

First Index Ltd v. Michael Benveniste

IL-DRP Panel Decision

1. The Parties

The Complainant is First Index Ltd., an Israeli company, founded in 2014, represented by Mr. David Bitton, Advocate of David Bitton Law Offices.

The Respondent is Michael Benveniste, an individual, represented by Mr. Daniel Bustanai, Advocate, Mr. Simcha Teitelbaum, Advocate, and other advocates from Bustanai Law Offices.

2. The Domain Name and Registrar

The disputed domain name <firstindex.co.il> is registered with LiveDns Ltd.

3. Procedural History

The Complaint was filed with ISOC-IL on June 12, 2017. The Complaint was transmitted to the Israeli Dispute Resolution Panel of ISOC-IL ("IL-DRP") under the Procedures for Alternative Dispute Resolution under the .il ccTLD by Dispute Resolution Panels ("Rules").

On June 25, 2017 the IL-DRP appointed Jonathan Agmon as the sole panelist. In accordance with the Rules, on September 26, 2016, 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 July 11, 2017, the Respondent has filed its Response to the Complaint. On the same day the day the Complainant filed an unsolicited answer to the Response.

On July 18, 2017, the Complainant sent an e-mail providing an updated trademark application extract.

4. Factual Background

The disputed domain name <firstindex.co.il> was created and allocated to the Complainant on December 12, 2011.

The Complainant is First Index Ltd., an Israeli company, founded in 2014 and operating as a trading and investment company in the global capital markets.

The Complainant has filed an Israeli trademark application for the stylized mark comprising the combined word FIRSTINDEX on June 7, 2017. The application received the serial no. 295204 and is pending examination at the time of this decision.

The Complainant is also the owner of the <firstindex.com> domain name, under which it operates a web site offering a financial trading platform to Australians. The website under the <firstindex.com> prominently presents the FIRSTINDEX mark. The Complainant received a license to operate its trading platform in Israel in September 2016.

The Respondent is an individual by the name of Michael Benveniste.

The Respondent owns and manages a business operating since 2013 in the telecommunication field in Israel under the mark FIRST CALL. The Respondent owns through this business two registered trademarks, one of which is for the mark

“First Call ערך מוסף לעסק” and is the holder of the domain name <firstcall.co.il>.

The Respondent operates other services through dedicated domain names such as for example: <firstcallvirtualoffice.com>, <musiconhold.co.il> and <sms.sms-marketing.co.il>.

The Respondent also owns other domain names with the word “first” serving as a prefix, such as <firstcohaviv.co.il>, <firstcom.co.il> and the disputed domain name. Both these domain names are inactive or inaccessible.

Currently, the disputed domain name is parked with LiveDNS.

5. Parties’ Contentions

A. Complainant

The Complainant argues it has rights in the FirstIndex name (“**the Name**”). That it has filed a trademark application over the Name and that it has extensive goodwill over the Name.

The Complainant argues that by holding the disputed domain name, the Respondent is preventing the Complainant from reflecting its company name and brand in a domain name registered under the .il ccTLD, and that by holding the disputed domain name, the Respondent is making use in bad faith thereof.

The Complainant further argues that the disputed domain name is not used by the Respondent and as result the Complainant is being deprived of its right to use the disputed domain name.

The Complainant further argues that the disputed domain name contains the Complainant's brand, and it is confusingly similar to the Complainant's company name, and this may cause confusion among clients and users of the complainant and can damage the Complainant reputation.

For all of the above reasons, the Complainant requests the transfer of the disputed domain name to the Respondent.

The Complainant also filed an unsolicited answer to the response filed by the Respondent.

B. Respondent

The Respondent argues that the Complainant has failed to meet the necessary burden of proof for its alleged and denied claims, made in the Complaint.

The Respondent contends that the Respondent has no right in the Name. The Respondent argues that the Complainant's evidence is insufficient to show rights in the Name. The Respondent claims that the Complainant was only registered as an Israeli company in 2014, and its domain name <firstindex.com> was purchased on September 5, 2016, less than a year before the Complaint was filed. The Respondent claims that the evidence does not show extensive goodwill as the Complainant claims it has. The Respondent claims that a registration of a company under the Name as opposed to a registered trademark does not grant rights in the Name.

