



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Net2Phone, Inc. v. Net2Phone, a.k.a. Dr. Syed K. Alsagoff

Case No. D2002-0911

1. The Parties

The Complainant is Net2Phone, Inc., New Jersey, United States of America. The Complainant is represented by Gottlieb, Rackman & Reisman P.C. of New York, New York, United States of America.

The Respondent is Net2Phone, a.k.a. Dr. Syed K. Alsagoff of Kajang, Malaysia.

2. The Domain Name and Registrar

The domain name upon which this Complaint is based is <net2phoneoffer.com> (the "Domain Name"). The Registrar of the Domain Name is Direct Information Pvt. Ltd, India dba Directi.com ("Directi").

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") by email on October 1, 2002, and in hard copy on October 3, 2002. The Complaint stated that a copy of the Complaint had been sent or transmitted to the Respondent by email and courier on October 1, 2002 and that a copy of the Complaint had been sent or transmitted to Directi by courier on October 1, 2002.

On October 3, 2002, the Center sent the Complainant an Acknowledgment of Receipt of Complaint and also sent a Request for Registrar Verification to Directi. On October 4, 2002, Directi confirmed to the Center that (a) it had received a copy of the Complaint, (b) the Domain Name is registered with it, (c) the Respondent is the current registrant of the Domain Name, (d) the Policy applies to the Domain Name, and (e) the Domain Name will remain locked during this Administrative Proceeding.

On October 7, 2002, the Center verified that the Complaint satisfied the formal requirements of the ICANN Uniform Domain Name Dispute Resolution Policy (the "Policy"), 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”). The fees prescribed under the Supplemental Rules have been paid by the Complainant.

On October 7, 2002, the Center sent a Notification of Complaint and Commencement of Administrative Proceeding to the Respondent by email (copied to the Complainant’s representative) and courier. The Center advised that the Response was due by October 27, 2002.

On October 21, 2002, the Center received a Supplement to Complaint from the Complainant by email (copied to the Respondent). The hard copy of the Supplement to Complaint was received by the Center on October 24, 2002. The Complainant requested the Panel to consider the Supplement to Complaint in making its determination. As the Supplement to Complaint contains new, pertinent facts which arose after the filing of the Complaint but before the due date for the Respondent’s Response, this Panel has decided to allow the Supplement to Complaint. However, as will be seen from the Panel’s decision below, it has only been necessary for the Panel to take the Supplement to Complaint into consideration in making its decision in respect to the “bad faith” element which the Complainant is required to prove pursuant to paragraph 4(a)(iii) of the Policy.

No Response was received by the Center from the Respondent by the due date. On October 29, 2002, the Center sent a Notification of the Respondent Default to the Respondent by email (copied to the Complainant’s representative) and courier.

On November 5, 2002, the Center received Mr. Alistair Payne’s Declaration of Impartiality and Independence and his Statement of Acceptance, and the Center transmitted to the parties a Notification of Appointment of Administrative Panel and Projected Decision Date, in which Mr. Alistair Payne was formally appointed as the Sole Panelist. The Projected Decision Date was November 19, 2002. The Panel was properly constituted and appointed in accordance with the Rules and the Supplemental Rules. The Panel received the case file in hard copy on November 14, 2002.

Having verified the communication records in the case file, the Panel finds that the Center has discharged its responsibility under paragraph 2(a) of the Rules. The Panel shall therefore issue its Decision based upon the Complaint and Supplement to Complaint, the Policy, the Rules and the Supplemental Rules and without the benefit of any Response from the Respondent.

4. Factual Background

The Complainant is in the business of offering various Internet telecommunications products and services, under the mark NET2PHONE allowing users to make local and long-distance telephone calls over the Internet (referred to as “Internet telephony”). The Complainant claims to be a world leader in the Internet telephony business and that its services have become widely and readily associated with the NET2PHONE mark. The Complainant’s users can use either their personal computers or traditional telephones to originate calls.

The Complainant’s website at <net2phone.com> was launched in 1995, and the NET2PHONE mark has been used by the Complainant and its predecessors since that time. It is from this website that the Complainant primarily conducts its Internet

telephony business and examples of the products and services offered by the Complainant bearing the NET2PHONE mark can be found on this website.

