

# Al Srad Ltd. v. Jia Tai Group Co. LTD

## IL-DRP Panel Decision

### 1. The Parties

The Complainant is Al Srad Ltd. 85 Ben Zvi Road, Tel Aviv 68104, Israel, represented by Eran Presenti, Adv & Others of Firon & Co. Law Offices

The Respondents are Jia Tai Group Co. LTD of Wing Hong St. 16 Kowloon House, Hongkong 99907, Hong Kong (hereinafter: “**the Respondent**”).

### 2. The Domain Name and Registrar

The Disputed Domain name <factory5.co.il> is registered with InterSpace Ltd.

### 3. Procedural History

The Complaint was filed with ISOC-IL on April 25, 2017. The Complaint was transmitted to the Israeli Dispute Resolution Panel of ISOC-IL (“**IL-DRP**”) under the IL-DRP Rules (“**Rules**”).

On May 4<sup>th</sup>, 2017 the IL-DRP appointed Naomi Assia as the sole panelist.

In accordance with the Rules, on May 8, 2017, 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.

A Response to the complaint on behalf of the Respondent was forwarded to the Panelist on June 12, 2017 instead by May 23, 2017 and another reply was filed by the Respondent on June 26, 2017.

The Complainant was granted by me with additional timeframe to file an answer to the Respondent's Reply and such Response was filed by June 28, 2017. In an email dated June 28, 2017, the respondent informed this Panel that they will respond further "as soon as possible" though they were not granted the rights to do so by this Panel.

The Panel received all required arguments and claims. It is time to decide.

## 4. Factual Background

The Disputed Domain name < factory5.co.il > was assigned to the Respondent on May 17, 2016.

The Complainant, Al Srad Ltd., is the owner of elite fashion chain stores branded FACTORY 54. The Complainant specializes in import and sale of different elite brands such as ARMANI, MICHAEL KORS, Calvin Klein, VERSACE and more. The Complainant's first chain store was established in 2004 and today, the chain has seven stores.

After reviewing the Complainant's Complaint and its annexes it appears that the Complainant has invested in marketing its chain stores under the brand FACTORY54 vast amounts and efforts.

The Complainant is the owner of numerous trademark registrations in Israel for the brand FACTORY54 wordmarks and design marks in classes 25 and 35 since January 2005 (hereinafter: “**the factory54 Marks**”).

The Complainant also developed its presence on the Internet and operates also via <factory54.co.il> domain name. The Complainant's web site under the domain name includes videos, different product information and provides an online store which consists its Marks. The Complainant's web site appears both in English and Hebrew to support its online marketing and sales.

In its Response the Respondent did not elaborate as to the nature of its activities and scope of business under the disputed domain name.

The disputed domain name <factory5.co.il> is currently inactive.

## 5. Parties' Contentions

### A. Complainant

The Complainant argues that as a consequence of its marketing and sales success its factory54 marks have become famous all over Israel and are identified by the consumer as a sign of high quality, excellent products and elite brands.

The Complainant further argues that it is clear that the disputed domain name is intentionally confusingly similar to the Complainant's factory54 Marks, names and domain address.

The Complainant further argues that the only difference between the Disputed domain and its factory54 Marks is the missing number "4" from the Complainant's factory54 Marks and that the missing number is insufficient to overcome the confusing similarity.

The Complainant further argues that the Disputed Domain is intentionally confusingly similar to the factory54 Marks also because the Respondent offers service that compete with products offered by the Complainant.

The Complainant further argues that the Respondent chose the Disputed Domain to lead consumers to its competing website through confusion and passing off.

The Complainant further argues that the Respondent company name is Jia Tai Group Co. Ltd. And that the Disputed Domain does not indicate any connection to this company name.

The Complainant further argues that if the Respondent's website, as suspected by them, sell counterfeiting goods or if it is a hoax website that sell nothing but is hoping to deceive consumers, this could create great damage to the Complainant good will.

The Complainant further argues that the Respondent has no right or legitimate interest in the Disputed Domain since, among other things, the name FACTORY54 has no particular meaning.

