

IL-DRP PANEL

FOR THE INTERNET SOCIETY OF ISRAEL

IN THE MATTER OF THE DOMAIN <ASHLEY.CO.IL>

The Complainant: Ashley Furniture Industries, Inc.
1 Ashley Way, Arcadia, W1 54612, USA

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-V e r s u s-

The Respondent: Ashley Ltd.
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Decision

1. The Parties

1. The Complainant is a US company called Ashley Furniture Industries, Inc. The Respondent is Ashley Ltd. of Israel. In its response to the complaint, the Respondent contended that the actual domain owner is Mr. Z.D..

2. The Domain Name and Registrar

2. The disputed domain name <ashley.co.il> is registered with Domain The Net Technologies Ltd..

3. Procedural History

3. The Complaint was filed with ISOC-IL on January 14, 2018. The Complaint was transmitted to the Israeli Dispute Resolution Panel of ISOC-IL ("IL-DRP") under the IL-DRP Rules ("Rules").
4. On January 18, 2018, the IL-DRP appointed the undersigned as the sole panelist.
5. In accordance with the Rules, on January 22, 2018, the Panel transmitted to the Respondent by e-mail a copy of the Complaint and attached materials, providing the Respondent 15 days to respond to the Complaint.
6. On February 2, 2018, the Respondent filed a response to the Complaint.

4. Factual Background

7. The Complainant is a large global manufacturer of furniture, founded in 1945. The Complainant owns various trademark registrations worldwide and in Israel. Among others, the Complainant owns Israeli trademark registration nos. 156,317 (in class 20) – ASHLEY (dated April 4, 2002) and Israeli trademark registration no. 234,224 (in class 35) – ASHLEY (dated December 13, 2010).
8. The disputed domain name was registered on July 29, 2016. The disputed domain name was registered in the name of "Ashley Ltd." of Ramle, Israel. However, in the Response to the Complaint, the Respondent contends that there is no such company, and that the actual owner of the domain is Mr. Z.D. According to the WHOIS database, when registering the domain name, Mr. Z.D. was listed as the contact person responsible for the disputed domain name¹.
9. The website available at the disputed domain name ("the Website") presents a business called "Ashley Furniture" of Ramle, Israel, which offers for sale a wide variety of furniture. According to the "About Us" section of the Website, all products marketed on the Website are imported from the Complainant.
10. On October 25, 2017, the Complainant sent the Respondent a cease and desist letter, demanding the Respondent, among others, to cease using the mark ASHLEY, and to transfer the disputed domain name to the Complainant. The Respondent has not responded to the letter.

5. The Parties' Contentions

A. The Complainant

11. The Complainant contends that it markets a wide variety of furniture all over the world. In 2016, its global annual sales were approximately US\$ 4.6 Billion. Furthermore, the Complainant invests significant resources in promoting the ASHLEY trademark around the world.
12. The Complainant contends that it owns exclusive rights in the trademark ASHLEY, both by

¹ In view of the outcome of this decision (ordering the transfer of the disputed domain name), there is no need to discuss the potential consequences of the fact that a non-existent company currently holds the disputed domain name.

virtue of its registered trademarks, as well as by virtue of the fact that its trademark is a "well-known trademark". Further, the Complainant contends that the disputed domain name, which consists of its ASHLEY trademark, infringes its rights in the trademark ASHLEY, by causing consumers to mistakenly associate between products sold on the Website to ASHLEY products of the Complainant. Moreover, the use of a domain name consisting of the mark ASHLEY for a website of a manufacturer and seller of furniture is likely to create confusion among consumers.

13. Moreover, the Complainant contends that the Respondent uses the mark ASHLEY not only in the disputed domain name but also as a business name. Additionally, the Complainant argues that the Respondent uses on the Website a logo design which unlawfully imitates the Complainant's logo design:

The Complainant's logo	The Respondent's logo
	

14. The Complainant further contends that by the registration and use of the disputed domain name, the Respondent is acting in bad faith to exploit the goodwill of the Complainant's ASHLEY trademark, and unlawfully divert internet users who are looking for the Complainant's website and mistakenly reach the Respondent's Website.

