

IL-DRP PANEL

FOR THE INTERNET SOCIETY OF ISRAEL

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

The Complainant: **Gong Fashion Ltd.**
Yafo Tel Aviv Rd. and 1 Hakishon St., Tel Aviv
Tel: 050-6001700
Email: elihai99@gmail.com

-Versus-

The Respondent: **Mr. Yaniv Finkelshtein**
48 Yuvalim St., Moshav Beerotayim
Tel: 052-6557761
Email: yanivmail2@gmail.com, saipex@gmail.com

Decision

1. The Parties

1. The Complainant is an Israeli fashion company. The Respondent is an Israeli student.

2. The Domain Name and Registrar

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

3. Procedural History

3. The Complaint was filed with ISOC-IL on May 27, 2020. The Complaint was transmitted to the Israeli Dispute Resolution Panel of ISOC-IL ("IL-DRP") under the IL-DRP Rules ("Rules").
4. On May 31, 2020, the sIL-DRP appointed the undersigned as the sole panelist.
5. In accordance with the Rules, on May 31, 2020, 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. The Respondent requested an extension of 3.5 months to respond to the Complaint. The panel granted the Respondent an extension to file the response by July 1, 2020. The respondent filed a response to the Complaint on June 30, 2020.

4. The Arguments Raised in the Complaint

7. The Complainant is a fashion company called Gong Fashion Ltd. which has been operating for many years under the trademark GONG. According to the Complainant, it has acquired significant goodwill in the trademark GONG. Since 2018, the Complainant is also the owner of Israeli trademark registration no. 305176 (in classes 14, 25 and 35) – GONG (in Hebrew and English).
8. The Complainant has been investing significant resources towards launching a new sales website under the domain name gong.co.il. The launch date was planned for June, 2020. On January 20, 2020, the Complainant purchased the disputed domain through the Domain Registrar "Domain The Net". An invoice attesting to this purchase was enclosed to the Complaint. However, several months afterwards, during final preparations to the launch of the website, it transpired that the assignment of the disputed domain to the Complainant was not completed due to a technical issue (an "invalid address"). Domain The Net contended that it sent an email to the Complainant requesting to complete the requested details, but it has not responded. The Complainant argues that it has never received such email, and raises certain allegations against "Domain The Net" in this respect.
9. In any event, it also transpired that the Respondent registered the disputed domain on January 29, 2020 – 9 days after the Complainant had applied for its registration through "Domain The Net". Accordingly, the Complainant approached the Respondent, orally and in writing, in an attempt to convince him to transfer the disputed domain to the Complainant. The Respondent contended that he was working on developing a website under the disputed domain, and requested the Complainant to send him a price offer for purchasing the domain. The Complainant offered the Respondent NIS 2,000 for transferring the domain, but the Respondent declined the offer. The Complainant followed up with a formal cease and desist letter to the Respondent, which was not answered.
10. The Respondent registered the disputed domain in bad faith. In addition, the Respondent does not yet operate any website under the disputed domain name. Additionally, the Respondent registered the disputed domain in bad faith, and is causing the Complainant

grave damages.

5. The Arguments Raised in the Response

11. The Respondent is a law student, with a background in software and website development. The Respondent lawfully purchased the disputed domain on January 29, 2020. The domain was purchased with an intent to create a website for students, which is supposed to incorporate a "gong" sound motive therein. The Respondent presented a contract with a third party dated February 12, 2020, in connection with a joint venture regarding the creation and operation of the website gong.co.il.
12. Since the beginning of May, 2020 (almost four months after the domain registration date), the Complainant's representatives have been aggressively approaching the Respondent, demanding transfer of the disputed domain. The Respondent has learnt that the trademark registration of the Complainant is registered for specific fashion related classes. Since the Respondent plans to operate a student educational website, he does not believe there is any conflict between the parties. Since the Respondent has already invested time and also contracted with a third party regarding the planned website, he declined the Complainant's demands.
13. The Complainant kept harassing the Respondent, and sent him a monetary proposal of NIS 2,000. The Respondent politely declined it.
14. The trademark registration of the Complainant does not confer rights in the dictionary word GONG in any field whatsoever, but only for the very specific goods and services covered in the registration. Moreover, the word GONG is generic, and has a highly generic dictionary meaning of a "gong sound". Hence, the Complainant cannot claim exclusive rights over it in any field whatsoever. Furthermore, according to marketing materials, social media accounts and the Complainant's prior website www.gongfashion.co.il, the Complainant is known as "Gong Fashion" rather than "Gong".