The Respondent further contends that the trademark application was filed by the Complainant on June 7, 2017, five days before filing the Complaint, and that the trademark application was filed in bad faith - solely to submit it as proof of the Complainant's alleged rights in the disputed domain name. The Respondent claims that for the purposes of the Rules reliance on a trademark application is insufficient and that section 3.2 of the Rules requires both a trademark, trade name, registered company name or legal entity registration in addition to proof that the complainant has rights in the Name.

The Respondent further claims that the extract of the Complainant's application for trademark provides that (a) the owner of the trademark application is David Bitton, Adv., and not the Complainant, and that (b) the trademark application claims only the specific wording "FIRSTINDEX TRADE UP TO A BETTER WAY", and only in the specifically enclosed design which is in itself limited to the dark blue, blue, light blue and grey colors.

The Respondent argues that he has right in the Name. The Respondent argues that one of the concepts of his business is to name various services offered to its client with names beginning with the word "first" and chose to name one of these services "First Index".

The Respondent further argues that it is not acting in bad faith. The Respondent further contends that he registered the disputed domain name to host a service he intends to offer his clients under the dispute domain name. The Respondent also argues that he holds a small number of domain names all of which have the prefix word "first" and relate to telecommunications services.

The Respondent also contends that the disputed domain name was purchased by the Respondent on December 12, 2011, while the Complainant only filed his trademark application on June 7, 2017, and the Complainant itself only exists since 2014, and this clearly supports the fact that the Respondent never intended to make a reference to the Complainant's name when purchasing the disputed domain name.

The Respondent further argues that the Complainant offered to buy the disputed domain name, but did not claim that the Respondent was infringing its rights or acting in bad faith as alleged.

For all of the above, the Respondent requests to dismiss the Complaint.

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 LiveDns Ltd. registration agreement

provides that the applicant for the domain name accepts the ISOC-IL Rules for the Allocation of Domain Names Under the Israel Country Code Top Level Domain (see <https://domains.livedns.co.il/Terms.aspx>) ("**Registration Rules**").

The Registration Rules provide that the holder of a domain name agrees to "submit to a procedure and a decision made under the IL-DRP. " (See section 25.4 of Registration Rules). The Respondent, therefore, by applying for and registering the disputed domain name agreed to the Registration Rules and the Rules.

This resolution is aimed at assessing if the holder has the right of use of the disputed domain name under the Rules and not determine any property rights over the disputed domain name seeing that the Registration Rules provide that the allocation of a domain name does not grant a property right in a domain name under the .il ccTLD. (See Registration Rules A.2.)

It is also noted that the Rules 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, such as the National Arbitration Forum (NAF)) can be used as examples of how previous panels have adopted and interpreted provisions similar to the Rules under the 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.

For the purpose of ease, when applicable, in this case, Rule 3.1 shall be called the first element, Rule 3.2 shall be called the second element, Rule 3.3 shall be

called the third element and Rule 3.4 shall be called the fourth element. To succeed in its case, it is up to the Complainant to show all four elements.

7. Preliminary – Unsolicited Answer

The Rules do not provide the Complainant with the right to file supplemental filings, except at the request of the Panel. (Rule 13) This has also been the practice under the UDRP (See WIPO Overview 3.0, 4.6) in view of Paragraph 10 of the UDRP Supplemental Rules.

The Panel has reviewed the answer filed and did not find that there are additional circumstances justifying acceptance of the unsolicited supplemental filing. The Panel rejects the unsolicited filing although it is made clear that the Panel did not find anything in the supplemental filing which would change the result of the Panel's decision.

A. Same or Confusingly Similar

First, it is up to the Complainant to show that the disputed domain name is the same or confusingly similar to a name it owns. The Rules provide that the name can be one of the following: a trademark, trade name, registered company name or legal entity registration of the complainant.

The Complainant provided evidence that reflects that its registered name in Israel is First Index Ltd. The Respondent did not dispute this fact.