B. The Respondent

15. The Respondent contends that it is an authorized dealer of original Ashley products, purchased directly from the Complainant. In this regard, the Respondent submitted documents attesting to the opening of a merchant account with the Complainant under the Complainant's Terms and Conditions, related to such sales of ASHLEY products by the Complainant.
16. The Respondent further contends that the Complainant does not have a local outlet or distributor in Israel. Further, the Complainant uses the domain name <ashleyfurniture.com> for its main corporate website (although it is the owner of the domain name <ashley.com>). Had the Complainant wished to commence an Israeli website, the domain name <ashleyfurniture.co.il> would have been the appropriate choice for operating such Israeli website, rather than the disputed domain name.

17. The Respondent further contends that since it is engaged in marketing original ASHLEY products purchased from the Complainant, it is entitled to register and use the disputed domain name. Moreover, the Respondent contends that according to the general case law on parallel importation, this would have been the case even had the Respondent marketed parallel imports.
18. Additionally, the Respondent contends, that upon receiving the cease and desist letter from the Complainant, it approached the Complainant, but the contact people at the Complainant "did not know what he was talking about". Accordingly, the Respondent contends that "this procedure is not the Complainant initiative".

6. Discussion and Findings

19. By registering the disputed domain name through Domain The Net, the Respondent agreed to Domain The Net's domain registration agreement, available at https://www.domainthenet.com/he/domain_registration_agreement.aspx. This Agreement provides that the domain registrant agrees to the registration rules of ISOC-IL. The registration rules of ISOC-IL incorporate by reference the IL-DRP Rules. Accordingly, the Respondent has agreed to the applicability of the IL-DRP dispute resolution mechanism, and the Rules.
20. The Rules provide that disputes concerning 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 Domain Name was made or the Domain Name was used in bad faith.

Following below, we shall review the applicability of these criteria:

A. Same or Confusingly Similar

21. The Complainant has to prove that 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.
22. The disputed domain name is <ashley.co.il> -- it comprises the ASHLEY trademark together with the suffix <.co.il>. It is well established that the suffix .co.il is ignored for the purpose of determination of the similarity between the disputed domain name and the Complainant's trademark (see for example ISOC IL-DRP case in the matter of <Crayola.co.il>). The relevant part of the disputed domain name is the word "ASHLEY".
23. As aforesaid, ASHLEY is the company name and the house mark of the Complainant. The trademark Ashley is registered worldwide and in Israel.

24. Accordingly, there is no doubt that the disputed domain name is the same as the Complainant's registered trademark. Therefore, the Complainant meets the first requirement.

B. Complainant Has Rights in the Name

25. The Complainant must prove that it has rights in the Name:
26. The Complainant submitted a table consisting of details of numerous trademark registrations covering the mark ASHLEY (in various forms) from various countries around the world. In addition, as aforesaid, the Complainant is the owner of numerous Israeli trademark registrations covering the mark ASHLEY in various forms, including Israeli trademark registration nos. 156,317 (in class 20) – ASHLEY (dated April 4, 2002) and Israeli trademark registration no. 234,224 (in class 35) – ASHLEY (dated December 13, 2010).
27. Furthermore, the Complainant, which was incorporated under its name in 1945, submitted evidence relating to its extensive use, marketing and advertising under the mark ASHLEY.
28. The Respondent contends that ASHLEY is a generic name, which should be free to anyone's use and registration. In support of this contention, the Respondent argues that there are various third party companies operating in other fields under names consisting of the word ASHLEY.
29. The Panel is not persuaded by this argument: the trademark ASHLEY is not generic, and is not even descriptive in the field of furniture. In fact, this is also evident from other arguments of the Respondent: first, the Respondent repeatedly contends that it is merely a local distributor of the Complainant's products. Moreover, the Respondent refers to the Complainant on the Website as "the giant US furniture company Ashley USA", practically admitting the goodwill of the Complainant in its mark. Furthermore, as detailed below, the Respondent filed trademark applications for the mark אשלי (which proves that the Respondent believes that the mark – at least in its Hebrew version -- is eligible for trademark protection). All these facts contradict the Respondent's own argument that the mark ASHLEY is generic.
30. In view of the above, the Complainant has rights in the ASHLEY trademark. The panel concludes that the Complainant has satisfied this requirement under the Rules.

