

**IL-DRP PANEL**  
**FOR THE INTERNET SOCIETY OF ISRAEL**

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

between

**L'Oreal**

14 Rue Royale

Paris France

Represented by

Dr. Shlomo Cohen & Co. Adv.

5 Kineret St., BSR Tower 3

Bnei Brak, 5126237, Israel

(The "Petitioner")

and

**La Belle Cosmetics Ltd.**

45 Yehuda HaLevi St.,

Rishon LeTzion, 7530401, Israel

(The "Respondent" or "Holder")

**DECISION**

**I. Procedure**

1. ISOC-IL received a Petition on behalf of the Petitioner, requesting that the Domain Name "essie.co.il" be reallocated to the Petitioner.  
A Panelist was appointed in accordance with the Procedures for Alternative Dispute Resolution under the .ILccTLD 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 3<sup>rd</sup>, 2016, 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 18<sup>th</sup>, 2016, to submit a Statement of Response or any other relevant information to the Panel.
3. The Respondent did not submit any Response to this Petition.

## **II. Factual Background**

1. The Petitioner is a company incorporated under the laws of France, and is one of the world's leading and most well-known manufacturers of cosmetics and beauty care products. The Petitioner is a leading entity in the fields of consumer cosmetic coloring products, including hair, makeup, skin care and nail care. Essie is a well-known, Registered Trademark associated exclusively with L'Oreal, the Petitioner.
2. The Respondent is a private Israeli company that imports and markets furniture and equipment for beauty salons, as well as beauty products and cosmetics.
3. The Respondent registered the Disputed Domain on May 2<sup>nd</sup>, 2013.

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

### **A. The Petitioner**

1. The Petitioner is a world re-known cosmetics company. It is a leading entity in the field of various coloring products, in Israel and all over the world, both with respect to the quality and variety of its products, as well as in sales turnover.
2. One of the Petitioner's leading nail care products is marketed under the Trade Name ESSIE. Products bearing the name ESSIE were first launched by ESSIE Cosmetics which was founded in 1981.
3. ESSIE Cosmetics was acquired in 2010 by L'Oreal, who became proprietor of all the rights in the ESSIE brand.
4. L'Oreal products bearing the ESSIE brand are sold throughout the world, including Israel. These products are promoted on various online platforms, and are accessible through websites, youtube channel and other social media (facebook, twitter, instgram etc.).
5. L'Oreal invests tens of thousands of NIS annually in the promotion and advertisement of the products bearing the mark ESSIE.
6. Petitioner claims that in accordance with the requirements of the Rules, the Complaint contains all the required elements indicating that the Domain should be transferred to the Petitioner, as follows:
  - a. Disputed Domain is identical with Petitioner's well known and registered trademark;
  - b. Petitioner has rights in the mark ESSIE;
  - c. Holder has no rights in the name; and
  - d. Registration and/or use of the Domain are in bad faith.

### **4. The Respondent**

The Respondent failed to submit any Response to the Petition.

## 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 evidence that certain grounds exist.
3. Let it be noted that without Response on behalf of the Respondent, the Panel will not refute any insufficient claims stated by the Petitioner, but will instead proceed to review whether the information present is in itself sufficient to establish grounds for re-allocation of the Disputed Domain, based on the aforementioned Rules.
4. Therefore we will proceed to review existence of the grounds for the request, as follows:

According to section 3 of the IL-DRP Rules, Disputes regarding allocation of a Domain Name by a Holder may be brought by a third party on the following grounds:

  - 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.
4. Each of the claims above needs to be well established by Petitioner. In the following discussion we will address each claim, based on the materials of the Petition and any other material available to the Panel.

### 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 "essie" 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 IL-DRP case in the matter of <Crayola.co.il>).

The term "essie" of the domain name is identical to the part of the name of the company which was bought the Petitioner in 2010 – "Essie Cosmetics". With this purchase, L'Oreal acquired all the rights in the name ESSIE.

