

TelZar 019 International Telecommunications LTD v. Green Spring Systems LTD:

IL-DRP Panel Decision

1. The Parties

The Complainant is TelZar 019 International Telecommunications LTD represented by Jonathan Schwartz.

The Respondent is Green Springs LTD represented by Daniel Bustanai, Adv.

2. The Domain Name and Registrar

The disputed domain name <019.net.il> is registered with the Israel Internet Association ("ISOC-IL").

3. Procedural History

The complaint was filed with the ISOC-IL on November 30, 2010. The Complaint was transmitted to the Israeli Dispute Resolution Panel of ISOC-IL ("**IL-DRP**") under the IL-DRP Rules ("**Rules**").

On November 30, 2010 the IL-DRP appointed Dr. Yuval Karniel as the sole panelist.

In accordance with the Rules, on December 7, 2010, the Panel transmitted to the Respondent by e-mail a copy of the complaint and with materials attached, providing the Respondent 15 days to respond to the Complaint. The Respondent submitted a response to the Complaint on December 7, 2010.

Whereas the Panel did not requested additional information from either side, in accordance with the rules, the panel shall not take into consideration Complainant's reply to the Respondent's official response, dated January 11, 2011.

4. Factual Background

On November 15, 2010, the disputed domain name was registered by the Respondent.

The Complainant is a new international calls carrier in Israel.

On July 21, 2010 The Complainant received a general international license (a "bezek license") from the Israeli Ministry of Communications ("**the MOC**").

The Complainant was assigned with the 019 area code by the MOC on August 12, 2010, a fact that has been brought to the public's attention, among others, through an article published in a major financial newspaper.

The Complainant has been accredited with the right to act as an internet service provider ("ISP") under a license from the MOC dated November 4, 2010.

The Complainant first approached the Israeli Internet Society ("ISOC-IL") in September 2010 in order to register the disputed domain and was told it must wait until the issuance of the ISP license (November 4, 2010).

On November 22, 2010 the Complainant attempted to register the domain 019.net.il and discovered that the Recipient had registered it a week earlier, as it had also registered the domains 011.net.il and 016.net.il.

The Complainant registered the trade mark "019" on November 24, 2010.

The Respondent was accredited with the right to provide internet services as an ISP with a license from the MOC on April 21, 2009.

The Respondent held negotiations with Bezek which began on June 2010 and were concluded in December 2010, which resulted in the allocation of the prefix @019 (Bezek requires any ISP to choose the suffix for the end user's usernames).

In preparation for becoming an ISP, during October 2010 the Respondent rented a servers farm from "012 smile".

5. Parties' Contentions

A. Complainant

The Complainant argues that the domain name is identical to the exact name in which the Complainant has rights. The Complainant has a registered trademark of "019", a general license from the MOC and has added the sequence 019 to the company's name.

The Complainant further argues that the Respondent holds no rights to the domain name. The Respondent cannot show any claim to the name 019 and has no trademark relating to the name. Additionally, the fact that the Respondent registered both 011 and 016 as domain names proves that the holder has no special connection to the 019 trademark.

The Complainant further argues that the Respondent registered the disputed name in bad faith designated to create confusion between the Complainant and the Respondent. The Complainant elaborates on the Respondent's bad faith and claims that the Respondent intends on selling telecommunication services and is concerned with a future sale of all its domain names ("019", "011" and "016") for considerable profit.

B. Respondent

The Respondent argues that "First-to-apply, First-served" rule applies to the case at hand, as it concerns two competitors in the communication market who were in a race to brand themselves.

The Respondent further argues that it has the rights to the domain name whereas the Complainant does not, and is on the contrary acting in bad faith. The Respondent rests this claim on the fact that "net.il" domains are allocated only to ISPs and thus the Complainant's "019" MOC license (from July) for providing international calls does not create rights in the domain name.

The Respondent points out that the Complainant was granted an ISP MOC license only in November 2010 and thus at the date of registration the Respondent had no rights to the disputed domain.

The Respondent further points out that the Trade Mark filing for registration and the filing for a change of name (to include "019" in the Complainants' name) were both filed after the domain registration, probably as preparation for filing this complaint.

The Respondent additionally argues that the Complainant tried to "kidnap" the domain name prior to this complaint, by trying to independently modify the registration records.

6. Discussions and Finding

The IL-DRP is an alternative dispute resolution procedure intended to provide expedited resolutions to disputes regarding the allocation of domain names in accordance with the Rules. The Respondent submitted to this process and Rules when it applied for and registered the disputed domain name.

The Rules provide that disputes regarding the allocation of a domain name by a Holder may be brought by a Complainant on the following grounds:

A. Same or Confusingly Similar

It is up to the Complainant to show that the disputed domain name is the same or confusingly similar to among others: a trademark, trade name or registered company name.

