

Israel Discount Bank Ltd v. Modi Okla

IL-DRP Panel Decision

1. The Parties

The Complainant is Israel Discount Bank Ltd., of Tel Aviv, Israel, represented by Fischer, Behar, Chen, Well, Orion & Co. Law Offices.

The Respondent is Modi Okla of Raanana, Israel represented by Advocate Insaf Ibrahim.

2. The Domain Name and Registrar

The disputed domain name <paybox.co.il> is registered with Gorni Interactive Ltd.

3. Procedural History

The Complaint was filed with ISOC-IL on September 3, 2018. The Complaint was transmitted to the Israeli Dispute Resolution Panel of ISOC-IL under the ISOC-IL Dispute Resolution Mechanism (“**IL-DRP**”) Rules (“**Rules**”).

On the same day Jonathan Agmon was appointed as the sole panelist.

In accordance with the Rules, on September 4, 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.

On September 13, 2018, the Respondent requested an extension to file his response, and on September 14, 2018, after hearing the parties, the Panel ordered the Respondent to file his response no later than September 26, 2018 at 3PM.

On September 27, 2018, the Respondent submitted his response to the complaint.

On September 27, 2018, the Complainant filed a request that since the Response was filed a day late, it shall be disregarded and, in the alternative, that the Complainant be provided an opportunity to file an Answer to the Response.

4. Factual Background

The disputed domain name <paybox.co.il> was created on August 18, 2018.

The Complainant, Israel Discount Bank Ltd, (“**Complainant**”) is one of the largest banks and financial providers in Israel. Established in 1935, the Complainant has been providing financial services in Israel for the past 83 years.

In or around May 2017 the Complainant acquired the PayBox Application from Paybox Payment Solutions Ltd. (“**PPS**”), a fintech startup company established in 2014 by a group of students within the Entrepreneurship and Learning Center at the School for Business Management at the College for Management in Israel.

Under the PayBox mark, the Complainant, and PPS before it, is offering a group payment mobile application to setup and manage groups for the collection of funds from group members for a particular purpose or transfer of funds between individuals (“**the PayBox Application**”). The Paybox Application is marketed primarily for mobile devices through the Apple and Android App Stores under the PayBox mark. (hereinafter: “**the Mark**”).

The Complainant is operating a website under <payboxapp.com> domain name, through which the PayBox Application may be downloaded. PPS, which is not a party to these proceedings, appears to be the owner of the domain name <payboxapp.co.il>.

It appears that the Complainant also operates a Facebook page for the PayBox Application. The Complainant filed an application to register the Mark at the Israeli Trademark Office. At the time of this decision the application is pending registration.

The Respondent is a private individual engaged in IT work, including building websites and consulting individuals.

The disputed domain name <paybox.co.il> resolves to a webpage which states that the website is under construction.

5. Parties’ Contentions

A. Complainant

The Complainant argues that the Mark is a well-known mark in Israel and is pending registration under Israeli law.

The Complainant also claims that it failed to renew the registration for the disputed domain name "due to the closing of the acquisition of the App from its developers and the finalization of the technical transfer of the App to Complainant... which expired (following a grace period) on July 25, 2018".

The Complainant further stated that it was utterly surprised to learn that the disputed domain name was registered by the Respondent and thereafter on August 22, 2018, the Complainant sent the Respondent a cease and desist letter.

The Complainant argued that the disputed domain name is confusingly similar to its well-known mark as it consists solely of the Mark. The Complainant argued it has all rights to the Mark whereas the Respondent has no rights to the Mark and was never granted any rights.

Finally, the Complainant argued that the disputed domain name was registered in bad faith. The Complainant argued that only after August 26, 2018, the disputed domain name resolves to a web-page under construction which intends to offer financial services using the Mark. This, the Complainant argues, will inevitably result in diversion of Internet users from the Complainant’s site and services to the Respondent's site and services. Therefore, the Respondent’s actions amount to bad faith both in registration and in use.