The Complainant further argues that the Respondent has not used the Disputed Domain in connection with the Bona Fide offering of goods or services.

The Complainant further argues that the Respondent has not made any legitimate noncommercial or fair use and that it registered and used the Disputed Domain in bad faith and with full knowledge of Complainant's factory54 Marks.

For all of the above reasons, the Complainant requests the following: (a) the transfer of the Disputed Domain name to complainant; (b) to prevent the Respondent to file in the future a domain name containing the trademark FACTORY54; (c) to order the Respondent to cover all the Complainant expenses occurred with this procedure.

In their Reply, the Complainant further argued that the Respondent is not a factory of fashion clothing and that the term "factory" is not a common word in the elite fashion and fashion shops.

## **B. Respondent**

The Respondent argued that the word "FACTORY" is a global name that has a meaning in Hebrew language.

The Respondent indicated the existence of the website [www.factoryfive.com](http://www.factoryfive.com). Upon examining this website, the Panel found it is owned by FACTORY FIVE RACING - a manufacturer of component car kits company that was founded in 1995.

The Respondent refer to the following names; FACTORY3, FACTORY5, FACTORY6, FACTORY66 and like. Upon examining these names via google search the Panel found the following results:

- FACTORY3 – google search found several unrelated results including a software company operating via <http://www.factory3.io/>; a web design studio operating via <http://www.3factory.it/>; a Nintendo game titled "Rune Factory 3: A fantasy harvest moon" and so on.

- FACTORY5 - google search found several results including the Respondent's website that offer branded clothing; the above referred Factory Five Racing website and a bicycle manufacture that operated through <https://wearefactoryfive.com>.

-FACTORY6 – google search found several unrelated results including a an unknown Japanese firm Facebook page and a consulting company operating under the website <http://www.factor6.net/>.

- FACTORY66 - google search found several unrelated results including a pastries and cakes Facebook page operating under the name "sweet 66 factory".

The Respondent argued that there are many web sites with the name "FACTORY" with the suffice co.il. the Panel examined these websites and found the following results: [www.3dfactory.co.il](http://www.3dfactory.co.il) (an online printers website); [www.design-factory.co.il](http://www.design-factory.co.il) (a non-active website) ; [www.standupfactory.co.il](http://www.standupfactory.co.il) (a non-active web site); [www.sandwich-factory.co.il](http://www.sandwich-factory.co.il) (a restaurant website).

The Respondent argue that they sell more (X4) and different products than the Complainant.

The Respondent argued that Complainant has no exclusivity in the name FACTORY; that it has invested considerable amounts of money in search engine optimization (SEO) with relation to its Disputed Domain; and that they are not familiar with the complainant and don't know factory54.

The Respondent further argue that they do not use the mark "factory54" and that this mark is generic. The Respondent claim in that respected that "Like TNUVA company in Israel not have exclusivity of the name "MILK"".

The Respondent further argue that upon google searching for "FACTORY54" one will not receive a result that include the Disputed Domain but only results referring to the Complainant.

## 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 InterSpace Ltd. 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.

These provisions are emphasized in light of the Respondent's argument in its Reply stating the following: "We also take a big lawyer in Israel to Claim ISOC and factory54 if any heart this domain [www.factory5.co.il](http://www.factory5.co.il)".

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**

The Complainant is required 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.

The Complainant is the owner of numerous trademark registrations, which consist of the mark FACTORY54 in Israel since 2003, including: Israeli Registered Trademark number 166827 "FACTORY FIFRTY FOUR" in class 25; Israeli Registered Trademark number 166828 "FACTORY 54" in class 25; Israeli Registered Trademark number 193807 "FACTORY 54" in class 35; Israeli Registered Trademark number 231910 factory54 (design mark) in class 25; Israeli Registered Trademark number 231911 factory54 (design mark) in class 25; Israeli Registered Trademark number 231912 factory54 (design mark) in class 35 and Israeli Registered Trademark number 231913 factory54 (design mark) in class 25.

