

ARBITRATION AND MEDIATION CENTER

ADMINISTRATIVE PANEL DECISION

ARTOYZ, SA, Mr Michael ROUAH v. Ilya Popov, Infty lab Case No. D2024-2651

1. The Parties

The Complainants are ARTOYZ, SA, and Mr. Michael ROUAH, France, represented by ENTER-LAW, France.

The Respondent is Ilya Popov, Infty lab, United Arab Emirates ("UAE"), represented by Cabinet D.A., France.

2. The Domain Name and Registrar

The disputed domain name <artoys.app> is registered with GoDaddy.com, LLC (the "Registrar").

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on June 28, 2024. On June 28, 2024, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On July 1, 2024, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain name which differed from the named Respondent (INFTY ART, FZ-LLC) and contact information in the Complaint. The Center sent an email communication to the Complainant on July 2, 2024, providing the registrant and contact information disclosed by the Registrar, and inviting the Complainant to submit an amendment to the Complaint. The Complainant filed an amended Complaint on July 10, 2024.

The Center verified that the Complaint together with the amended Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the "Policy" or "UDRP"), the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the "Supplemental Rules").

In accordance with the Rules, paragraphs 2 and 4, the Center formally notified the Respondent of the Complaint, and the proceedings commenced on July 11, 2024. In accordance with the Rules, paragraph 5, the due date for Response was July 31, 2024. The Response was filed with the Center on July 19, 2024.

The Center appointed Warwick A. Rothnie as the sole panelist in this matter on August 2, 2024. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

4. Factual Background

The first Complainant was established in France in 2003. The second Complainant is its Chief Executive Officer.¹

The Complainant offers for sale figurines, collectible toys, and related goods and services. According to the Complaint, the Complainant offers its products around the world under the trademark ARTOYS from a website at "www.artoyz.com", from social media accounts at Twitter, Instagram, and TikTok, and its bricks and mortar shops and a worldwide network of sellers.

(The only bricks and mortar shop that appears to be identified on the Complainant's website is the Artoyz Paris.)

The Complainant's Instagram account "artoyz_officiel" has some 31,700 followers. Its corresponding X (formerly Twitter) and TikTok accounts have, respectively, 4,277 and 3,485 followers. The Complainant's Facebook account has 25,000 followers.

The Complainant's <artoyz.com> domain name was registered on August 11, 2003.

In 2005, the first Complainant registered in France the trademark ARTOYZ.COM and device, No. 053379729, in respect of statues or figurines of common metals; collectible toys/statues and related Internet advertising and sales services. That registration has expired.

Currently, the second Complainant is the owner of French Registered Trademark No. 164269424, ARTOYZ and device, which has been registered since August 26, 2016 in respect of statues and figurines of common metals in International Class 6, works of art made of wood, wax, plaster or plastic in International Class 20, clothing and shoes in International Class 25 and toys, toy models and toy figures in International Class 28.

According to the Complaint, the second Complainant has granted an exclusive licence of this trademark to the first Complainant.

In addition, the first Complainant is the owner of four registered trademarks in France. For present purposes, it is sufficient to note:

- (a) No. 4666663, ARTOYZ and device, which has been registered since February 12, 2021, in respect of figurines of porcelain, ceramic, earthenware or glass in International Class 21, and toys and toy figures in International Class 28; and
- (b) No. 4666678, a figurative mark featuring ARTOYZ ORIGINALS, which has also been registered since February 12, 2021, in respect of figurines in International Classes 19 and 21 and figures (toys) in International Class 28; and
- (c) No. 50335899, ARTOYZ, which has been registered since June 21, 2024, in respect of figurines in International Classes 19, 21, and 28, and authentication and interior decoration services in International Class 42.

Unless it is necessary to distinguish between them, the Panel will refer to the first Complainant as the Complainant as in effect the operating entity.

The disputed domain name was registered on July 1, 2022.

In August 2023, the Wayback Machine captured a web page to which the disputed domain name resolved. That capture featured the image of a single figure.

From November 2023, the Wayback Machine has made captures in which the website appears to be offering for sale, or at least collection, figurines. On a page headed "Welcome to our community", text states:

"ArToys, founded by Ilya Popov, the founder of Riki Group and the visionary behind the beloved animated series 'Smeshariki,' is a dedicated toy collector. He aims to ignite creativity and spread happiness among children worldwide."

"Our primary mission is to create high-quality, beautifully designed art toys that not only entertain, but also foster an immersive play experience that echoes the fun, educational, and character-driven narratives."

This new website was heralded by an announcement on the Respondent's prior platform <chikoroko.art> which, at least as of November 2023, redirected to the disputed domain name. It appears that until the redirection, the Respondents' platform at <chikoroko.art> offered collectibles in the form of digital art toys or Non-Fungible Tokens ("NFTs").

