4). The Respondent, therefore, by applying for and registering the disputed domain name agreed to the IL-DRP and the Rules.

It is also noted that the Rules now adopted by ISOC-IL follow closely those of the Uniform Dispute Resolution Policy (UDRP) and therefore the WIPO Arbitration and Mediation Center case law (and others interpreting the UDRP) can be used as examples of how previous panels have adopted and interpreted provisions similar to the Rules and UDRP.

The Rules provide that disputes regarding the allocation of a domain name by a Holder may be brought by a Complainant on the following grounds:

- 3.1. the disputed 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 disputed domain name was made or the disputed domain name was used in bad faith.

### **A. Same or Confusingly Similar**

It is up to the Complainants to show that the disputed domain name is the same or confusingly similar to a trademark, trade name, registered company name or legal entity registration of the complainants.

The disputed domain name comprises of the word "Crayola" and the suffix .co.il. The suffix .co.il is ignored for the purpose of determination the similarity between the disputed domain name and the word "Crayola" since it is a common suffix showing that

the domain name is part of the .il domain and associated with commercial activities (.co suffix). The relevant part of the disputed domain name is the word "Crayola".

The Complainants own numerous trademark registrations for the mark CRAYOLA worldwide. For example: United States trademark registration No. 0641294 – CRAYOLA, with the registration date of February 12, 1957, United States trademark registration No. 0644752– CRAYOLA, with the registration date of April 30, 1957, Community trademark registration No. 000220145 – CRAYOLA, with the registration date of October 19, 1998; Israeli trademark registration No. 24001 – CRAYOLA, with the Registration date of December 20, 1965; Israeli trademark registration No. 61878 – CRAYOLA, with the registration date of September 21, 1990, and many others.

It is therefore the finding of the Panel that the disputed domain name is identical to a trademark owned by the Complainants.

## **B. Rights in the Name**

Next, it is up to the Complainants to show that the Complainants have rights in the CRAYOLA trademark; and that the Respondent has no rights in the CRAYOLA trademark.

As noted above the Complainant showed sufficient evidence showing it has rights in the CRAYOLA trademark at least since the year 1957.

It is also up to the Complainants to show that the Respondent has no rights in the Name. The Complainants have provided that they did not approve for the Respondent to use their trademark or Name.

While the Complainants bear the "general burden of proof" under Rule 3.3, this burden shifts to the Respondent once the Complainants makes a prima facie showing that the Respondent lacks rights or legitimate interests. (See: Skype Limited. v. Ronen Legativi, ILDRP Case No. 39, 27 June 2011; see also Google, Inc. v. Shlomi Kakon, ILDRP Case No. 38, 30 May 2011)

In this case the Panel finds that the Complainants have made a prima facie showing that the Respondent does not have rights or legitimate interests in the disputed domain name within the meaning of Rule 3.3. This finding is based on the following, non-disputed facts brought forward by the Complainants:

- a. The Complainants have no relationship whatsoever with the Respondent and did not authorize the Respondent to use the disputed domain name;
- b. The Complainants provided sufficient evidence to prove that their trademark is well known. The Complainants' CRAYOLA trademark is used for the Complainants' products in numerous countries around the world, among them, in Israel. It is very difficult to believe that the Respondent was unaware of the vast goodwill of the Complainants' trademark;
- c. The Complainants own numerous worldwide trademark registrations, including multiple Israeli trademark registrations. These trademark registrations were registered well before the Respondent requested and received the allocation of the disputed domain name;

- d. There is no indication in the file that the Respondent is known under the disputed domain name.

It is therefore the finding of the Panel that the Complainants have rights in the CRAYOLA trademark and that the Respondent has no rights in the CRAYOLA trademark.

### **C. Application and Use in Bad Faith**

Finally, it is up to the Complainants to show that the Respondent applied for allocation of the disputed domain name or the disputed domain name was used in bad faith.

WIPO panels, relying on Rule 4.1 of the UDRP Rules, ruled that the bad faith clause provides a non-exclusive list of circumstances which can be helpful in showing that the Respondent acted in bad faith when he or she applied for or used the disputed domain name:

"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 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
- c. 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
- d. 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".