The Complainant's predecessor applied for and secured Registration No. 2,153,298 of the mark NET2PHONE in the United States Patent and Trademark Office ("USPTO"). The Complainant has also secured registrations in the United States of various marks incorporating NET2PHONE and in various other jurisdictions around the world. The Complainant also owns two Malaysian trade mark applications (nos. 2000/01516 and 2000/01517) of the mark NET2PHONE and is awaiting issuance of the Registration Certificates.

The Complainant has also made and is making a concerted effort to register the term "NET2PHONE" as a top level domain name in all of the major registries in the world. A list of representative generic top level domains ("gTLDs") in which the Complainant has registered NET2PHONE is attached as Exhibit I to the Complaint. A list of representative country code top level domains ("ccTLDs") in which the Complainant has registered NET2PHONE and NET2PHONEDIRECT is attached as Exhibit J to the Complaint. After the Complainant registers a relevant gTLD or ccTLD, it causes that domain name to redirect users to its website at <net2phone.com>.

The Complainant has invested considerable time and effort in developing a "presence" on the Internet and as a result, information about the Complainant and its services can be obtained through thousands of websites which have posted a "link" to the Complainant's website. The Complainant also places paid "banner" advertisements on other websites for its services under the NET2PHONE name.

The "Net2Phone" trade name and NET2PHONE mark have been the subject of extensive unsolicited media coverage by various media outlets available around the world. Representative articles as well as a list of awards won by the Complainant are attached as Exhibit K to the Complaint. As a result of this extensive advertising and media coverage, the Complainant claims that the NET2PHONE mark has come to be recognised and relied upon by the trade and the public as identifying and distinguishing the Complainant and its Internet telephony services.

As of July 31, 2001, the Complainant had served over 2.4 million active users worldwide, carried over 4.5 billion Internet Protocol telephony minutes over its network, and had approximately 24% of its customers based outside of the United States, including many in Malaysia.

The Complainant draws attention to the fact that the website currently associated with the Domain Name states "Welcome to NET2PHONE" and employs the Complainant's registered trade mark and logo. A printout of the first page of the Respondent's website is attached as Exhibit L to the Complaint. After a few seconds, users are redirected to a webpage which contains a number of similarities with the home page of the Complainant's website as it appeared at the end of 2001, and beginning of 2002. Significantly, the Complainant asserts that the layout of both sites is so similar as to eliminate any possibility of coincidence and that the similarities demonstrate that the Respondent meticulously copied much of the Complainant's home page. The Complainant also asserts that the Respondent is using "net2phone" as a metatag in the source code for the website associated with the Domain Name.

After filing and serving its Complaint and before the Respondent's Response was due, the Complainant learned that the Respondent had updated the website associated with

the Domain Name. The Complainant states in its Supplement to Complaint that the homepage at <net2phoneoffer.com> is now identical to the Complainant's homepage at <net2phone.com>. The Complainant claims that the Respondent is using the website associated with the Domain Name to obtain credit card information from unsuspecting consumers of Internet telephony services.

The Complainant confirms that the Respondent is not associated with the Complainant in any way, is not licensed or otherwise permitted to use the NET2PHONE mark or any variation, and is not licensed to apply for or use any domain name incorporating the NET2PHONE mark.

The Complainant's Submissions

The Complainant submits, in accordance with paragraph 4(a) of the Policy:

- (i) The Domain Name is identical or confusingly similar to the Complainant's mark

The Complainant submits that since the Domain Name incorporates the distinctive NET2PHONE mark in its entirety and that the word "offer" is a generic term, there is sufficient similarity to find NET2PHONE and the Domain Name identical or confusingly similar. The Complainant points to previous decisions under the Policy where the domain name and mark have been held to be identical or confusingly similar in these circumstances (*Red Bull GmbH v. Jackson*, WIPO Case No. 2002-0068; *L.L. Bean, Inc. v. ShopStarNetwork*, NAF Case No. FA0008000095404; *Fossil, Inc. v. NAS*, NAF Case No. FA0001000092525).

The Complainant also submits that the fact that the Domain Name is associated with a website that is a clone of a prior version of the Complainant's website only increases the likelihood of confusion among consumers who access the website associated with the Domain Name and, since the Respondent is passing itself off as the Complainant, Internet users will be and have been confused into thinking that the Respondent's website is actually the Complainant's website.