As described on the Respondent's website, the Respondent is (no doubt amongst many things) an art toy collector and had made acquisitions from the Complainant as early as 2010. A WhatsApp conversation between the second Complainant and the Respondent took place "at the beginning of 2024", apparently arising out of some further purchases the Respondent had made from the Complainant. Amongst other things, the two disagreed whether "artoys" or "artoyz" was descriptive and the Respondent purportedly proposed he buy shares in the Complainant and the Parties work together for their mutual benefit.

The Complainant's representatives sent a cease and desist letter to the Respondent on March 14, 2024. The Respondent rejected the demands by letter dated April 23, 2024.

5. Discussion and Findings

Paragraph 4(a) of the Policy provides that in order to divest the Respondent of a disputed domain name, the Complainant must demonstrate each of the following:

- (i) the disputed domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights;
- (ii) the Respondent has no rights or legitimate interests in respect of the disputed domain name; and
- (iii) the disputed domain name has been registered and is being used in bad faith.

Paragraph 15(a) of the Rules directs the Panel to decide the Complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable.

A. Identical or Confusingly Similar

The Respondent does not dispute the similarity of the disputed domain name to the Complainant's trademarks but argues the term "ARTOYZ" and/or "ARTOYS" is descriptive or at least non-distinctive. As the first element functions primarily as a standing requirement, the issues this argument gives rise to are best addressed under the second and third elements of the Policy. WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition, ("WIPO Overview 3.0"), section 1.7.

Formally, the Complainants have proven ownership of several registered trademarks comprised of "ARTOYZ" and device in the case of the other registrations.

It is usual to disregard the design elements of a trademark under the first element as such elements are generally incapable of representation in a domain name. Where the textual elements have been disclaimed in the registration or cannot fairly be described as an essential or important element of the trademark, however, different considerations may arise. See for example, WIPO Overview 3.0, section 1.10. The figurative elements of the Complainant's trademarks are not so dominating that the verbal element cannot be considered an essential or important part of the trademarks in this case. Accordingly, it is appropriate to apply the usual rule.

Disregarding the ".app" generic Top-Level Domain ("gTLD") as a functional component of the domain name system (WIPO Overview 3.0, section 1.11), the disputed domain name consists of the Complainant's registered trademark with the letter "z" replaced by the letter "s". This type of substitution is readily found to give rise to a finding of confusing similarity. WIPO Overview 3.0, section 1.9.

Accordingly, the Panel finds that the Complainant has established that the disputed domain name is confusingly similar to the Complainant's trademark and the requirement under the first limb of the Policy is satisfied.

B. Rights or Legitimate Interests

The second requirement the Complainant must prove is that the Respondent has no rights or legitimate interests in the disputed domain name.

Paragraph 4(c) of the Policy provides that the following circumstances can be situations in which the Respondent has rights or legitimate interests in a disputed domain name:

- (i) before any notice to [the Respondent] of the dispute, [the Respondent's] use of, or demonstrable preparations to use, the [disputed] domain name or a name corresponding to the [disputed] 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 [disputed] 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 [disputed] domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

These are illustrative only and are not an exhaustive listing of the situations in which a respondent can show rights or legitimate interests in a domain name.

While the overall burden of proof in UDRP proceedings is on the complainant, panels have recognized that proving a respondent lacks rights or legitimate interests in a domain name may result in the often impossible task of "proving a negative", requiring information that is often primarily within the knowledge or control of the respondent. As such, where a complainant makes out a prima facie case that the respondent lacks rights or legitimate interests, the burden of production on this element shifts to the respondent to come forward with relevant evidence demonstrating rights or legitimate interests in the domain name. If the respondent fails to come forward with such relevant evidence, the complainant is deemed to have satisfied the second element. WIPO Overview 3.0, section 2.1.

The Respondent has registered the disputed domain name well after the Complainant began using its trademark, and also several years after the Complainants registered their current trademarks (apart from Registered Trademark No. 50335899).

It is not in dispute between the Parties that there is no association between them nor that the Complainant has not licensed the Respondent to use the disputed domain name. So far as the record in this case shows, the Respondent was not commonly known as "Artoys" before the registration of the disputed domain name.

As foreshadowed above, however, the Respondent contends that "art toys" is a descriptive term describing a particular category of collectible. In support of this claim, the Respondent has submitted an article from Wikipedia headed "Art toys" which defines "Art toys, also called designer toys, [as] toys and collectibles that are created by artists and designers that either self-produced or mad by small, independent toy companies." The Respondent then contends that "artoys" and/or "artoyz" is also descriptive as an obvious combination of the two words.

