



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

NET2PHONE INC v. NETCALL SAGL

Case No D2000-0666

1. The Parties

The Complainant is Net2Phone Inc a Delaware corporation whose principle place of business is at 171 Main Street, Hackensack, New Jersey 07601, USA. The Respondent is Netcall SAGL. The Complainant has exhibited as Exhibit A to the Complaint a copy of the WHOIS database search conducted on 11 May 2000 which gives an address for the Respondent at Via Marconi 4, Lugano, TI6900, Switzerland. No communication has been received from the Respondent.

2. The Domain Name and Registrar

The domain name in dispute is “net2phone-europe.com” which is registered with Network Solutions Inc of 505 Huntmar Park Drive, Herndon, Virginia 20170, USA.

3. Procedural History

Notification of the Complaint to the WIPO Center was made on June 23, 2000, with payment of the requisite fee. Notification was given to Network Solutions Inc. on June 29, 2000. They replied confirming that the Respondent was the current registrant of the domain name. Notification of the complaint was given to the Respondent by the Center by post, facsimile and email on July 5. No response was received from the Respondent. Notification of the Respondent’s default was given by post, facsimile and email on July 27. An administrative panel was appointed on 24 August consisting of a sole panelist Clive D Thorne who has signed the declaration of impartiality and independence. The decision was originally due by September 7, 2000, but an extension of time was obtained due to circumstances beyond the control to the panelist.

4. Factual Background

Helpful evidence as to the Complainant's rights is given in the declaration of Mr. Reich at Exhibit C to the Complaint. The Complainant Net2Phone, Inc is a Delaware corporation that offers a variety of internet telecommunications products and services, including services that permit users to make local and long-distance telephone calls over the internet (commonly referred to as "Internet telephony"), under the mark NET2PHONE. The Complainant is the leading company in the world in the Internet telephony business and its services have become widely and readily associated with the NET2PHONE mark. The Complainant's website, accessible at "net2phone.com" and "net2phone.net", was launched in 1995. It is from this website that the Complainant primarily conducts its Internet telephony business.

Internet telephony enables users to make high-quality, low-cost telephone calls over the Internet. The Complainant's services enable customers to call or send faxes to individuals and businesses worldwide. The Complainant's customers can use either their personal computers or traditional telephones or originate the call. Examples of the products and services offered by the Complainant bearing the NET2PHONE mark can be found on the Net2Phone website. A copy of the "net2phone.com" home page is annexed as Exhibit D to the Complaint.

The Complainant has developed sophisticated software applications that enable the use of its Web-based Internet telephony services, and that software is distributed over the Internet by Net2phone. In 1997, to expand the marketing potential of its services, the Complainant began a worldwide reseller program by which individuals and businesses agree to purchase and then resell certain Net2Phone services. Specifically, authorized resellers buy services from the Complainant and then market and sell those NET2PHONE services in their respective countries. Currently, the Complainant has resellers selling its services under the NET2PHONE mark in nations around the world.

Before the Complainant became a public company in June 1999, it was a wholly owned subsidiary company of IDT Corporation ("IDT"), a Delaware corporation. IDT, and then the Complainant have been using the NET2PHONE mark globally on the Internet since at least 1995. On the basis of that usage, IDT applied for and secured the registration of NET2PHONE as a trademark with the United States Patent and Trademark Office ("PTO"). The registration evidences that the mark was first used by IDT on November 13, 1995. A copy of the registration is attached as Exhibit E to the Complaint. IDT assigned all rights in the NET2PHONE mark to the Complainant by assignment dated May 7, 1999. This assignment was filed with the Assignment Division of the PTO on June 18, 1999. A copy of the assignment from IDT to the Complainant and the registration reflecting the assignment from IDT to the Complainant is also attached as Exhibit E to the Complaint.

In addition to owning the mark NET2PHONE, the Complainant has adopted and used a family of NET2PHONE marks to identify its various Internet telephone services. The Complainant secured a registration in the United States for each of the following marks: NET2PHONE in a stylized form (US Reg No 2, 393,395); NET2PHONE & GLOBE DESIGN (US Reg No 2,329,361), NET2PHONE PRO (US Reg No 2,306,620). A copy of each registration is annexed as Exhibit F to the Complaint. The Complainant has been using and has pending applications in the United States for the following marks: NET2PHONE DIRECT (Serial No 75/796,439) and NET2PHONE INTERACTIVE (Serial No 75/796,437). References to these applications can be found at www.uspt.gov and are also attached as Exhibit F to the Complaint.

The Complainant has made and is making a concerted effort to register its NET2PHONE mark globally. Attached as Exhibit G to the Complaint is a list of the countries in which applications to register the NET2PHONE mark are currently pending. This list also shows the countries where the mark has been registered.

The Complainant has made and is making a concerted effort to register the term "NET2PHONE" as a domain name throughout all of the registries in the world. A list of representative generic Top Level Domains ("gTLDs") in which the Complainant has registered NET2PHONE is attached as Exhibit H 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 I to the Complaint. Once the Complainant secures the registration of a ccTLD, it causes those domain names to redirect users to the website at "net2phone.com". For example, a user who types the domain name "net2phone.gm" or "net2phone.com.ru" is redirected to the web page at "net2phone.com".