C. Respondent has no rights in the Name

31. The Complainant must prove that the Respondent has no rights in the Name.
32. The Complainant contends that the Respondent registered the disputed domain name for the sole purpose of diverting customers who are looking for the Complainant's ASHLEY products. Furthermore, the Complainant argues that the Respondent uses the disputed domain name for the purpose of providing commercial services directly competing with the Respondent.
33. In response, the Respondent raises two main contentions: (a) That it owns Israeli trademark applications covering the mark אשלי; (b) That it markets only original ASHLEY furniture purchased from the Complainant. Accordingly, as an authorized reseller of the Complainant, the Respondent contends that its use and registration of the disputed domain name is legitimate.

34. We shall refer to each of these arguments in and of itself:

(a) The Respondent's recently filed Trademark Applications do not establish rights in the Name

35. On January 24, 2018 – two days after receiving the Complaint in the present proceedings – the Respondent filed three Israeli trademark applications:

Israeli trademark application no. 302197 – אשלי רהיטים

Israeli trademark application no. 302198 – אשלי



Israeli trademark application no. 302196 -

36. First and foremost, the fact that the Respondent's trademark applications (which cover the Hebrew version of the Name) were filed after these proceedings were initiated raises substantial likelihood that they were filed in bad faith, only as a superficial attempt to confer legitimacy over the use and registration of the disputed domain name. Therefore, these applications cannot confer any rights in the Name. Otherwise, any respondent in ILDRP proceedings could prove that it has rights in the Name by filing trademark applications after receiving an ILDRP complaint.

37. Furthermore, there have been UDRP cases regarding the question whether a trademark application may be sufficient to establish rights in the Name. A thorough discussion of the pertinent case law is available in WIPO decision regarding the domain name <fashiontv.com> (*Fashiontv.com GmbH v. Mr. Chris Olic*, Case No. D2005-0994). As indicated therein, rights in the Name are normally acknowledged when a party which owns a trademark application proves that it also owns unregistered common law rights in the Name, obtained through use. In the present case, it is undisputed that the use of the Name -- ASHLEY -- by the Respondent is always done by trying to associate the Respondent with the Complainant, i.e. by arguing that it markets original ASHLEY products of the Complainant. These circumstances do not establish any independent goodwill or rights in the Name which are associated with the Respondent. To the contrary – they just strengthen the fact that the Complainant is the owner of the exclusive rights in the Name.

38. Accordingly, and for all the reasons stated above, in the panel's view, these trademark applications cannot establish that the Respondent has any right in the Name.

(b) The Respondent does not have rights in the Name despite the fact that it is a reseller of Complainant's products

39. The Respondent contends that it is not a manufacturer of furniture, and only imports and markets ASHLEY products purchased from the Complainant.

40. The Respondent further submitted documents attesting to the opening of a merchant account with the Complainant, under the Complainant's Terms and Conditions, related to such sales of ASHLEY products by the Complainant. The Respondent also submitted numerous invoices

attesting to such purchase of products from the Complainant over a long period of time. Additionally, in the "About Us" section of the Respondent's Website, the Respondent takes pride of the fact that it only markets ASHLEY product purchased from the Complainant.

