



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Net2Phone, Inc. v. WorldCall International Ltd.

Case No. D2002-0142

1. The Parties

The Complainant in this administrative proceeding is Net2Phone, Inc., based at 520 Broad Street 520, Newark, New Jersey 07102, United States of America, represented by Gotlieb, Rackman & Reisman, P.C. at 270 Madison Avenue, New York, New York 10016, United States of America.

The Respondent is WorldCall, based at 10 College Terrace, suite 50, London, United Kingdom.

2. The Domain Name and Registrar

The domain name at issue is <net2phone.info> ("the Domain Name"). The Domain Name is registered with Domain Registration Services d/b/a dotEarth, based at P.O. Box 447, Palmyra, New Jersey 08065, United States of America.

3. Procedural History

The Complaint was received by the WIPO Arbitration and Mediation Center ("the Center") by e-mail on February 12, 2002 and in hardcopy on February 18, 2002. This was acknowledged by the Center on February 21, 2002.

On February 26, 2002 the Center made a request for Registrar Verification. On March 6, 2002 the Center received a Reply from the Registrar (Domain Registration Services d/b/a dotEarth), followed by communications to the Registrar by the Center on March 8 and 14, 2002.

On March 8, 2002 the Center made a Request for an Amendment to the Complaint, followed by a communication between the Complainant and the Center (regarding Amendment to Complaint) on March 8 and 15 2002. The Center received an amendment to the Complaint on March 18, 2002 by email and on March 22, 2002 in hardcopy. On March 19, 2002 the Center received a communication by the

Complainant (regarding a copy of the Amendment to Complaint to Respondent).

On March 26, 2002 the Center's Formal Requirements Compliance Checklist was completed, and a Notification of Complaint and Commencement of Administrative Proceedings was issued to the Respondent, copying the Complainant.

On March 26 and 27, 2002 a communication was sent between the Respondent and the Center regarding a method of communication.

A communication between the Complainant and the Center (regarding Complainant's supplemental filing, and communication with Respondent) was sent on March 27, and April 2 and 3, 2002.

The Center received a Response by email on April 10, 2002 and in hardcopy on April 15, 2002, followed by a communication to the Center by the Complainant on April 10, 2002. An Acknowledgement of Receipt of the Response was issued on April 12, 2002. Exhibit A of the Response was submitted by email and fax on April 15, 2002 and in hardcopy on April 22, 2002.

On April 15, 2002 a communication was received from the Complainant, regarding Complainant's supplemental filing.

An Acknowledgment of Receipt of Supplemental Filing (titled "Reply to Respondent's Response", and Complainant's reply to Respondent's email regarding the telecommunications license from the Republic of Turkmenistan) was issued on April 18, 2002. This was also followed on the same day by an Acknowledgment of Receipt of Supplemental Filing (Respondent's reply to "Reply to Respondent's Response", a copy of the telecommunications license from the Republic of Turkmenistan by fax, and Respondent's reply to Complainant's reply).

Upon receipt of the necessary declaration of independence and impartiality of the present panel, the Center appointed on May 10, 2002, Prof. Charles Gielen as sole panelist, and transmitted the case file to the panel.

4. Procedural Point

After the response was filed, the Center received supplemental filings from both parties. According to the Rules it is for the sole discretion of the Panel to accept additional filings which as such are not allowed per se. In this matter the Panel does not see any need to accept the supplemental filings and they will therefore not be taken into consideration. The decision will be based on the Complaint as amended and the Response.

5. Factual Background

Complainant offers various Internet telecommunications products and services, under the mark NET2PHONE, including phone cards, allowing users to make local and long-distance telephone calls over the Internet (referred to as "Internet telephony"). Net2Phone is a world leader in the Internet telephony business and its services have become widely and readily associated with the NET2PHONE mark. Net2Phone's users can use either their personal computers or traditional telephones to originate calls.