In addition to the Wikipedia article, the Respondent points to third-party domain name registrations and their corresponding websites including:

- (1) <artandtoys.com>;
- (2) <artstoysanddesign.com>;
- (3) <art-toys.co>;
- (4) <arttoys.com>,
- (5) <arttoyz.com>,
- (6) <printsartoys.com>.

The Complainant does not really contest the descriptiveness of the expression "art toys" and indeed the WhatsApp conversation between the second Complainant and the Respondent effectively concedes that. However, the Complainant disputes the claim that "artoys" and/or "artoyz", as a single word, is descriptive.

It is well-established that it may be perfectly legitimate under the Policy to register and use a descriptive term or dictionary word even where the use takes the form of merely offering it for sale. See e.g., WIPO Overview 3.0, section 2.10. Whether or not it does so in a particular case usually turns on whether the respondent has not sought to target the trademark value of the term. See e.g., *Medaxis AG v. Arash Ansari*, WIPO Case No. D2024-2027.

The Panel accepts the Respondent's contention that "toyz" would be readily understood as meaning "toys". See 2nd Board of Appeal of the EUIPO, October 10, 2013 R 2179/2012-2 APPTOYZ. The Panel also accepts that "art toys" is a description of the types of goods the Complainant and the Respondent appear to be selling or offering for collection from their websites.

The Panel also accepts that "artoys" is a reasonably straightforward portmanteau of the two words "art" and "toys".

On the other hand:

- (a) the portmanteau expression does look and sound different to the two words in full;
- (b) so far as the evidence before the Panel reveals, apart from the use of ARTOYZ by the Complainant, it appears that there is no other actor in the field using the expression in the portmanteau form alone as opposed to the two words in full before the Respondent registered and began using the disputed domain name;
- (c) while the Complainants' earlier registered trademarks were figurative marks, the Registered Trademark No. 50335899 is for the word only.

Further, it is necessary for the disputed domain name to be adopted in good faith and used in connection with a good faith offering of goods or services.

In that connection, the Complainant relies on the Respondent's status as a longstanding customer of the Complainant. The Complainant also criticizes the Respondent's choice to register in the ".app" gTLD domain when it does not appear that the Respondent has or offers an "app" at all.

Further still, the Complainant points out that the Terms of Use on the Respondent's website refer to itself as "Artoys" on 120 occasions, including at least once identifying itself as Artoys LLC with an address in UAE although there is no evidence that there is any such company or business is registered there.

Yet further still, there is force in the Complainant's contention that the Respondent misrepresented the nature of its business in the WhatsApp conversation with the second Complainant. In that conversation, the first Respondent did say that it is "primarily" paying attention to A[ugmented] R[eality]. However, that was in a context where the first Respondent emphasized that "our businesses are different".

The Panel considers the Respondent must have been well aware when adopting the disputed domain name of the risks of confusion that would likely arise from adoption and use of "artoys" and nonetheless chose to proceed despite the alternatives open to the Respondent at that time. Accepting as the Respondent contends that someone who adopts a descriptive term, or term with arguably limited distinctiveness, is entitled to a correspondingly narrow level of protection (if at all),² deliberately assuming the risks of causing confusion by adopting a domain name which so closely resembles the Complainant's trademark does not qualify as a good faith offering of goods or services under the Policy.

The Panel is mindful that the Complainants' existing registered trademarks are registered in France only (at this time) and that the Respondent is based in UAE. However, both Parties trade in the global market under their respective brand names and appear to be in direct competition with each other.

Accordingly, the Panel finds that the Complainant has established the required prima facie case that the Respondent does not have rights or legitimate interests under the Policy and the Respondent has not rebutted that prima facie case.

Accordingly, the Panel finds the Complainant has established the second requirement under the Policy also.

C. Registered and Used in Bad Faith

Under the third requirement of the Policy, the Complainant must establish that the disputed domain name has been both registered and used in bad faith by the Respondent. These are conjunctive requirements; both must be satisfied for a successful complaint: See e.g., *Group One Holdings Pte Ltd v. Steven Hafto* WIPO Case No. <u>D2017-0183</u>.

In the present case, it is clear that the Respondent was well aware of the Complainant's name and trademark when registering the disputed domain name.

In those circumstances, the reasons leading to the conclusion that the Respondent does not have rights or a legitimate interest in the disputed domain name also lead to the findings that the Respondent registered and is using the disputed domain name in bad faith under the Policy.

Accordingly, the Complainant has established all three requirements under the Policy.

For example, Office Cleaning Services Ltd. v. Westminster Window and General Cleaners Ltd. (1946) 63 RPC 39 and i [1978] HCA 11; 140 CLR 216.

7. Decision

For the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the disputed domain name <artoys.app> be transferred to the Complainant.

/Warwick A. Rothnie/ Warwick A. Rothnie Sole Panelist

Date: August 16, 2024