

## IL-DRP PANEL

### FOR THE INTERNET SOCIETY OF ISRAEL

In the matter of the **Domain <Vaporiza.co.il>**

between

***Namaste Technologies***

***Chad Agate, Chief Technology Officer***

[chad@namastetechnologies.com](mailto:chad@namastetechnologies.com)

(The "Petitioner")

and

***Mr. Elad Peretz***

Kiriat Haim 1  
Haifa 262151, Israel  
[shop@vaporiza.co.il](mailto:shop@vaporiza.co.il)

(The "Respondent" or "Holder")

## DECISION

### I. Procedure

1. ISOC-IL received a Petition on behalf of the Petitioner, requesting that the Domain Name "vaporiza.co.il" be reallocated to the Petitioner.  
A Panelist was appointed in accordance with the Procedures for Alternative Dispute Resolution under the IL-DRP Rules, in order to address the Petitioner's above request ([http://www.isoc.org.il/domains/ildrp\\_rules.html](http://www.isoc.org.il/domains/ildrp_rules.html)) (hereinafter – "the Rules").
2. Notification of the pending Petition, including copies of all submitted material, and notification of appointment of the Panel under the Rules, was sent on May 1<sup>st</sup>, 2018, to the Respondent's email address as recorded in the ISOC Domain Name Registry. In accordance with section 9.3 of the Rules, the Respondent was allotted 15 days, concluding on May 16<sup>th</sup>, 2018, to submit a Statement of Response or any other relevant information to the Panel.
3. The Respondent submitted his timely Response, to which the Complainant requested, and received, opportunity to file a Statement of Reply. Such Statement was submitted on May 23<sup>rd</sup>, 2018.

## ***II. Factual Background***

1. The Petitioner is a company by the name of NAMASTE TECHNOLOGIES INC., incorporated in Ontario, Canada. The Complainant provided no information regarding its line of business or scope of activities.
2. The Respondent is Mr. Elad Peretz, representing Vaporiza, a licensed dealer in Israel.
3. The Respondent registered the Disputed Domain on Dec.12<sup>th</sup>, 2016.

## ***III. The Parties' Claims***

### **A. The Petitioner**

1. The Petitioner is a Canadian Company by the name of Namaste Technologies Inc.
2. The Petitioner claims that the domain belongs to Namaste Technologies, inc, and was taken from it without authorization, by the company that previously owned it.
3. The Petitioner claims that the Company represented by the Respondent agreed to transfer "ownership of all domain assets to Namaste Technologies", under a signed Joint Venture Agreement between the Parties, and that only under certain conditions, which do not yet exist, will the Name be transferred back to the Respondent
4. The Complainant states that it believes this should satisfy the II-DRP Rule requirement that a Disputed Domain be the same or confusingly similar to a trademark, trade name, registered company name or legal entity registration ("Name") of the complainant.
5. The Complainant states that it has invested significant resources into the development, marketing, and acquisition of customers for the website and brand, and "as such, if Vaporiza ends its management of the website, Namaste still asserts its right of ownership of the domain." The Complainant thereby suggests that Section B, Subsections 3.2 & 3.3 of the Rules are satisfied, thus assuming both that the Complainant has rights in the name and that the Holder has no rights in the name.
6. The Complainant proceeds to describe the compensation received by the Holder in return for the transfer of the Domain to the Complainant, and asserts that no-transfer constitutes Bad Faith under the Rules.
7. Finally, the Petitioner "petitions the Israel Internet Association to transfer ownership of this domain back to the rightful ownership of Namaste".

### **B. The Respondent**

1. The Respondent, Mr. Elad Peretz, represents Vaporiza, a Licensed Dealer in Israel.
2. The Respondent claims that "This entire dispute is due to the fact that Namaste Technologies has demanded Vaporiza to return the compensation money (20,000\$) after they have terminated the joint venture agreement".
3. The Respondent further claims that the Petition does not comply with the grounds set forth in the Rules, as follows:

- i. The name is not confusing or similar to one owned by the petitioner, since Namaste Technologies does not own any trademark, trade name or company name by the name of Vaporiza.
  - ii. Vaporiza is a registered dealer under same name, and the Respondent is the owner of the Domain since 2016, prior to the joint venture between Vaporiza and Namaste.
  - iii. Namaste Technologies is in breach of its Agreement with Vaporiza, and therefore has no Rights in the Name.
  - iv. Application for the Domain was not obtained in bad faith, since Vaporiza was never employed by Namaste or under work for hire contract with Namaste.
4. In conclusion the Respondent requests that the Panel find that "subject Dispute is Unsuitable for IL-DRP or alternatively determined that the joint venture agreement was breached by Namaste and therefore void."