The Net2Phone web site, accessible at <net2phone.com>, was launched in 1995 and the NET2PHONE mark has been used by Net2phone and its predecessors since that time. It is from this web site that Net2Phone primarily conducts its Internet telephony business.

Examples of the products and services offered by Net2Phone bearing the NET2PHONE mark, including phone cards, can be found on the Net2Phone web site.

Net2Phone's predecessor applied for and secured Registration No. 2,153,298 of the mark NET2PHONE in the United States Patent and Trademark Office and in several other jurisdictions in the world.

Furthermore Net2Phone has 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.

According to Complainant it has invested considerable time and effort in developing a "presence" on the Internet, as a result of which, information about Net2Phone and its NET2PHONE services can now be obtained through thousands of web sites which have posted a "link" to Net2Phone's web site. These links are the result of strategic alliances that Net2Phone has with other businesses on the Internet. For example, Net2Phone has a business relationship with Millecom Italia, an Italian entity that is primarily known to distribute phone cards in Italy. In addition, Net2Phone has placed paid "banner" advertisements on other web sites for its services under the NET2PHONE name. These activities promote the NET2PHONE mark globally in the medium in which the services are primarily offered on the Internet. Net2Phone's business continues to operate on a global scale, as evidenced by the fact that as of July 31, 1999, approximately 69% of Net2Phone's customers were based outside of the United States.

Furthermore, according to Complainant the Net2Phone name and mark have been the subject of extensive unsolicited media coverage by the *New York Times*, the *Wall Street Journal*, *PC Magazine* and other media outlets available around the world. Moreover, Net2Phone contends that it has advertised its services through traditional magazines and newspapers, as well as over the Internet. As a result of this extensive advertising and media coverage, the NET2PHONE mark has come to be recognized and relied upon by the trade and the public as identifying and distinguishing Net2Phone and its Internet telephony services.

Respondent, WorldCall International Ltd., says it is a leading online global telecommunications company that provides corporate quality international telecom services. Its clients include some of the largest organizations in the world and cover all continents. The company's primary website is located at <www.world-call.net>.

To assist it in penetrating the market and addressing local market needs, the Respondent uses several thousand online sales agents and local distributors who also market and sell its services throughout the world. Many of these online agents choose to have their own domain names an example of which may be found at <www.no-roaming.com> registered by one of its online sales agents in Estonia. Our online sales agent program has been established for a significant period of time and the sign up page is located at <http://www.world-call.net/salesagent.htm>.

For example because of the lack of the ability by some of the agents who live in developing countries to pay by credit card, the Respondent is often requested to procure domain names on their behalf. A multitude of such requests by online sales agents were catered for after the .info Sunrise Period was over and the registration of .info

domain names was open to the general public.

One such domain name procured after the .info Sunrise Period registration was open to the general public was <www.net2phone.info> which was done at the request of the online sales agent Net2phone Information Systems of Turkmenistan [TM] located in the Former Soviet Union.

6. Parties' Contentions

(i) Complainant

Complainant alleges that the Domain Name is identical to the trademarks registered and used by Complainant. He points out that Respondent does not carry any legitimate business under the name Net2phone and that net2phone.info does not identify in any way services offered by Respondent. When using the Domain Name one is immediately linked to the WorldCall website which is the result of this Domain Name being used as a metatag in Respondent's website. Furthermore the Domain Name is registered and used in bad faith. Complainant points in particular at article 4 (b)(ii) and (iv) of the Policy. With respect to the first ground Complainant points at an email received from a Mr. Bates apparently sent on behalf of Respondent. Complainant also alleges that Respondent registered the domain names <kallback.info> and <globaltel.info>, containing registered US trademarks in the name of third parties.