41. The Complainant, on the other hand, has totally ignored this issue in the Complaint, and referred to the Respondent as a non-related third party which sells products under the mark ASHLEY, although they do not originate from the Complainant.
42. The panel upholds the Respondent's version on this point, and accepts the fact that it is a reseller of authentic ASHLEY products, originating from the Complainant. However, there is no evidence whatsoever that the Complainant has ever approved the use or registration of the disputed domain name by the Respondent, or has even known about it.
43. Under well-established WIPO case law, even a reseller of original branded goods of the Complainant has to meet certain standards in order to prove that its offering of the Complainant's goods is done bone fide. The leading authority in this matter is the WIPO decision in the **OKI DATA** matter (*Oki Data Americas, Inc. v. ASD, Inc.*, WIPO Case No.D2001-0903), which provides the following accumulative criteria:
 - (1) Respondent must actually be offering the goods or services at issue;
 - (2) Respondent must use the site to sell only the trademarked goods; otherwise, it could be using the trademark to bait Internet users and then switch them to other goods;
 - (3) The site must accurately disclose the registrant's relationship with the trademark owner;
 - (4) The Respondent must not try to corner the market in all domain names, thus depriving the trademark owner of reflecting its own mark in a domain name;
44. In the panel's view, the Respondent meets the first, second and fourth criteria above. However, it does not meet the third criteria:
45. The "About Us" section of the Website provides as follows (translation from Hebrew):

"Ashley Israel Company

Ashley Israel is the largest furniture company in Israel marketing its products directly to the consumer for cheap prices

Ashley Israel imports its products from the giant US furniture company Ashley USA. The products of Ashley USA are manufactured in factories it built in the US and additional countries. The Ashley company supervises and monitors the quality of its products manufactured worldwide. Every product in and out of the manufacturing site undergoes quality control and has to meet strict international quality standards. The products and furniture of the Ashley company are known as a strong high quality brand..."

In the panel's view, by referring to itself as "Ashley Israel", Respondent attempts to mislead consumers to believe that it is an official local distributor of the Complainant, or that its activities and website are otherwise endorsed by the Complainant. Furthermore, as aforesaid, the

Respondent's company is not called "Ashley Ltd.", but "Duran Quality Furniture Ltd.". However, the Respondent presents itself on its website as "Ashley Israel" (or "Ashley Furniture"). Moreover, it also used a fictitious company name "Ashley Ltd." when registering the disputed domain name. All these facts lead to the conclusion that its offering of ASHLEY products on the Website is not done bona fide, and that it does not accurately explain to the Website users that it is not affiliated with the Complainant.

46. According to WIPO case law, "Courts have generally disallowed the use by an unaffiliated reseller of another party's trademark on a sign identifying a business, unless the signage expressly includes language sufficient to notify the consumer that the business is not affiliated with or authorized by the trademark holder" (*General Electric Company v. Japan, Inc.*, WIPO Case No.D2001-0410, <japan-ge.com>). In addition, it has been held that "even where there is a disclaimer, there is insufficient disclosure unless the respondent also positively identifies who it is" (*Research in Motion Limited v. One Star Global LLC*, WIPO Case No. D2009-0227). In the present case, there is no clear disclaimer denying formal affiliation between the Respondent and the Complainant. To the contrary - the Respondent refers to itself as "Ashley Israel", falsely insinuating that it is somehow associated with the Complainant.
47. In view of the above, it is the panel's view that this requirement under the **OKI DATA** decision is not met, and that the Complainant has proved that the Respondent has no rights in the Name. This conclusion is also supported by additional WIPO case law, whereby a reseller would normally find it very difficult to prove rights in the Name when the domain name consists of the trademark *per se* without any distinguishing element:
- "This Panel believes that in a case where the domain name used by a distributor is essentially identical to a trade mark (or a domain name that incorporates a trade mark without some distinguishing feature) then it is strongly arguable that there are no rights or legitimate interests (and there is also bad faith) even if the Oki Data requirements might be satisfied" (See the above *Research in Motion* decision).
48. In view of the above, and although the Respondent apparently markets original ASHLEY products originating from the Complainant, the Respondent's activities do not establish rights in the Name.
49. In support of its contention that a reseller has rights in the Name, the Respondent cited the IL-DRP decision in the <gigabyte.co.il> matter. However, in that case (which also cited the *OKI DATA* decision) the circumstances were different: for a certain period of time, the Complainant listed the domain holder as its distributor in Israel. Moreover, the panel held that the disputed domain name was registered with the approval of the Complainant. Obviously, these are very different circumstances than the present case.
50. In addition, the Respondent argues that according to the Israeli Supreme Court judgment in the Tommy Hilfiger matter (C.A. 7629/12 *Elad Menachem Swisa et al v. TOMMY HILFIGER LICENSING LLC* (published in Nevo, 16.11.14), a reseller of authentic products of the brand owner is entitled to register and use domains names consisting of the brand.
51. The panel holds that the present decision coincides also with general trademark law in Israel. Specifically, the *Tommy Hilfiger* judgment does not support the Respondent's view: In the