B. Respondent

The Respondent argues he has purchased the disputed domain name in good faith, as he works in the IT field, and is involved in building websites and consulting individuals. The Respondent argued he has been working on a website for a long time and it should be ready "soon".

The Respondent emphasizes the fact that the Mark is not yet registered, and states that a trademark application cannot establish trademark rights. He also claims that the Complainant tried to mislead the Respondent and the Panel by arguing that the Mark is registered.

The Respondent further argued that since the Complainant's trademark application of the Mark was submitted for registration after the disputed domain name was assigned to him, it is the Complainant who is acting in bad faith and is alleging a Reverse Domain Name Hijacking (RDNH) on the part of the Complainant.

In addition, the Respondent argued that there is no, nor will there be any confusion between his website and the Complainant's since the Complainant operates a website under the domain name <payboxapp.co.il>, which clearly indicates that the main activity of the Complainant is via smartphones. Accordingly, the Respondent claims, there will be no confusion or diversion of Internet users.

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 with Gorni Interactive Ltd. The registration agreement provides that the applicant for the domain name accepts the ISOC-IL registration rules (see <https://domains.livedns.co.il/Terms.aspx>).

The ISOC-IL registration rules provide that "the [domain name] holder agrees to the jurisdiction of the IL-DRP." (See section 12.3). 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. Preliminary Matter

The Complainant requested to have the Response disregarded and/or for the Complainant to file an Answer to the Response. The Panel denies both requests.

The IL-DRP is designed to be an expedited dispute resolution mechanism (IL-DRP ¶25.3). The Panel is instructed to conduct the process in the most efficient manner given the need to conduct an expedited proceeding (Rule 11). In the present case, the removal of the Response will not serve the purpose of the proceeding and given the holiday period, the filing of the Response one day late did not prejudice the rights of the Complainant nor impinged on the conduct of the proceedings.

Moving to the Complainant's request to file an Answer, the Rules do not provide a Complainant with the right to file an Answer. The Rules offer each party a single opportunity to file their statements and evidence unless the Panel requests additional submissions to be made. (See Rule 13; *Compubyte Ltd. v. Ruslan Zhulidov*, IL-DRP, 29.5.2012) Given the expedited nature of these proceedings, allowing an unsolicited supplemental filing (such as an Answer) should only be permitted to consider new evidence or provide a fair opportunity to respond to arguments that the complainant could not reasonably have anticipated. (*Welcomemat Services, Inc. v. Michael Plummer Jr., MLP Enterprises Inc.*, WIPO Case No. D2017-0481) The Complainant's request did not explain why an Answer in this case was required, nor what was proposed to be filed, why such evidence is new and was not available prior to filing of the Response or which arguments could not have been reasonably foreseen by the Complainant. Accordingly, the request to file an Answer is denied.

B. Same or Confusingly Similar

It is up to the Complainant 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 complainant. (See Rule 3.1)

The showing of a registered trademark will satisfy the requirements of Rule 3.1. The Complainant argued that the "Mark was ... accepted for registration by the Israeli Trademark Office." The Complainant however is not the owner of a registered trademark at the time the Complaint was filed. The Complainant provided evidence showing that it has submitted the Mark for registration with the Israeli Trademark Office. The trademark application(s) have not yet been examined by the Israeli Trademark Office and are in the initial stages of examination. Therefore, for the purposes of Rule 3.1, the Complainant cannot base his rights on the application(s) for the registration of the Mark. It is well established that trademark applications do not confer sufficient rights to serve as a "trademark" under the UDRP. (*Money Tree Software, Ltd. v. Javier Martinez, Money Tree Software, LLC*, WIPO Case No. D2014-1078). The same logic applies to the IL-DRP. The Complainant's trademark applications do not constitute "trademarks" in which the Complainant may claim IL-DRP relevant rights.

