



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Net2Phone Inc. vs. Basheer Hallak

Case No. D2000-0665

1. The Parties

Complainant is Net2Phone Inc., a Delaware Corporation, located at 171 Main Street, Hackensack, New Jersey, 07601, United States.

Respondent is Basheer Hallak from Tripoli, Lebanon.

2. The Domain Name and Registrar

The domain name is “net2phones.net”, registered with Network Solution, Inc., United States of America.

3. Procedural History

A complaint pursuant to the Uniform Domain Name Dispute Resolution Policy (the “Policy”) was submitted electronically to the World Intellectual Property Organization Arbitration and Mediation Center (the “Center”) and was received by the Center on June 23, 2000 and by hardcopy on June 26, 2000.

The Center acknowledged receipt of complaint by e-mail sent on June 29, 2000, with a request for verification of the domain name “net2phones.net” sent to Network Solution, Inc. also on June 29, 2000.

On July 4, 2000, Network Solution confirmed by e-mail to the Center that the domain name “net2phones.net” is registered with Network Solution, Inc. and that the Respondent is the current registrant of the domain. It was also confirmed by the registrar that the Policy is in effect for the registration.

On July 4, 2000, a Notification of Complaint and Commencement of Administrative Proceeding was transmitted to Respondent, with a copy to Complainant, by the method required under § 2 (a) of the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”). This Notification of Complaint and Commencement of Administrative Proceeding set a deadline of July 24, 2000, by which the Respondent could file a response to the Complainant and to the Center. On July 4, 2000, a response was received from the Respondent which was forwarded to Complainant with the question whether proceedings should continue which was answered by Complainant on July 5, 2000, in the affirmative.

On August 10, 2000, following Complainant’s request to have the dispute decided by a single-member panel, the Center appointed a Panelist, informing the Parties on the same date of this appointment. The Administrative Panel shall issue its decision based on the Complaint, the Policy, the Rules, the WIPO Supplemental Rules, and the submissions of the parties.

4. Factual Background

Complainant is in the business of offering a variety of internet telecommunication products and services, including services that permit users to make local and long-distance telephone calls over the internet, under the mark NET2PHONE. Complainant claims to be the leading company in the world in the internet telephony business with its services having become widely and readily associated with the NET2PHONE trademark. The services of Complainant are offered at Complainant’s current website, accessible at “net2phone.com” and “net2phone.net”.

Before becoming a public company in June 1999, Complainant was a wholly owned subsidiary of IDT Corporation, a Delaware Corporation, which applied for and secured the registration of NET2PHONE with the United States Patent and Trademark Office. According to the registration, the mark was first used by IDT on November 13, 1995. IDT Corporation assigned all rights in the NET2PHONE mark to Complainant by assignment dated May 7, 1999. Today, Complainant has adopted and used a family of NET2PHONE mark to identify its various Internet telephony services on a more or less worldwide basis. This includes the marks NET2PHONE, NET2PHONE & GLOBE DESIGN and NET2PHONE PRO. There are pending applications for the marks NET2PHONE DIRECT and NET2PHONE INTERACTIVE. The NET2PHONE trademark is currently registered in 99 countries.

In addition, Complainant has registered the term NET2PHONE as a top-level domain name throughout the Domain Name Registries in the world. Complainant attached as Exhibit H to its Complaint an overview on the top-level domain names for which registration has been obtained, as well as Exhibit I for the second level domains which have been registered for NET2PHONE and NET2PHONEDIRECT.

Complainant alleges that the NET2PHONE mark and the services offered by Complainant under NET2PHONE have achieved wide recognition, which is backed by Complainant by pointing to the links from other websites as well as the banner advertisements on other websites. To the same effect, Complainant is pointing to the media coverage which deals with the NET2PHONE mark.

Respondent is an individual located in Tripoli, Lebanon. The website associated with “net2phones.net” indicates that the website is under construction. However, in the

WhoIs date for “net2phones.net” Respondent indicated that “net2phones.net” is a “domain for sale”.

Complainant alleges that Respondent has registered in addition to “net2phones.net” at least 37 further domain names with no active website being associated for any of those domain names. Complainant alleges that among the domain names registered by Respondent, various domain names are included which incorporate trademarks of third parties. With that it is the opinion of Complainant that Respondent intends to profit from the sales of Respondent’s rights in the domain names he has registered and Complainant alleges that Respondent has done so also for the “net2phones.net” domain.

Respondent submitted no formal response to the Complaint, but replied by e-mail on July 4 stating merely that Respondent is surprised about receiving the Complaint and alleging that Respondent is a “victim of a wrong understanding issue” as he is not trying to sell the domain but just is preparing to use it as a free “netphone” directory. Furthermore, Respondent stated that the name of Complainant Net2Phone would also be included in this directory. Respondent alleges that he is “not a domain’s pirate” and just trying to build his own e-business in the Internet.

Aside from this, Respondent did not file any detailed answer to the Complainant.

5. Parties’ Allegation

Complainant alleges that Respondent’s registration and use of the domain name “net2phones.net” violates its rights in its trademark NET2PHONE. The domain name “net2phones.net” is confusingly similar as it is comparable in the look, sound and meaning of Complainant’s trademark. Complainant alleges that Respondent has no own rights or legitimate interest in the domain name but merely registered and used the domain name in bad faith, trying to trade on the value of marks it has registered as domain names by selling those domain names to the owners of the trademarks.