It is clear that the omission of a descriptive term ("cosmetics") from the domain name does not diminish the identity between a domain and the dominant component of a company name.

Further, it is clear that the domain "essie" is identical to Trademarks currently held by the Petitioner (as detailed below).

Thus, the Panel finds that the Domain is the same as a trademark and well-known name held by the Petitioner, and therefore the first requirement under the rules, is fulfilled.

**b. Complainant has Rights in Name**

1. The petitioner purchased the company "Essie Cosmetics", and obtained ownership of its intellectual property rights.
2. The Petitioner owns registrations for ESSIE Trademarks in numerous countries, including USA, EU, Australia, New Zealand, Singapore, Canada and many more.
3. The Petitioner is the owner of numerous registrations and applications pertaining to the ESSIE Trademark in Israel, including "ESSIE", "ESSIE FINGER DIPPING", and many more.
4. The Petitioner owns many Domains internationally containing the ESSIE mark (essie.com, essie.net, essie.ca, essie.nz. essiepro.il etc.).
5. L'Oreal invests tens of thousands of NIS annually in the promotion and advertisement of ESSIE products, and as a result, sales of products bearing the ESSIE mark for the years 2013-2015 have exceeded 2,200,000NIS.
6. It may be noted that the Domain was registered by the Respondent on May 2<sup>nd</sup> 2013, whereas the Israeli Trademark was registered only later, on February 4<sup>th</sup> 2014. However, as previously ruled in several WIPO decisions: "Registration of a domain name before a complainant acquires trademark rights in a name does not prevent a finding of identity or confusing similarity under the UDRP".

(<http://www.wipo.int/amc/en/domains/search/overview2.0/#14>)

It is evident that additional circumstances exist, indicating that the Complainant had rights in the name prior to the Domain Registration Date, as follows:

In Israel:

- Application for the ESSIE Trademark was filed in August 2012, prior to the Domain Registration by the Respondent.

Internationally:

- ESSIE Cosmetics was originally established in 1981, and has gained distinct international reputation since.
- Essie Cosmetics has owned registered trademarks in the term ESSIE in France and internationally since before the year 2000.
- L'Oreal obtained all rights to ESSIE Cosmetics intellectual Property.

These are sufficient to establish the petitioner's rights in the name.

From all of the above it is evident that the Petitioner has established a Prima Facie claim to rights in the Disputed Domain. The Respondent has not provided a Letter of Response, and therefore these claims remain uncontended.

**c. Respondent has no Rights in Name**

The Respondent, La Belle, was in the past an authorized distributor of L'Oreal's ESSIE Nail Care products.

This arrangement between the Parties was terminated at some point. Particular details have not been provided.

It may be possible that during the term of the Distributor Agreement, the Holder might have had certain rights in the Name, under specified conditions. Specifically, the Petitioner claims that even during the authorized representation agreement, Registration of the Domain in the Holder's name was made in clear violation of the distributorship agreement (no evidence has been provided thereof).

Nonetheless, once the Agreement has been terminated, the Holder no longer owns any rights in the Name, even if there were any to begin with, and is infringing the Petitioners Rights by such unauthorized use.

Let it be noted that the website maintained by the Holder does not make any reference as to the relationship between the Holder, the Petitioner, and the rights in the Trademark. No disclaimer is presented on the matter.

The Petitioner claims to have approached the Holder several times, requesting transfer of the Domain, but the Petitioner rejected such approach and retained registration of the Domain.

The Holder failed to provide a Statement of Response to this Petition. None of the above claims have been refuted by the Holder.

Therefore, in light of all the above, the Panel finds sufficient grounds to establish that the Holder currently has no rights in the name.

#### **d. Registration or Holding in Bad Faith**

Section 3.4 requires that "the application for allocation of the Domain Name was made or the Domain Name was used in bad faith".