The Complainant also provided evidence that it has filed a trademark application on June 7, 2017, for a stylized mark in class 36. The trademark application received the serial number Serial No. 295204 and is pending examination at the time of this decision (“**the Trademark Application**”). The Trademark Application covers a stylized mark depicted below:



The stylized mark has been limited by the Complainant to the dark blue, blue, light blue and grey colors.

While as stated correctly by the Respondent, the application was first filed in the name of the Complainant's counsel, this was later amended to reflect the name of the Complainant – First Index Ltd. - as the owner of the Trademark Application. The Rules provide that the Complainant can use a "trademark" to show rights in a name. Clearly in this case, the Complainant did not provide a registered trademark, rather a trademark application. It has been established by numerous domain name panels that a pending trademark application would not by itself establish trademark rights within the meaning of the UDRP. See for example *Intellect Design Arena Limited v. Moniker Privacy Services / David Wieland, iEstates.com, LLC*, WIPO Case No. D2016-1349 where the panel noted that "it is the preponderant view of panels under the Policy that unless such applications have proceeded to grant they do not constitute trademarks in which a complainant has UDRP-relevant rights." Likewise, it is the position of this Panel that until a trademark has not been granted the application cannot serve as a "trademark" under Rule 3.1

Therefore, the Complainant reliance on a trademark application is insufficient to establish the necessary rights in the Name under the first element.

While the Complainant does not have a registered trademark, the record reflects that the Complainant's name (as a company name in Israel) is identical to the disputed domain name except for the extension "limited", which is ignored as it relates to the fact that the company was established with limited liability. And while, company names do not go through the rigors of trademark applications

before they are registered, the Rules make it clear that a Complainant showing it is the owner of a name registered as a company name may rely on such a registration for the purpose of proving the first element.

The Complainant has therefore met his burden to show that the disputed domain name is the same or confusingly similar to a registered company name of the Complainant.

B. Complainant Rights in the Name

Next, it is up to the Complainant to show that it has rights in the Name.

The Complainant argued it has rights in the Name in view of its consistent use and extensive good will in the Name and its international domain name <firstindex.com>. The Complainant provided that the Name has gained credible reputation under its operations and activities globally. The Complainant further submitted a letter of approval from the Israeli Securities Authority, Stock Exchange Control Department (“ISA”) dated 29 September 2016, which provides the Complainant with a license to operate a trading platform offering services to Israelis.

The Respondent argues that the Complainant did not prove the second element at all as it failed to submit evidence showing it has rights in the Name nor to support its claim to "extensive goodwill" in the Name under the disputed domain name. The Respondent also argued that the Name consists of generic dictionary wording.

The Rules are silent as to what is sufficient evidence to prove rights in a name. Generally, within the context of the UDRP, a Complainant may establish common law trademark rights. See *Uitgeverij Crux v. W. Frederic Isler*, WIPO Case No. D2000-0575. This would be akin to establishing rights in a trade name or a company name under the Rules. To establish such rights, the Complainant must show that the name has become distinctive and is associated with the Complainant’s goods and/or services. See *Skattedirektoratet v. Eivind Nag*,

WIPO Case No. D2000-1314. The Complainant is required to file relevant evidence which may include the amount of sales under the mark, the duration and nature of use, the degree of public recognition that the Name is associated with the Complainant and so forth. See *Alpine Entertainment Group, Inc. v. Walter Alvarez*, WIPO Case No. D2006-1392.

In the Panel's view, in this case, the evidence submitted is insufficient to show that the Complainant's has rights in the Name. The Complainant's company name and reference to its company name being used under a .com website servicing the Australian market (presumably since September 5, 2016) and a single letter from the ISA are insufficient. Company names in Israel are granted on a first come first served basis and are approved so long as they are not identical or confusingly similar to a previous registered company name or registered trademark. (See Section 27 of the Corporations Law, 1999). The use of the Name under the .com gTLD is insufficient to show rights in the Name without any evidence detailing the exposure of the website under this domain name to Internet users, and especially users in Israel. Finally, the letter issued by the ISA has little or no weight in establishing rights in the Name as it simply provides a license to the Complainant and has no bearing on Internet users' recognition of the Name. The Complainant has not shown that it has established a web site under the ISA license or is operating under the Name pursuant to the ISA license. The Panel is mindful of the fact that the license was granted in September 2016 and that preparations for launching an online trading platform under an ISA license may take some time. However, no evidence was brought by the Complainant to show actual demonstrable preparations to launch such a trading platform under the Name in Israel.