#### **IV. Discussion**

1. The IL-DRP is an alternative dispute resolution procedure intended to provide expedited resolution to disputes regarding the allocation of Domain Names, in accordance with the Rules for Allocation of Domain Names under the .IL country code. By registering a Domain, any Holder agrees to abide by these Rules.
2. In order for a case to be brought before an IL-DRP Panel, the Petitioner must show prima facie indications that certain grounds exist. The following must all be fulfilled:
  - 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.
3. Let it be emphasized that the IL-DRP proceedings are meant to be relatively short, straightforward cases, not intended to substitute court review in cases where there are contractual disputes or complex business contentions between the parties, which will require lengthy processes of evidence and cross examination
4. Historically, the framework within which the Israeli IL-DRP rules were established, similar to the WIPO Uniform Domain Name Dispute Resolution Policy, was aimed at mitigating and preventing all instances of "cybersquatting", which according to ICANN is: "bad faith registration of another's trademark in a domain name."<sup>1</sup>
5. As phrased in *WIPO Administrative Panel Crough and McNeil v. Stein, case no, D2005-1201* and applicable to the IL-DRP rationale as well:

"The Policy was adopted to deal as is with the problem of cybersquatting, the registration of domain names consisting of, including, or confusingly similar to marks

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<sup>1</sup> <https://www.icann.org/resources/pages/cybersquatting-2013-05-03-en>

belonging to another for the purpose of profiting from the goodwill associated with said marks."

6. Keeping all of the above in mind, the Panel will proceed to review existence of the grounds for the request, based on the II-DRP guidelines, and in consideration of the purpose and relevance of the facts at hand to the rationale of II-DRP proceedings.

- a. Name is Same or Confusingly Similar

The requirement in the Rules is that "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".

The Disputed Domain consists of the term "vaporiza" and of the suffix "co.il".

It has been previously ruled that the suffix "co.il" is to be disregarded for the purpose of determining similarity of a Domain to a Registered Mark, since it is a common suffix indicating that the domain is registered as a commercial Israeli website (see for example ISOC II-DRP case in the matter of <Crayola.co.il>).

Hence the question arises, whether or not the Complainant has a trademark, trade name or registered company which is confusingly similar to the word "vaporiza".

The Petitioner has not demonstrated ownership of any other trademark or name that may be somehow confused with the Disputed Domain. The essence of the dispute at hand is not a conflict of contesting Names or rights, but of ownership of a very specific domain, as granted by a Joint venture Agreement between the Parties, under which transfer of rights in the specific Domain itself was discussed.

The Complainant does not even attempt to claim that "vaporiza" is confusingly similar to a separate, individual mark previously owned by it. Neither does the Petitioner contest the preliminary use of the Name Vaporiza by a licensed dealer on behalf of the Holder. The Complainant wishes to enforce the contractual transfer of rights in the Disputed Name, which the Respondent refutes.

Hence, the Petitioner has not ascertained a claim that the Domain is the same or similar to a name of the Complainant. The ownership of the Name here is under dispute not because of reasons of similarity, confusion or conflicting use of Domain, but because of a business, factual, contractual conflict. The validity of an Agreement is the issue at hand, not the conflict between earlier and later intellectual property rights.

Based on the above analysis, it appears that the Parties are in agreement as to the initial rights in the Name, held by the Respondent. The claim is that a contract transferred these rights to the Complainant, whereas the Respondent contends the validity of this act. As such, this claim does not comply precisely with the requirement that the Name be identical or confusingly similar to a (different) name of the Complainant.

- b. Complainant has Rights in the Name

The II-DRP rules require fulfillment of all grounds specified in Section 3 of the Rules. As described above, the first requirement has not been adequately fulfilled, and there is no need to further evaluate the other grounds.