Rule 4.1(b) provides that this Panel can find that the Respondent acted in bad faith if there are circumstances showing that the Respondent requested allocation of the disputed domain name primarily for the purpose of disrupting the business of a competitor; or circumstances indicating that the Respondent requested allocation or holds the disputed domain name primarily for the purpose of selling, renting, or otherwise transferring the disputed domain name allocation to the Complainant, who is the owner of the trademark or the service mark, or to a competitor of the Complainant, for valuable consideration in excess of documented out-of-pocket costs directly related to the domain name.

According to the Complainants, the Respondent offered to sell the disputed domain name to Complainant for NIS100,000, which is in excess of Respondent's out-of-pocket costs to register and maintain the disputed domain name. Circumstances where a Respondent offers to sell the domain name for amounts, which are considered as valuable consideration in excess of the Respondent's out of pocket costs directly related to the domain name, indicate bad faith on behalf of the Respondent (see The Ritz-Carlton Hotel Company L.L.C. v. Mr. Boaz Bar Lavy, ILDRP Case No. 37, 16 May 2011; see also Merck KGaA v. Sunmeet Jolly, Case No. D2004-0195).

As the Respondent failed from replying to the Complainants contentions, it is this Panel's discretion to accept the Complainants claim of the Respondent's actions.

The Panel therefore finds that the Respondent registered the disputed domain name primarily for the purpose of selling the disputed domain name to the Complainants, who own the trademark, for valuable consideration in excess of documented out-of-pocket costs directly related to the domain name.

Rule 4.1(d) provides that this Panel can find that the Respondent acted in bad faith if there are circumstances showing that the Respondent 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 Complainants' 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.

It is suggestive of the Respondent's bad faith when the trademark of the Complainants was registered before the allocation of the disputed domain name (See: Sanofi-Aventis v. Abigail Wallace, WIPO Case No. D2009-0735). The Complainants' CRAYOLA trademark is registered since 1957 and has become well-known worldwide ever since. The Respondent registered the disputed domain name after the Complainants registered the CRAYOLA trademark.

Also, as determined above, the disputed domain name is identical to the Complainants' trademark. Previous WIPO panels ruled that "a likelihood of confusion is presumed, and such confusion will inevitably result in the diversion of Internet traffic from the Complainant's site to the Respondent's site" (see Edmunds.com, Inc v. Triple E Holdings Limited, WIPO Case No. D2006-1095). To this end, prior WIPO and ILDRP Panels have established that attracting Internet traffic by using a domain name that is identical or confusingly similar to a registered trademark is evidence of bad faith under paragraph 4(b)(iv) of the UDRP and 4.1(d) of the ILDRP (see Humana Inc., op. cit.

supra; Edmunds.com v. Ultimate Search, Inc., WIPO Case No. D2001-1319; see also Marriott Worldwide Corporation and Marriott International, Inc. v. Barak Gill, ILDRP Case 36, 10 April 2011).

The Panel finds it difficult to believe that the Respondent was not aware of the trademark CRAYOLA at the time he allocated the disputed Domain Name in July 18, 2010. The Complainants have been using the mark CRAYOLA since 1903. The Respondent failure to bring evidence showing he did not know of the Complainant also serves against the Respondent and strengthens the fact that the Respondent was aware of the Complainant and the mark CRAYOLA before the allocation of the disputed domain name.

The Panel therefore finds that the Respondent requested the allocation of the disputed domain name in order to intentionally attempt to attract, for commercial gain, Internet users to its web site by creating a likelihood of confusion with the Complainants' 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.

Given these circumstances the Panel finds that that there are circumstances showing that the Respondent acted in bad faith as provided in Rule 4.1(b) and 4.1(d) thus, it is the finding of the Panel that the Complainants met the burden of showing that the Respondent used the disputed domain name in bad faith in accordance with Rule 3.4.

## **7. Decision**

For all the foregoing reasons, in accordance with the Rules, the Panel orders that the domain name, <crayola.co.il> be transferred to the Complainants.



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Jonathan Agmon  
Sole Panelist

Date: September 1<sup>st</sup>, 2011.