The Panel therefore turns to the Complainant's argument that the Mark is well-known in Israel. The Complainant stated that the Mark is well-known under the Israeli Trademark Ordinance [New Version], 1972 ("**The Ordinance**"). The Ordinance provides that a well-known trademark is a mark which is well recognized in Israel, even if it is not registered or is not in use in Israel and that "for the purposes of determining whether a trade mark is a well-known in public circles relating to it and the extent to which it is known as a result of marketing, shall be taken into account, inter alia." (The Ordinance,

Section 1). To be recognized as a well-known trademark several key factors will have to be determined, including the mark's recognition, degree and extent of use, extent of publication, geographical scope, inherent or acquired distinctiveness, use of similar marks by third parties, the nature of the goods and services and the channels of trade used, the degree in which the reputation in the mark identifies the quality of the goods and the commercial value attached thereto. (See Civil Appeal 9191/03 *V&S Vin Spirit Aktiebolag v. Absolut Shoes Ltd.*, Judgments 58(6) 869, 881) The nature of protection granted to well-known marks is wider than those granted to registered trademarks and would require a substantial standard of proof. (*Id.* at 883) Since the Rules do not provide if a "trademark" in Section 3.1 is registered or unregistered, unregistered well-known marks may serve as a source for rights under the IL-DRP. Likewise, under Section 3.1 the Complainant can also prove unregistered rights in a "trade name" even if it does not have a registered trademark. The term "trade name" is not defined in the IL-DRP but ordinarily refers to unregistered trade names in which a complainant has acquired goodwill. (See Civil Appeal 7919/11 *the Northern Delights Ltd. v. Yehuda Gueta*, Par. 11, Published in Nevo, 16.6.2013) To show such unregistered rights, the complainant must show that the name has become a distinctive identifier associated with the complainant or its goods or services. (See Motion for Civil Appeals 1065/18, 1521/18 *Rami Levi Hashikma Marketing Store Chain 2006 Ltd. et. al. v. Barilla G.eR. Fratelli S.p.A.*, Par. 29, Published in Nevo 22.4.2018) Relevant evidence of such 'secondary meaning' includes, but is not limited to, length and amount of sales under the trademark, the nature and extent of advertising, consumer surveys and media recognition. (See Civil Appeal 5066/10 *Shlomo A. Angel Ltd. v. Y. and A. Berman Ltd.*, Pars. 11, 22, Published in Nevo (30.5.2013).

To support its argument that the Mark is well-known, the Complainant has made various claims of significant investments in marketing and promotion of its services under the Mark. The Complainant also stated that the PayBox Application was being used extensively by "hundreds of thousands of users". These claims were supported by what can be described as minimal evidence at best. Apart from providing two newspaper articles, one from 2017 about the Complainant receiving a license to operate the PayBox Application in Israel and another from 2015 describing the PayBox Application and a reference to the Complainant's own website press section, there was no evidence to support the expensive claims made by the Complainant. The Panel is of the opinion that a conclusory allegation of unregistered rights or that a mark is well-known (even if undisputed) would not normally suffice and that specific assertions of relevant use of the claimed mark supported by appropriate evidence would be required. The Complainant did not support the claims made by the necessary evidence.

Notwithstanding, the failure of the Complainant to bring evidence as appropriate, the Panel conducted its own search and notes that an Internet search of the Mark in both the Hebrew and English languages clearly points to the PayBox Application. A review of the Complainant's website also shows that since its launch around 2015 the PayBox Application has received some media attention and a number of awards. Given the additional search the Panel has conducted the Panel is of the opinion that the Mark has become a distinctive identifier associated with the Complainant. Even though this is the case, the Panel remains unconvinced that the evidence filed by the Complainant is sufficient to show the existence of secondary meaning in the Mark.