But even given the benefit of the doubt, in the event that the first claim was not clear – compliance with section 3.2 can also be reviewed. This Section requires Prima Facie Proof that the Complainant has rights in the Name.

The Petitioner claims it has gained rights in said Name by virtue of the Agreement binding upon the parties, which has transferred ownership of all Domain assets to Namaste.

The Respondent claims that the Petitioner is in breach of this Agreement, and therefore it is no longer binding.

Detailed evidence as to monetary transfer and alleged breach of contract was not provided, but was alluded to by the Parties.

The Petitioner did not attempt to claim any Prima Facie rights in the name, other than those rights as agreed upon and arising from the disputed agreement.

No claim was made by the Petitioner to support additional or external rights in the name, which may have existed prior to the Agreement (all claims pertained to the Agreement itself, in reference to compensation, remuneration and bonuses under it, etc.).

The conflict at hand revolves around the Rights bestowed upon the Parties only by the Agreement itself. The status and validity of this agreement is contended by the Respondent. The Panel does not have the investigative or procedural authority to obtain evidence to ascertain these contradicting claims, as could be done by a court of law.

Therefore it is concluded that the Petitioner did not provide a clear Prima Facie case in favor of ownership of its rights in the Name.

**c. Respondent has no Rights in Name, and Registration or Use in Bad Faith**

Above analysis indicates that the first two grounds are not clearly fulfilled.

This should suffice for decision under these circumstances, but the Panel will proceed to briefly review the next requirement, only to apply the same rationale regarding relevance of the rules. The Third claim requires that the Respondent have No Rights in the Name.

The Respondent, Mr. Elad Peretz, registered the Disputed Domain in 2016.

In that same year, a business by that same name was registered by Mr. Peretz and his partner.

In 2017, a joint venture between the Parties was arranged, including clauses referring to transfer of the Domain between the original owner (the Holder), and the Petitioner. All of the above was not contended by the parties.

The only underlying claim at hand is the transfer of the Disputed Domain under the Agreement, whose status and validity are contended by the Parties, and which should be more appropriately scrutinized under a court of law.

The Respondent has presented rights in the Name not only by the Domain, but also as a Licensed dealer, prior to the Agreement. This status, and hence these rights in the Name Vaporiza, have not been contested by the Complainant, and constitute the Respondents Rights in the Name.

Therefore, Panel concludes that the third requirement under the Rules is clearly not fulfilled, and the Respondent has indicated undisputed, Prima Facie rights in the Name itself, through its own business.

In light of the above, Panel sees no necessity in analysis of the fourth component of the Rules regarding Registration or Use in Bad Faith, though it may be noted that the nature of the disagreement between the Parties does not directly apply to issues of bad faith in use of a Trademark or trade name, but of implementation of a contract. Such conflict is outside the intended scope of the II-DRP proceedings.

## ***V. Decision***

The Israel II-DRP guidelines are very similar to that of the WIPO Arbitration Panels, where it has been concluded, as mentioned in the *WIPO Overview of WIPO Panel Views on Selected UDRP Questions, V.3*, that: "Panels have tended to deny the case not on the UDRP merits but on the narrow grounds that the dispute between the parties exceeds the relatively limited "cybersquatting" scope of the UDRP, and would be more appropriately addressed by a court of competent jurisdiction."<sup>2</sup>

In the case re "Vaporiza", Panel finds the grounds for decision to be twofold – a priori, the Respondent has not established a clear Prima Facie case supporting the grounds for re-assignment of the Name, and in addition, the contractual nature of the conflict regarding the Rights in the Name are more suitable for examination by a court of law, through full factual disclosure of evidence and cross examination.

Not every Domain Name dispute is appropriate for the II-DRP procedure, and Court Review is generally a more relevant venue for disputes involving complex business and factual allegations.

**Therefore transfer of the Domain is hereby denied.**

The Panel would also like to refer the Parties to Section 20 of the Rules, by which: "Petition to the IL-DRP in no way precludes access or petition to an Israel Court of Law", such that any Party so interested may file a case at the relevant court of law.

*Leehee Feldman*, Adv.  
Sole Panelist

Date: June 19<sup>th</sup>, 2018

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<sup>2</sup> <http://www.wipo.int/amc/en/domains/search/overview3.0/#item414>