Given Respondent’s failure to file a detailed response, the Panel accepts as true those allegations of Complainant which have not been disputed by Respondent in its short response of July 4, 2000 (compare Talk City Inc. vs. Robertson, case no. D2000-0009 – WIPO February 24, 2000; eAuto, L.L.C vs. EAUTO Parts, case no. D2000-0096 – WIPO April 9, 2000).

Respondent’s default, however, to reply in detail, does not lead to an automatic ruling for Complainant. Complainant still must establish a prime facie case showing that under the policy it is entitled to a transfer of the domain name.

6. Discussions and Findings

Pursuant to § 4 (a) of the Policy, a domain can be transferred only when Complainant has proven that each of the following three elements is present:

1. The domain is identical or confusingly similar to the trademark or service mark in which Complainant has rights;
2. the domain holder has no rights or legitimate interests in respect of the domain name; and

3. the domain has been registered and is being used in bad faith.

6.1. Confusing Similarity

Complainant has satisfied the first requirement.

The domain name “net2phones.net” differs from the mark NET2PHONE only by the letter “s” in the domain name. As Complainant points out, panels have held that the domain name being a plural of a trademark renders this domain name confusingly similar (which was decided for the domain names “victoriassecrets.net” (Secret Catalogue, Inc., et al. v. ARTCO, Inc., NAF File No. FA 94342 (May 9, 2000)) as well as the domain name “playnetworks.com” (Vanguard Medica Limited v. Theo McCormick, WIPO Case No. D2000-0067 (April 3, 2000)). Panels have also found that adding the “s” could be done with the intention to take advantage of mistakes that consumers make when typing into the computer any website addresses (InfoSpace.com vs. Registrar Administrator Lew Blanck, case no. D 2000-0069 (WIPO April 3, 2000)).

6.2. Rights in Domain Name

Under § 4 (c) of the Policy, evidence of an registrant’s right to an legitimate interest in the domain name includes:

- (i) demonstrable preparations to use the domain name in connection with the bona fides offering of goods or services prior to the dispute;
- (ii) an indication that the registrant has been commonly known by the domain name even if it has acquired no trademark rights; or
- (iii) legitimate non-commercial or fair use of the domain name without intent to divert consumers or to tarnish the trademark.

Complainant alleges that neither of those tests can be met by Respondent and the facts presented by Complainant speak a clear language that this is true. “net2phones.net” is not in any way connected with an offering of goods or services by Respondent. Respondent has only alleged that he is preparing to use this domain as a free “netphones directory” which might be a use in the future. Respondent also has not been commonly known by this domain name, quite to the contrary, he has his own domain under “Basheer.com”. Lastly, Complainant’s allegation cannot be denied that Respondent seeks to create confusion with the consumers by this trying to convert consumers from legitimate business of Net2Phone for its own purposes, whatever that may be. All in all, there is no evidence and no argumentation by Respondent that Respondent has any right or legitimate interest in the domain name “net2phones.com”.

6.3. Bad Faith

Bad Faith registration and use under § 4 (b) of the Policy requires evidence of any of the following circumstances:

- (i) circumstances indicating that you have registered or that you have acquired the domain name primarily for the purpose of selling, renting, otherwise transferring the domain name registration 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 to your documented out-of-pocket costs directly related to the domain name; or

- (ii) you have registered 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 you have engaged in a pattern of such conduct; or
- (ii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the domain name you have intentionally attempted to attract for commercial gain, internet users to your website or other online locations by creating a likelihood of confusion with the complaint's mark as to the source, sponsorship, affiliation or endorsement of your website or location of a product or service on your website or location.

Complainant is bringing forward evidence as to the first item of this test by showing that Respondent holds the domain "net2phones.net" out as a "domain for sale". As Respondent has a number of domain names (over 37 domain names) registered, some of them containing the names of cities or the trademarks of third parties, it can be concluded that he is offering to sell the domain name in a way which constitutes bad faith both in registration and use under the Policy. Considering the fact that the domain is placed "for sale" together with a number of other domain names, the conclusion is at hand that profit was the motive behind Respondent's registration of "net2phones.net".

This is further evidenced by the fact that Respondent filed the domain name "net2phones.net" for registration almost 5 years after IDT Corporation and Net2Phone first used the mark and began to advertise for it extensively on a global basis by this promoting the trademark together with the product and services. The trademark NET2PHONES and its related services today are recognized by a number of awards as Editor's Choice, Product of the Year or Hot New Product (compare the list of awards on the website of Complainant under net2phone.com/corporate/awards).

7. Decision

The Panel concludes (i) that the domain name "net2phones.net" is confusingly similar to the trademark NET2PHONE, (ii) that Respondent has no rights or legitimate interest in the domain name and (iii) that Respondent registered and used the domain name in bad faith.

Therefore, pursuant to the Policy and the Rules, the Panel orders that the domain name "net2phones.net" be transferred to Complainant.

Peter Chrocziel
Panelist

Dated: August 18, 2000