(ii) Respondent

Respondent does not dispute that the trademark Net2Phone is identical to the Domain Name. However he is of the opinion that the fact that Complainant did not register the Domain Name in the Sunrise period means that the name is free for all. The Complainant does not have any legitimate interest in this name. Furthermore Respondent states that he has a legitimate interest because of the procurement and use of the Domain Name for the online sales activities of its sales agent in Turkmenistan. Finally he denies to have registered or used the Domain Name in bad faith. There is no likelihood of confusion; Respondent does not present himself as a competitor of Complainant. The email by a Mr. Bates was not sent on behalf of Respondent. The consequence of the non-use by Complainant of the Sunrise system is that Respondent as the first to register the Domain Name can not be in bad faith.

7. Discussion and Findings

The first issue to be dealt with is the position of the Respondent that Complainant has no right or interest in filing a Complaint under the Uniform Domain Name Dispute Resolution Policy ("the Policy") since Complainant did not make use of the Sunrise system for .info domain names. The Panel is of the opinion that since the Policy is applicable to .info domain names, the fact that a trademark owner decides not to use the Sunrise system does not deprive him from the possibility to file a Complaint under the Policy. The Sunrise system is only developed to give trademark owners a possibility to be first in claiming a .info domain name.

To succeed in its Complaint, Complainant must show that each of the conditions of Paragraph 4(a) of the Policy are satisfied, namely that

- (i) the domain name is identical or confusingly similar to a trademark or service

mark in which complainant has rights; and

- (ii) the Respondent has no rights or legitimate interests in the Domain Name, and
- (iii) the Domain Name has been registered and used in bad faith.

These three elements will be considered below.

7.1. Identity or confusing similarity

Respondent does not dispute that the Domain Name is identical with Complainant's trademarks. It only argues the non-applicability of the Policy now that no use was made of the Sunrise system. The panel refers to its decision on this issue above. The panel finds that the Domain Name and the trademark of Complainant are identical.

7.2. Rights or legitimate interests

Under this heading Respondent argues that the Domain Name is maintained and upheld through the procurement and use of the site for the online sales activities of its agent in Turkmenistan. The Panel did not find any proof of this allegation in the Response. However, even if this were true, it does not give any right or interest to Respondent. The panel is of the opinion that Respondent did not give any proof of existing rights and/or legitimate interest in the Domain Name before the trademarks of Complainant were vested nor did the Panel see any prior use. The panel therefor concludes that condition (ii) is fulfilled.

7.3. Bad Faith

According to Paragraph 4(a)(iii) of the Policy, it is incumbent on the Complainant to prove that the Respondent has registered and is using the domain name in bad faith. The panel is of the opinion that such proof is given. One of the examples for a finding of bad faith is that the Respondent intentionally attempts to attract for commercial gain Internet users to its website and by this creates likelihood of confusion. The Panel finds that this case fits into this example. It is clear that Respondent operates an Internet service under the mark Wordcall which is a competitor activity compared to the activities of Complainant. The Domain Name is not used as such for the website announcing this activity but users of the Domain Name will be attracted to the website of Respondent. This causes a confusion because users might be inclined to think that Worldcall is an activity of the Complainant. To this should be added that "Net2Phone" is also used as a metatag. Furthermore, Respondent did not contest that it uses as metatags words that are registered as trademarks in the name of third parties, such as Kallback and Globaltel. Finally the Respondent did not argue that at the moment of registration and the starting of the use of the Domain Name it was not aware of the existence and use of the trademarks of the Complainant. The fact that the Respondent is active in the same field of business as Complainant is an indication of it being fully aware of Complainant's activities. The Panel therefore finds that this condition is fulfilled. From this it follows that the argument made by Respondent that Complainant made an attempt at reverse domain name hijacking should be rejected.

8. Decision

For the foregoing reasons, the panel concludes and decides that the Domain Name <net2phone.info> is identical to the trademarks of Complainant, that Respondent has

no rights or legitimate interest in respect of the Domain Name and that the Domain Name has been registered and is being used in bad faith.

Accordingly and pursuant to Paragraph 4(i) of the Policy and in accordance with the request by Complainant the panel requires that the Domain Name be transferred to Complainant.

Prof. Charles Gielen
Sole Panelist

Dated: June 3, 2002