6. Discussion and Findings

15. By registering the disputed domain name through Gorni Interactive Ltd., the Respondent agreed to its Terms of Use available at the box.co.il website. 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.
16. On a preliminary comment, the Complainant raises various arguments concerning its prior unsuccessful attempt to register the disputed domain name as well as certain allegations against the Domain Registrar involved. According to section 2 of the Rules (especially sections 2.3 and 2.4), such arguments may not be reviewed in the framework of ILDRP proceedings. Accordingly, the panel shall not refer to these arguments in any manner whatsoever.
17. 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; and (B) Complainant Has Rights in the Name

18. 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.
19. The disputed domain name is <gong.co.il> -- it comprises the Complainant's trademark GONG with the suffix <.co.il>. While the Complainant trademark registration covers the Hebrew and English versions of the mark GONG, it is well established (including in ILDRP case law) that a transliteration of the trademark in a different language also constitutes infringement thereof. In addition, the Complainant's company name is "Gong Fashion Ltd."
20. Accordingly, there is no doubt that the Complainant has rights in the Name, and that the disputed domain name is the same or confusingly similar to the Complainant's Name.
21. In this respect, the Respondent's challenge of the eligibility of GONG to enjoy protection is in contradiction to trademark law: dictionary word trademarks may be ineligible for trademark protection in a field in which they are descriptive, but eligible for protection in another field in which they are not descriptive. The mark at hand was registered as a registered trademark in Israel. The Respondent's contentions regarding the scope of trademark protection to the dictionary word GONG due to its generic nature is relevant to other parts of this decision (discussed below), but are irrelevant in the present context of assessing whether the Complainant has rights in the Name for the purpose of establishing the second criterion under the Rules.
22. In view of the above, the panel concludes that the Complainant has satisfied the first and second requirements under the Rules.

(C) Respondent has no rights in the Name

23. The Complainant must prove that the Respondent has no rights in the Name.

24. The Complainant argues that the Respondent does not have any rights in the Name, and had no reason to register the disputed domain, apart from taking advantage of the Respondent's goodwill in its trademark.
25. The Respondent contends that the word GONG is a generic dictionary word, and that he has had concrete plans to create a website for students which incorporates a "gong" feature therein. In support of his contentions, the Respondent filed an agreement dated February 12, 2020, with a third party company called CYB-ORG Auto Shops Ltd (the "Agreement"). The Agreement generally relates to a sort of a joint venture between CYB-ORG and the Respondent in connection with the GONG website, which shall be intended for students. The Respondent has undertaken and to develop the website within 18 months, while CYB-ORG has undertaken to invest significant financial resources in the website in exchange for equity consideration. While the Agreement is laconic, it presents clear objectives of the Respondent regarding the intended use of the disputed domain.
26. In the panel's view, the Agreement suffices to establish that the Respondent has rights of legitimate interests in the Name, so that the Complainant fails to prove this element: first and foremost, the Agreement was signed two weeks after the purchase of the disputed domain by the Respondent, and almost three months before the Complainant first approached the Respondent. The Agreement further establishes preparations for *bone-fide* use of the disputed domain name.
27. Though the IL-DRP guidelines do not specify the exact conditions for establishing Rights in a Name by a holder, it may be relevant to reference the ICANN UDRP Policy as a source of interpretation. The ICANN rules explicitly provide that, "Any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate your rights or legitimate interests to the domain name for purposes of Paragraph 4(a)(ii):....(i) before any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services" (section 4(c) of the UDRP Rules, as cited in the recent ILDRP decision in the matter of <Lawpubshop.co.il>).
28. Under applicable case law in UDRP proceedings (see for instance: *Asbach GmbH v. Econsult Ltd., d.b.a. Asbach Communities and Whois-Privacy Services*, WIPO Case No. D2012-1225; *Sweeps Vacuum & Repair Center, Inc. v. Nett Corp.*, WIPO Case No. D2001-0031), the execution of the Agreement shortly after purchase of the disputed domain, and months before receiving the first notice about the dispute, clearly meets the threshold to prove legitimate interests of the Respondent in the Name.
29. This conclusion is further emphasized by the nature of the trademark at hand: it cannot be disputed that the word GONG has a generic dictionary meaning for a kind of sound invoked by a certain percussion musical instrument (see <https://en.wikipedia.org/wiki/Gong> as well as applicable dictionary references for the word "GONG"). It is true that the trademark GONG is an arbitrary trademark as far as the fashion field is concerned. However, in the more general context of domain names, it is not a "strong" trademark, as there can be legitimate reasons for wishing to use it in a domain name. According to ILDRP and UDRP case law, when such marks are concerned, the burden of proof on the Complainant to prove

that the holder has no rights in the Name is heavier (see the <Lawpubshop.co.il> decision; ILDRP decision regarding <ktav.co.il>; see also: *Asphalt Research Technology, Inc. v. National Press & Publishing, Inc.*, WIPO Case No. D2000-1005; *Sweeps Vacuum & Repair Center, Inc. v. Nett Corp.*, WIPO Case No. D2001-0031; *Shirmax Retail Ltd./Detaillants Shirmax Ltee v. CES Marketing Group, Inc.*, WIPO Case No. AF-0104).