The NET2PHONE mark and the Internet telephony services offered by the Complainant have achieved wide recognition. Contributing to this wide recognition is the fact that Net2Phone has invested considerable time and effort in developing a "presence" on the Internet. As a result, information about Net2Phone, and its services offered under the NET2PHONE mark, can now be obtained through thousands of websites which have posted a "link" to the Complainant's website. These links are the result of significant strategic alliances that the Complainant has with other businesses on the Internet. In addition, the Complainant has placed paid "banner" advertisements on other websites 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.

Furthermore, the Net2Phone trade name and NET2PHONE 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. Representative articles are attached as Exhibit J to the Complaint. The Complainant has also been the recipient of a number of awards. A list of the awards received by the Complainant is attached as Exhibit K to the Complaint. The Complainant has also advertised its services through traditional magazines and newspapers, as well as over the Internet. The Complainant and IDT have advertised and promoted services in conjunction with the NET2PHONE mark since 1995.

It is undisputed that the Complainant has made a considerable financial investment in the advertising, marketing and promotion of its telecommunication services offered under the NET2PHONE mark. As a result of these efforts, the Complainant has been successful in selling its services. Since 1996, Net2Phone has registered over 700,000 customers worldwide and has carried over 50 million Internet Protocol telephony minutes. 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.

The Complainant draws attention to the fact that the website currently associated with "net2phone-europe.com" offers a variety of Internet telephony products including the Complainant's Internet telephony services. A print out of the Respondent's website is exhibited (Exhibit L) to the Complaint. The site appears to be promoted as a NET2PHONE site and appears, as is averred by the complainant, to be related to the

Complainant's line of business. The Complainant confirms that the Respondent is not licensed or otherwise permitted to use the mark NET2PHONE or any variation nor is it licensed to apply for or use any domain name incorporating the mark NET2PHONE.

5. Submissions

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

- (i) The domain name is confusingly similar to the Complainant's service mark.

The Complainant submits that it is appropriate to compare "the look, sound and meaning of the disputed domain name with the look, sound and meaning of the Complainant's mark". In the absence of any submissions to the contrary from the Respondent the Panel is prepared to adopt this test.

The Panel notes that the only significant differences between the mark "NET2PHONE" and "net2phone-europe.com" are the presence of the word "-europe" in the domain name and the top level domain name ".com". As the Complainant submits, this has the effect of "causing consumers to think that the website associated with "net2phone-europe.com" is the website of one of the Complainant's European resellers or even the Complainant's European division".

The Panel is also mindful of the fact that the trademark "NET2PHONE" is incorporated into the domain name in its entirety. The Panel agrees that the combination of a geographic term with the mark does not prevent a domain name from being found confusingly similar.

The Panel also accepts that it is generally well-established for the purposes of the administrative procedure that the presence of a "top level" domain name such as ".com" in the domain name in dispute does not preclude a finding of confusing similarity. For all of the above reasons the Panel accepts the Complainant's submissions on this point.

- (ii) The Respondent has no right or legitimate interest in the domain name.

The Complainant submits that a domain name registrant lacks rights or a legitimate interest in a domain name where the owner of a mark has not licensed or otherwise permitted the registrant to apply for or use its mark. There is no submission to the contrary by the Respondent.

The Panel accepts the Complainant's submission and confirmation that no authorization to use the mark exists. There is no evidence that the Respondent has been known by the domain name or that it was using or was preparing to use the domain name in connection with a bona fide offering of goods and services.

The Panel is also mindful of the fact that the name of the Respondent is "NETCALL SAGL" which beyond the use of the descriptive prefix "NET" has no similarity with the domain name.

The Panel accepts the Complainant's submissions in respect of paragraph 4(a)(ii) of the Policy.

(iii) The Domain Name was Registered and Used in bad faith

The Complainant submits that the Respondent has used and registered the name in bad faith. There are no submissions to the contrary by the Respondent. The Panel takes notice of the requirement upon the Complainant to prove bad faith.

Paragraph 4(b) of the Policy sets out four circumstances which (without limitation) if found to be present shall be evidence of bad faith. In the present case the most relevant is paragraph 4(b)(iv) which provides:-

“by using the domain name, you have intentionally attempted to attract, for commercial gain, internet users to your website 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 your website or location or of a product or service on your website or location.”

The Complainant places emphasis on the constructive notice that the Respondent must have obtained as a result of the widespread promotion of the Complainant's products and services within the same apparent sphere of activity of the Respondent. It also relies upon the fact that the Respondent's website is associated with and can be accessed through other domain names. In terms of use, the Complainant argues that it is sufficient that the domain name is used with intent to attract Internet users for commercial gain by diverting users to an entity totally different from the one intended.

The Panel accepts these submissions. The Respondent's domain name inevitably has the effect of attracting Internet users for commercial gain by creating a likelihood of confusion with the Complainant's mark. Accordingly the Panel accepts the Complainant's submission as to bad faith.

6. Decision and Findings

The Panel finds for the Complainant and orders that the contested domain name “net2phone-europe.com” be transferred from the Respondent to the Complainant.

Clive Duncan Thorne
Sole Panelist

Dated: September 26, 2000