The Rule requires that either the registration or the use be in bad faith. The case at hand shows clear indications of Bad Faith pertaining to both.

##### Bad Faith in Registration of the Domain

- Under the circumstances at hand, only partial information is provided as to the circumstances under which the Domain was registered. It is evident that at some point the respondent was an authorized Distributer of the Petitioner's products. However, the exact Terms and nature of any such specific agreement are not known.
- In the ICANN case in the matter of <Okidataparts.com> (*Okidata Americas, Inc. v. ASD, Inc.*, WIPO Case No. [D2001-0903](#) – in which Complaint was denied), the Panel found that a Reseller may have bona fide rights in a name, if the following conditions are fulfilled:
  - (1) "The Respondent must actually be offering the goods or services at issue.
  - (2) The site must accurately disclose the registrant's relationship with the trademark owner;
  - (3) 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.
  - (4) 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."
- A quick review of the website as displayed on the disputed Domain, including a scan of earlier versions of the website as displayed on the archive historic search engine at [www.archive.org](http://www.archive.org), shows no reference whatsoever to the nature of any relationship between the Reseller and the Owner of the products at hand, nor is any reference made to the Petitioner and its rights. Therefore, the second condition above is not fulfilled.
- In addition, the Petitioner mentions in its claim that "L'Oreal did not authorize La Belle to register any domain names, including the Domain, using the mark ESSIE. On the contrary, registration, registration of the Domain in La Belle's name was made in clear violation of its distributorship agreement with L'Oreal".

Such argument has not been contended by the Holder.

##### Bad Faith in Use of the Domain

- Section 4.1 of the II-DRP Rules details circumstances which may be considered evidence of Bad Faith. The first of these states as follows:

" 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;

As mentioned above, it is evident from the Petition that for a period of time there was a contractual relationship between the Parties, which has since been terminated. Though the Holder may have arguably held certain rights in the Domain, those have been rescinded upon termination of the work relationship between the two. As described in the clause above, this in itself may be considered clear evidence of use in Bad Faith.

- Subsection 4.1e of the II-DRP Rules specifies another potential indication of use in Bad Faith, as follows:

"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".

The Holder in this case maintains a website which clearly misleads potential consumers into believing that the Domain is owned by or related to L'Oreal, the rightful owner of the ESSIE brand. This in itself constitutes use in Bad Faith.

- The term "ESSIE" is not a generic or commonly used term, has no inherent meaning of its own and has no direct relevance to the Respondent himself other than in relation to ESSIE Cosmetic products owned by the Petitioner and distributed by the Respondent. Therefore the holder has no reason for Registration of such a Domain other than infringement on the ESSIE Mark.
- By holding the Domain, the Respondent is preventing the Petitioner from making use of a local website bearing its international and local trademark.
- Panel also notes that the Respondent currently operates its business thru a domain at [www.la-bl.co.il](http://www.la-bl.co.il), which has been registered with the Respondent since 2006. This strengthens the claim that the Holder makes use of the Disputed Domain not as a sole source of business, but as a website creating a likelihood of confusion with L'Oreal's registered Trademark. Let it also be noted that at the time of writing of this Decision, the website at the Disputed Domain is not operational.

The combination of all of the above is a sufficient indication of bad faith. Therefore the Panel concludes that the Respondent has acted in bad faith both in application for registration of the Domain, and in use thereof.

## **V. Decision**

In light of all of the above, Panel finds that the Disputed Domain is the same and identical to many Well Known and Registered Marks of the Petitioner, the Petitioner has established substantial circumstances supporting its rights to the Disputed Domain, the Respondent presented no rights in the Domain, and the Respondent has acted in bad faith in registering and in holding the Domain.

Therefore, the Panel concludes, in accordance with the Rules, that the Disputed Domain shall be re-assigned to the Petitioner, within 30 days of the date of this decision.

*Leehee Feldman, Adv.*  
Sole Panelist

Date: June 17<sup>th</sup>, 2016