- (ii) The Respondent has no rights or legitimate interests in respect of the Domain Name

The Complainant submits that the Respondent lacks rights or a legitimate interest in the Domain Name because (a) the Complainant has not licensed or otherwise permitted the Respondent to use the NET2PHONE mark or to apply for or use any domain name incorporating the mark NET2PHONE, (b) the Domain Name is likely to misleadingly divert, for commercial gain, consumers searching for the Complainant's Internet presence, (c) consumers searching for the Complainant's Internet presence have been or will be diverted to the Respondent's website, believing it to be associated with, endorsed by, or supported by the Complainant, (d) the Respondent is not commonly known by the Domain Name, and (e) there is no evidence that the Respondent, before any notice of the dispute, was using the Domain Name in connection with a bona fide offering of goods or services.

- (iii) The Domain Name has been registered and is being used in bad faith

The Complainant asserts that the Respondent registered and has used the Domain Name in bad faith as set out below.

The Respondent registered and used the Domain Name in bad faith because the Respondent intentionally attempts to attract, for commercial gain, Internet users to its website by creating a likelihood of confusion with the Complainant's NET2PHONE mark as to the sponsorship, affiliation or endorsement of its website and products and services on that website. This is supported by the slavish copying by the Respondent of the content on the Complainant's website. By reason of the Complainant's global advertising campaign and media reports detailing the Complainant's activities, the Respondent must have known of the Complainant's prior use of the NET2PHONE mark when it registered the Domain Name and must have expected that Internet users would be confused into thinking that the entity operating at <net2phoneoffer.com>, and its goods and services, are affiliated with the Complainant, or otherwise believe that the website associated with the Domain Name and/or any goods or services promoted there, are somehow sponsored, endorsed or otherwise authorised by the Complainant.

Internet users searching for the Complainant's Internet presence will be and have been connected to the Respondent's website, thinking that it is the Complainant's website, and that such confusion results from the Respondent's slavish copying of the copyright material and trade marks on the Complainant's website and the Respondent's use of a domain name incorporating the NET2PHONE mark in its entirety in association with a website that "clones" the Complainant's website. By associating a website offering the same goods and services as offered by the Complainant with the Domain Name, the Respondent is attempting to attract Internet users familiar with the Complainant's NET2PHONE mark, a conclusion strengthened by the Respondent's use of "net2phone" as a metatag.

The Respondent registered and uses the Domain Name primarily to disrupt the Complainant's business because it registered and is using the Domain Name in connection with a commercial venture apparently offering goods and services that compete with those offered by the Complainant.

Furthermore, given the arbitrary, fanciful and unique nature of the NET2PHONE mark, it is unlikely that the Respondent devised the Domain Name on its own.

The source code of the Respondent's 'updated' website associated with the Domain Name (attached as Exhibit 2 to the Supplement to Complaint) shows that the portion of the website where consumers can enter their credit card information links directly to the website associated with the Domain Name which is under the control of the Respondent and that the email link on the Respondent's website where distributors can submit their PINs and accounts to receive a free bonus for their prepaid card has been changed from <getbonus@net2phone.com> to <getbonus@net2phoneoffer.com>. In contrast, all other sections of the website contain links to pages within the <net2phone.com> website. It is not clear if the Respondent is using this credit card data in any manner.

The Respondent's Submissions

The Respondent has failed to file a Response and has not filed any other documents which contain its submissions in respect to this Administrative Proceeding.

6. Discussion and Findings

In accordance with paragraph 4(a) of the Policy, in order to succeed in this Administrative Proceeding and obtain the remedy requested by the Complainant (in this case transfer of the Domain Name), the Complainant must prove that each of the three following elements are present:

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

Domain Name Identical or Confusing Similar to the Complainant's Trade Mark or Service Mark

This element of the Policy requires the Complainant to prove that (a) it has rights in a trade mark or service mark, and (b) the domain name in dispute is identical to or confusingly similar to such trade mark or service mark.