Tommy Hilfiger matter, the Supreme Court held that a parallel importer of Tommy Hilfiger products was entitled to use the domain name <tommy4less.co.il>, since such use met the "fair use" criteria, and did not insinuate endorsement by the trademark owner. Among others, the Supreme Court held that the domain name in question was not likely to cause consumer deception. However, the Supreme Court explicitly held that this would not have been the case, had the domain name in question been <tommyhilfiger.co.il>, holding as follows (translation from Hebrew):

"It is customary today that in a website whose URL consists solely of the brand name or the trademark and ends in a commercial suffix (co.il, or .com, in the form "brandname.co.il"), a reasonable consumer shall expect to find the official website of the brand owner or someone authorized by him. Thus, had the defendants used the domain name <tommyhilfiger.co.il>, likelihood of confusion would have arisen" (The *Tommy Hilfiger* judgment, paragraph 80)

Accordingly, the Tommy Hilfiger judgment supports the Complainant's rather than the Respondent's position.

52. In view of the above, the panel determines that the Respondent has no rights in the Name.

D. Application and use of the disputed domain name in bad faith

53. Section 4 of the Rules provides as follows:

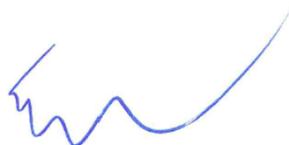
"4.1. For the purposes of Paragraph 3.4 above, the following circumstances, in particular but without limitation, if found to be present, shall be evidence of the allocation or use of a domain name in bad faith:

- 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."

54. As aforesaid, the "About Us" section of the Website is intended to create an impression that "Ashley Israel" which allegedly operates the Website is somehow endorsed or affiliated with the Complainant. Additionally, a reasonable consumer would expect that a website operating under the disputed domain name is somehow associated with the brand owner (the Complainant). Accordingly, in the panel's view, the Respondent's activities under the disputed domain name are intended to generate likelihood of confusion as to "the source, sponsorship, affiliation, or endorsement of its web" by the Complainant. Accordingly, the presumption in section 4.1(e) of the Rules is met.
55. In addition, the list in section 4.1 of the Rules is not exhaustive. As aforesaid, the Respondent received a cease and desist letter from the Complainant, but has not responded to it. The Respondent's contention that it approached the Complainant is not backed by any evidence whatsoever. In any event, even if the Respondent assumed that the letter was groundless, one would have expected the Respondent to respond to the letter. Under the WIPO case law, "When receiving such notice, good faith requires a response" (*Gaggia S.p.A. v. Yokngshen Kliang*, *Gaggia S.p.A. v. Yokngshen Kliang*, WIPO Case No. D2003-0982; see also ILDRP decision regarding the domain name <havaianas.co.il>). Accordingly, the Respondent's failure to respond to the cease and desist letter is also indicative of bad faith use of the disputed domain name.
56. Furthermore, as aforesaid, two days after receiving the Complaint in the present proceedings, the Respondent filed three Israeli trademark applications covering various versions of the mark אשלי. As discussed above, the Respondent admits in these proceedings that it merely distributes the ASHLEY products of the Complainant. In the panel's view, the filing of trademark applications serves as another indicator for the Respondent's bad faith activity, trying to take over the local name ASHLEY in Hebrew, and misrepresent itself as an official local distributor of the Complainant.
57. In view of the above, the panel holds that the application for allocation of the Domain Name was made or the Domain Name was used in bad faith.

7. Decision

58. For all the foregoing reasons, in accordance with the Rules, the panel accepts the Complaint. Accordingly, I hereby order that the disputed domain name <ashley.co.il> shall be transferred to the Complainant within 30 days of the date of this decision.



Eran Liss, Adv.

Sole Panelist

Date: February 19, 2018