30. It is true that there is no association between the field of website the Respondent plans to launch (a students' commercial educational website) to the dictionary meaning of the word GONG. Nonetheless, the Respondent's contention in this respect (that the website shall incorporate a "gong" feature) is not far-fetched, and has not been refuted by the Complainant.
31. In view of all of the above, the panel determines that the Respondent has proved a certain level of rights of legitimate interest in the Name, and therefore the third element under the Rules has not been met.

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

32. 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."

33. The Complainant argues that the Respondent tries to ride on its goodwill, and that the Respondent has also tried to extort money for the disputed domain. These arguments correspond to the sub-sections (c) and (e) above.
34. As detailed below, the panel hereby denies the entire arguments of bad faith raised by the Complainant:

The Respondent is not trying to confuse consumers

35. The Respondent purchased the disputed domain in order to operate a commercial educational support website intended for university students. This field of activity is remote from the Complainant's core field of business (fashion), and is not in the same description of goods and services as the goods and services in classes 14, 25 and 35 covered in the Complainant's trademark registration. Accordingly, the Respondent's planned website is not likely to generate likelihood of confusion among consumers.
36. Furthermore, as aforesaid, the generic nature of the mark at hand – GONG – implicates also on the question of the Respondent's good faith in purchasing and holding the disputed domain (see the applicable parts of the ILDRP and UDRP decisions cited in sections 28-29 above). This is especially so as the Complainant's trademark is not a "well known trademark" (such as "Apple", for instance). Accordingly, it is unlikely that the Respondent purchased the disputed domain in bad faith, in order to capitalize on the goodwill of the Complainant. Moreover, the Complainant has not established the applicability of section 4.1(e) of the Rules.

The Respondent has not requested allocation or holds the Domain Name primarily for the purpose of selling it to the Complainant

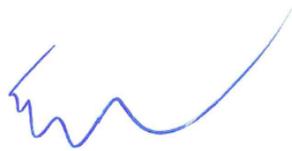
37. The parties allocate a major portion of their pleadings to this issue: the Complainant argues that during the negotiations between the parties, the Respondent tried to extort a significant amount of money for the disputed domain. In support of these arguments, the Complainant attached e-mail correspondence, consisting of the Complainant's monetary proposal of NIS 2,000 for the disputed domain, which the Respondent has denied. The Complainant argues that the Respondent allegedly waited for a higher monetary offer. In any event, according to the Complainant, this correspondence in and of itself establishes the applicability of section 4.1(c) of the Rules.
38. The Respondent denies these contentions. The Respondent attached numerous exhibits to his Response, consisting of various WhatsApp and email correspondence. The Respondent contends that they prove that the Complainant's representatives exerted continued and significant pressure on him to agree to transfer of the disputed domain. After such pressure, the Respondent agreed to their proposal to send him a monetary offer for the disputed domain. Once such monetary offer has been sent, he politely rejected it.
39. The correspondence between the parties submitted by the Respondent supports his factual version rather than the Complainant's version. The Panel is convinced that the Respondent did not try to extort money from the Complainant, but merely attempted to "brush off" the

pressure exerted by the Complainant's representative. According to the written correspondence, the monetary proposal was apparently the initiative of the Complainant. Moreover, the correspondence shows that the Respondent attempted to put an end to the correspondence between the parties, more than once. In the panel's view, it is abundantly clear that the Complainant has not proved the existence of "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" (see also the ILDRP decision concerning the domain name <gigabyte.co.il>, at p. 11).

40. In view of the above, the panel holds that the fourth element under the Rules has not been established by the Complainant, as the Complainant has not proved that the application for allocation of the disputed domain was made in bad faith or that the Domain Name was used in bad faith.

7. Decision

41. For all the foregoing reasons, in accordance with the Rules, the panel denies the Complaint.



Eran Liss, Adv.
Sole Panelist
Date: July 26, 2020