It is therefore the finding of the Panel that the Complainant failed to show the second element.

C. Holders Rights in the Name

Since the Panel's finding that the Complainant failed to show it has rights in the Name the Panel is not required to address the third and fourth element. However, even if the Panel would have found that the Complainant has proved the second element, for the foregoing reasons the Complaint would still be denied.

Under the third element it is up to the Complainant to show that the Respondent has no rights in the Name. For the purposes of this third element, the Complainant does not have to show significant amount of evidence to shift the burden to the Respondent. 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.) This shift of the burden of proof is necessitated by the nature of these proceedings, where there is but one round of filing and the Complainant cannot respond to the Response and cannot in hindsight prove a negative (which is spelled out in Rule 3.3). In this case, if the Complainant was able to show rights in the Name, the burden would shift to the Respondent to show it has rights in the Name.

The Rules do not provide how a Respondent may show rights or legitimate interest in the Name. The UDRP can be used to provide guidance when the Rules are silent. The UDRP paragraph 4(c) provides a non-exhaustive list of defenses, which may provide evidence demonstrating rights or legitimate interests in a domain name:

"(i) before any notice of the dispute, the respondent's 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; or

- (ii) the respondent (as an individual, business, or other organization) has been commonly known by the domain name, even if the respondent has acquired no trademark or service mark rights; or
- (iii) the respondent is making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue."

In this case, the Respondent registered the disputed domain name in 2011. The Respondent has submitted evidence showing that his services are primarily being provided in the Israeli market under the FIRST CALL and not the FIRST INDEX mark. In addition, the Respondent provided that he has or intends to offer several different services incorporating the prefix "FIRST", and that has contended that he is still developing a service under the name First Index. To this end, the Respondent provided and attached the future logo he intends to use under the Name. The evidence showing the future logo did not provide when the logo was created or when it will be used. The Respondent did provide other evidence showing that he has made other real and overt demonstrable preparations to use the disputed domain name in connection with a bona fide offering of goods or services. The Respondent is not known by the name First Index and at the time of this decision, the disputed domain name is not being used and resolves to a parking page. The additional domain names referred to by the Respondent <firstcohavit.co.il>, <firstcom.co.il> are inactive or inaccessible. The domain name <firstcallvirtualoffice.com> hosts the Respondent's web site in the English language.

Previous panels have allowed various circumstances to serve as sufficient for showing demonstrable preparations to use the disputed domain name in connection with a *bona fide* offering of goods or services, including (i) evidence of business formation-related due diligence/legal advice/correspondence, (ii) evidence of credible investment in website development or promotional materials such as advertising, letterhead, or business cards (iii) proof of a genuine (i.e., not pretextual) business plan utilizing the domain name, and credible signs of pursuit

of the business plan, (iv) bona fide registration and use of related domain names, and (v) other evidence generally pointing to a lack of indicia of cybersquatting intent. (See WIPO Overview 3.0, Section 2.2; See also *Philip Morris USA Inc. v. Borut Bezjak, A Domains Limited*, WIPO Case No. D2015-1128)

In this respect, the passage of time has been determined to be material in making a determination relating to sufficient demonstrable preparations. See *Autodesk, Inc. v. Brian Byrne, meshIP, LLC*, WIPO Case No. D2017-0191. And while the Respondent herein argued *bona fide* registration and use of a few similar domain names, using the word “first” as a prefix, and an intended logo for use; the evidence shows that there is no use outside the <firstcall.co.il> and <firstcallvirtualoffice.com> domain names. This despite the passage of some six years since the Respondent registered the disputed domain name. The panel finds that the evidence provided by the Respondent lacks clear contemporaneous inherently credible evidence of *bona fide* pre-complaint preparations for use of the disputed domain name.

It is therefore the finding of the Panel that if the Complainant was able to show rights in the Name and the burden would shift to the Respondent to show it has rights in the Name, the Respondent has failed to do so and therefore the Complainant succeeds on the third element.