The Panel therefore turns to the remaining option under Section 3.1 of the Rules to see if the disputed domain name is the Complainant's registered company name or legal entity registration. Clearly, the Complainant's name – Israel Discount Bank Ltd – which the Panel assumes is its registered company name, is not similar to the disputed domain

name. In fact, the disputed domain name appears to be a part of PPS's name. The Complainant stated that it has acquired all the rights in the PayBox Application "from its developers ... together [with] all rights with respect to the mark "PayBox" in Israel." The Complainant did not attach any evidence relating to the transfer of said rights nor provide any additional explanation of the transaction that transpired. PPS was not named as a Complainant in these proceedings and therefore the Panel can only surmise that PPS itself was not acquired by the Complainant. This is supported by the evidence filed by the Complainant itself which indicates that PPS provided the Complainant with a license (See Appendix 1, Page 8 of the Complaint). The Panel is aware that this piece of evidence is a newspaper article, but since the Complainant annexed the article to the Complaint as is, the Panel takes it at face value. And, while the Panel was willing to go as far as to find that the disputed domain name is the Complainant's registered company name by virtue of PPS's acquisition by the Complainant, the Panel could not find any evidence showing the same, nor was there any evidence to this effect filed by the Complainant. To the Contrary, in addition to Appendix 1, during May 2017, PPS issued a press release stating that it has signed a "strategic agreement" with the Complainant. This press release is available under the Complainant <payboxapp.com> website and can be identified from Appendix 1 (page 12) attached to the Complaint. As a result, the Complainant also failed to show that the disputed domain name is the Complainant's registered company name or legal entity registration.

It follows that the Complainant failed to show rights in the Name under Section 3.1 of the Rules for want of a demonstration of rights in a trademark, trade name or registered company name or legal entity registration belonging to the Complainant, which are identical or confusingly similar to the disputed domain name.

The Panel wishes to clarify that it is not holding that the Complainant lacks any trademark rights in the Mark; rather, the Panel is holding that for the purposes of the Rules, on the minimal record submitted in these proceedings, the Complainant has not submitted sufficient evidence to this Panel to carry its burden of proving rights as required under the IL-DRP and the Rules.

C. Rights in the Name

The requirements of Sections 3.1 through 3.4 of the Rules are conjunctive. A consequence of this is that failure on the part of a complainant to demonstrate one element of the IL-DRP will result in failure of the complaint in its entirety. Accordingly, in light of the Panel's finding under the preceding head, it is unnecessary for the Panel to address the issue of the Respondent's rights or legitimate interests in the disputed domain name in detail.

D. Application or Use in Bad Faith

As noted above, in light of the Panel's finding in terms of Section 3.1 of the Rules, it is unnecessary for the Panel to address the issue of application or use in bad faith in detail in the present case.

E. Reverse Domain Name Hijacking (RDNH)

The Respondent claimed that the Complainant began the trademark registration process of the Mark only to prevent the Respondent from using it and that this amounts to Reverse Domain Name Hijacking (RDNH).

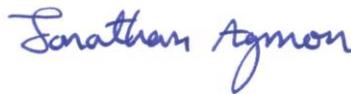
The Respondent bases this accusation on the fact the trademark applications filed by the Complainant were submitted for registration alongside sending the Respondent the cease-and-desist letter, on August 22, 2018.

The WIPO jurisprudence around RDNH has been developed in view of Paragraph 15(e) of the UDRP Rules which provide that, if “after considering the submissions the panel finds that the complaint was brought in bad faith, for example in an attempt at Reverse Domain Name Hijacking or was brought primarily to harass the domain-name holder, the panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding”. As noted by the WIPO Overview 3.0 RDNH is also defined as “using the UDRP in bad faith to attempt to deprive a registered domain-name holder of a domain name.” (at ¶ 4.16)

The IL-DRP Rules do not include similar provisions though this Panel is of the opinion that under the appropriate circumstances, panels may take into consideration RDNH arguments when making their determination. In light of the Panel’s finding above, the Panel does not need to address the arguments made by the Respondent in respect to RDNH.

7. Decision

For all the foregoing reasons, in accordance with the Rules, the Complaint is DENIED.



Jonathan Agmon
Sole Panelist
Date: October 15, 2018.