The Disputed Domain name <factory5.co.il> comprises of the Complainant's factory54 Israeli registered trademarks but the omission of the number "4". The suffix ".co.il" is used jointly by the Complainant and the Respondent for their websites.

The Panel finds, that the Complainant's rights in the factory54 Marks have been established in this case, both by virtue of its trademark registrations as well as by virtue of its long term of use and reputation.

The Panel finds that the mere omission of a non-significant element – the number "4" - does not sufficiently differentiate the Disputed Domain from the registered trademarks. The Panel finds that the Disputed Domain is confusingly similar to the Complainant's factory54 Marks and domain name.

## B. Rights in the Name

The Complainant is required to show that it has rights in the factory54 name and that the Respondent has no rights in the factory5 name.

The Complainant showed sufficient evidence proving it has rights in the factory54 Marks. The evidence shows that the Complainant's factory54 Marks has gained significant goodwill in Israel, since it was established in 2004. The Respondent strengthened this fact by pointing out the google search results for - [https://www.google.co.il/?gws\\_rd=ssl#q=factory54](https://www.google.co.il/?gws_rd=ssl#q=factory54).

It is also up to the Complainant to show that the Respondent has no rights in the Name. The Complainant has provided that it has not approved or permitted for the Respondent to use its trademarks or name.

While the Complainant bears the "general burden of proof" under Rule 3.3, this burden shifts to the Respondent once the Complainant makes a prima facie showing that the Respondent lacks rights or legitimate interests. (See: *Neusiedler Aktiengesellschaft v. Kulkarni*, WIPO Case No. D2000-1769; see also *Dow Jones & Company and Dow Jones LP v. The Hephzibah Intro-Net Project Limited*, WIPO Case No. D2000-0704.)

In the present case, the Complainant argued that the Respondent has no rights or legitimate interests in respect of the Disputed Domain name.

The Respondent argued that the Disputed Domain name include a general word (factory), that there are similar uses of the combination of the word "factory" with numbers in different websites, that the goods sold via the Respondent websites are different from the goods sold via the Complainant's website and stores and so on. The Respondent did not provide any evidence to support these arguments and the Panel initiated its own searches based on these arguments. This decision is based on these factors.

The Panel notes the Complainant's evidence, and considers the fact that the Respondent did not provide any evidence to show any rights or legitimate interests in the Disputed Domain name.

Thus, in the present case and given the evidence presented before the Panel, the Panel finds that the Respondent did not rebut the Complainant's prima facie case.

Accordingly, the Panel finds that the Respondent has no rights or legitimate interests in respect of the Disputed Domain.



### C. Application and Use in Bad Faith

Finally, it is up to the Complainant to show that the Respondent applied for allocation of the Disputed Domain or the Disputed Domain was used in bad faith.

WIPO Panels, relying on Rule 4.1 of the UDRP Rules, often rule 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:

"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".

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 primarily for the purpose of disrupting the business of a competitor.

In the present case, the Disputed Domain – factory5 - is extremely similar to the Complainant's factory54 Marks. The Respondent chose to use the number "5" with the identical word "factory" rather than using other options – options that were presented in its Response, in relation to the same goods and services.



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 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 (see *Humana Inc.*, *op. cit. supra*; *Edmunds.com v. Ultimate Search, Inc.*, WIPO Case No. D2001-1319).

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 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.

The Panel finds, that the use of the Disputed Domain <factory5.co.il> to re-direct to another website of the Respondent, while offering for sale products similar to Complainant's, is a clear indication of the Respondent knowledge of the Complainant and its registered trademarks, and is also an indication, in this specific case, of the Respondent's bad faith use of the Disputed Domain.

Therefore, in this case, the Panel finds that the facts established above are sufficient to establish that the Respondent had registered or is using the Disputed Domain in bad faith according to UDRP Rules.

## 7. Decision

For all the foregoing reasons, in accordance with the Rules, the Panel orders that the domain name, <factory5.co.il> be TRANSFERRED to the Complainant.

Naomi Assia

Sole Panelist

Date: June 30 2017.