D. Bad Faith Registration or Use

Finally, if the Complainant was able to show rights in the Name, it is still up to the Complainant to show that the Respondent applied for registration of the disputed domain name or the disputed domain name 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 name:

The Rules provide that "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 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".

Rule 4.1(b) provides that this Panel can find that the Respondent acted in bad faith if there are circumstances showing that the Respondent requested the allocation of the disputed domain name primarily for the purpose of disrupting the business of a competitor; or circumstances indicating that the Respondent requested allocation or holds the disputed domain name primarily for the purpose of selling, renting, or otherwise transferring the disputed domain name allocation to the Complainant, who is the owner of the trademark or the service mark, or to a competitor of the Complainant, for valuable consideration in excess of documented out-of-pocket costs directly related to the domain name.

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 Mark 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 Complainant alleges that it started its activities in Israel in the 2014. The Respondent registered the disputed domain name on September 2011. Therefore, the Panel finds that it is unlikely that the Respondent had registered the disputed domain name in bad faith. See *Workflow International Limited v. Privacy Protection Service INC d/b/a PrivacyProtect.org / Mark Lam*, WIPO Case No. D2014-0385.

Moreover, beyond making allegations, the Complainant did not provide evidence to establish that the Respondent had registered or is using the disputed domain name in bad faith, as required in Rule 4.1(b) and 4.1(d).

The fact that an entity is the holder of a domain name that is similar or identical to a company name registered in Israel does not of itself constitute registration or use in bad faith. It is up to the Complainant to show clear evidence of the Respondent's bad faith registration or use of the disputed domain name. In the present case, the Complainant failed to provide evidence to support its claims of bad faith registration or use.

To meet that burden required by Rules, the Complainant must ordinarily demonstrate (not simply allege) that the Respondent had knowledge of Complainant's mark/name and selected the disputed domain name to take advantage of it. (See *Align Technology, Inc v. Web Reg/ Rarenames/ Aligntechnology.Com*, WIPO Case No. D2008-0103) Indirect evidence may be provided that would lead the panel to infer such knowledge or intent. In the present case, no evidence was submitted from which the panel may infer the latter and as discussed above, the former is not likely to exist in view of the much earlier registration of the disputed domain name.

While constructive notice of trademark rights has been accepted by some UDRP panels as evidence of bad faith, such notice has been recognized when other indicia of cybersquatting existed and more often when the trademark at issue is

well-known. (See *Kellwood Company v. Onesies Corporation*, WIPO Case No. D2008-1172.) In the present case, the Complainant provided no evidence from which the Panel might infer some indicia of cybersquatting on behalf of the Respondent. (See also *Aspenwood Dental Associates, Inc. v. Thomas Wade*, WIPO Case No. D2009-0675). The fact that the Complainant contacted the Respondent to purchase the disputed domain name does not of itself provide such evidence nor can the Panel infer the same from the Respondent failure to respond.

In addition, while the passive (non-use) holding a domain name does not prevent a finding of bad faith holding, such finding is to be made after the totality of circumstances has been taken into account. The majority of decisions involving passive holding require the presence of additional circumstances indicating bad faith. See *Telstra Corporation Limited v. Nuclear Marshmallows*, WIPO Case No. D2000-0003 and the long line of cases that followed. Such factors can include for example the failure to respond to the Complaint, that the disputed domain name is comprised of a highly distinctive and/or well-known mark owned by the Complainant, that the Respondent uses a privacy shield or that the a good faith use by the Respondent is implausible. (See *Id.* at 7.12) None of these factors or similar have been alleged nor evidence to show proffered to the Panel.

Considering that the Complaint did not exist when the Respondent has applied for and registered the disputed domain name, and that there was no evidence provided to show other indicia of bad faith registration or use, the Panel finds that the Respondent did not register nor use the disputed domain name in bad faith. To conclude, it is the finding of the Panel that the Complainant did not meet the burden of proof showing that the Respondent registered or is using the disputed domain name in bad faith in accordance with the fourth element.

8. Decision

For all the foregoing reasons, the Complaint is denied.

Jonathan Agmon

Jonathan Agmon

Sole Panelist

Date: July 31, 2017