As to (a) above, the Complainant has submitted sufficient evidence that it is the owner of several registered and pending NET2PHONE trade marks and service marks in various countries around the world including USA, Malaysia and India. Accordingly, the Panel finds that the Complainant has rights in the "NET2PHONE" mark.

As to (b) above, the Domain Name comprises two elements, namely the word "NET2PHONE" and the word "offer". The Complainant has submitted no evidence to show that it has a trade mark registration for the words "NET2PHONE OFFER" or "NET2PHONEOFFER" or that it has rights in either of these marks. Accordingly, the Domain Name and the Complainant's NET2PHONE mark are not identical, and the issue is therefore whether the Domain Name and the "NET2PHONE" mark are confusingly similar.

The Panel accepts that the Domain Name incorporates the Complainant's distinctive NET2PHONE mark in its entirety and that the word which has been added to the Complainant's mark in the Domain Name is the generic, non-distinctive word "offer".

For these reasons, the Panel finds for the Complainant on this first element of the Policy, that the Domain Name is confusingly similar to a trade mark or service mark in which the Complainant has rights.

The Respondent's Rights or Legitimate Interests in the Domain Name

In accordance with paragraph 4(c) of the Policy, a Respondent may demonstrate its rights or legitimate interests to the domain name by proving, among other circumstances, any of the following circumstances:

- (i) before any notice to the respondent 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 organisation) has been commonly known by the domain name, even if the respondent has acquired no trade mark 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 trade mark or service mark at issue.

The Respondent has not put forward any evidence as to its rights or legitimate interests in the Domain Name. From the evidence submitted by the Complainant, the Respondent cannot be said to be (a) using the Domain Name in connection with a bona fide offering of goods or services or (b) making a legitimate noncommercial or fair use of the Domain Name without intent for commercial gain to misleadingly divert consumers or to tarnish the trade mark or service mark at issue, where it has cloned a version of the Complainant's home page. Further, although the Registrar's WHOIS information for the Respondent cites the word "Net2Phone", there is no evidence that the Respondent has been commonly known by the Domain Name. There is no other evidence presented to the Panel supporting a contention that the Respondent has a right or legitimate interest in the Domain Name.

On the basis of the statements and documents submitted by the Complainant and for the reasons set out above, the Panel finds that the Complainant has proved this second element, that the Respondent has no rights or legitimate interests in the Domain Name.

Registration and Use of the Domain Name in Bad Faith

Paragraph 4(b) of the Policy sets out four circumstances, without limitation, any of which if found by the Panel to be present shall be evidence of the registration and use of a domain name in bad faith.

The relevant circumstance in this case is that set out in paragraph 4(b)(iv), namely by using the domain name, the Respondent has intentionally attempted to attract, for commercial gain, Internet users to its website or other online location, by creating a likelihood of confusion with the Complainant's mark as to the source, sponsorship, affiliation, or endorsement of its website or location or of a product or service on its website or location.

The Panel notes that the homepage of the website associated with the Domain Name and the home page of the Complainant's website are identical (the Complainant's Exhibit 1 to its Supplement to Complaint and Exhibit D to its Complaint). There is no statement on the Respondent's homepage informing users that the Respondent is in no way connected with the Complainant. The Complainant's Supplement to Complaint provides evidence that the Respondent is using the website associated with the Domain Name to obtain credit card information from unsuspecting consumers of Internet telephony services.

From this evidence the Panel finds that the Respondent seeks to derive a commercial benefit from its use of the Domain Name by creating a likelihood of confusion with the Complainant's NET2PHONE mark as to the source, sponsorship, affiliation or endorsement of its website. By copying the homepage of the Complainant's website, failing to distinguish itself on its homepage, and in this way misrepresenting to the public that it is, or is connected with, the Complainant so that the unsuspecting public provides it with credit card information, the Respondent is necessarily disrupting the Complainant's business in the manner set out in paragraph 4(b)(iii) of the Policy.

The Panel therefore finds that the Domain Name was registered and is being used in bad faith.

7. Decision

In light of the above and pursuant to paragraphs 4(a) and 4(i) of the Policy, the Panel finds for the Complainant and orders that the Domain Name <net2phoneoffer.com> be transferred from the Respondent to the Complainant.

Alistair Payne
Sole Panelist

Dated: November 18, 2002