The suffix .co.il is ignored for the purpose of determining the similarity between the disputed name and "019" since it is a common suffix. The relevant part of the disputed domain name is the numerical figures "019".

The Complainant is owner of an Israeli trademark for the "019" logo. The Complainant incorporates the figures "019" in the Company's name.

It is therefore the finding of the Panel that the disputed domain is identical to the trademark and company name of the Complainant.

B. Rights in the Name

Next, it is up to the Complainant to show that the Complainant has rights in the "019" mark; and that the Respondent has no rights in the "019" mark.

The registration of a trademark under a disputed domain name has been held by many WIPO panels as sufficient evidence to show that the Complainant has sufficient rights in the Name. As mentioned above, the Complainant has registered the trademark "019".

Additionally, the Complainant incorporated the mark "019" in the Company name and was assigned with the "019" area code by the MOC.

It is also up to the Complainant to show that the Respondent has no rights to the Name. While the Complainant bears the "general burden of proof" under Rule 3.3, this burden shifts to the Respondent who must show that it has rights or legitimate interests in the domain name at issue by providing concrete evidence. (See: Neusiedler Aktiengesellschaft v. Kulkarni, WIPO Case No. D2000-17699).

In this case the Panel finds that the Complainant made a prima facie showing that the Respondent has no rights to the disputed domain name within the meaning of Rule 3.3 and the Respondent hasn't succeeded in lifting the shifted burden. This finding is based on the following:

- a. The Complainant is the owner of the "019" trademark.
- b. The Complainant incorporated the disputed name in its Company name.
- c. The Complainant was assigned with the "019" area code by the MOC.
- d. The fact that the Complainant's connection to the disputed name was published in a major financial newspaper, testifies to that the Complainant is known by that name to a certain extent. On the other hand there is no indication of any sort that the Respondent is known under the disputed domain name.
- e. The Respondent has registered for two additional domain names ("011" and "016") and has failed to assert a substantial and specific connection to the "019" domain name.

It is therefore the finding of the Panel that the Complainant has rights in the "019" name and the Respondent has no rights to the "019" name.

C. Application and Use in Bad Faith

Finally it is up to the Complainant to show that the Respondent applied for the allocation of the disputed domain name in bad faith.

WIPO panels, while relying on Rule 4.1 of the UDRP, have ruled that the bad faith clause provides a **non-exclusive** list of circumstances which can be helpful in showing that the Respondent acted in bad faith. Rule 4(b)(iv) provides that this Panel can find that the Respondent acted in bad faith if there are circumstances showing that the Respondent has intentionally attempted to attract, for commercial gain, Internet users to its website, by creating a likelihood of confusion with the Complainant's Name as to the source or affiliation or its website.

The disputed Domain Name is virtually identical to the Complainant's trademark. Previous WIPO confusion will inevitably result in the diversion of Internet traffic from the Complainant's site to the Respondent's site" (see *Edmunds.com, Inc. v. Triple E Holdings Limited*, WIPO Case No. D2006-1095). To this end, prior WIPO Panels have established that using a domain name that is identical to a registered trademark is evidence of a bad faith under paragraph 4(b)(iv) of the UDRP (see *Edmunds.com v. Ult. Search, Inc.*, WIPO Case No. D2001-1319)

It further testifies to the bad faith of the Respondent the circumstances in which this dispute arose:

Firstly, it is of general practice and known to the public that the 01X is an international prefix assigned to first of all to international carriers (all the international carriers in Israel hold a domain name that consists of 01X).

Secondly, the initiative to enter the international carriers market was one that had considerable economical implications in the narrow market of local international carriers. This suggests that we are not dealing with an isolated request for a domain name, but with a significant market venture which both the public and even more the Respondent (in light of its specific interests) should have known about.

Thirdly, the Complainant testifies that a representative of the Respondent confirmed the fact that in contradiction to the Respondent's ISP license agreement, the Respondent was planning to offer telecommunication services. This would attest to a strong motive in favor of diverting the Internet traffic using the disputed domain name.

Fourthly, it seems that the action the Respondent took is part of a pattern of registering domain names with similar prefixes (0.11.net.il and 016.net.il) and not a sincere attempt at using the domain name for its legitimate purposes.

The Panel therefore finds it highly unlikely that the Respondent was unaware of: (a) the inherent connections between the Complainant to the disputed name, (b) of the specific value such a domain name would bring the Respondent in light of the Complainant's name in the market and (c) of the Complainant's future plans of integration in the international carriers market which would add to its reputation and to the economical value of the disputed domain name.

The Panel therefore finds that the Respondent requested the allocation of the disputed domain name in order to intentionally attempt to attract, for commercial gain, Internet users to its web site by creating a likelihood of confusion with the Complainant's Name as to the source.

Additionally, the Respondent's bad faith may have taken yet another form in ways of the intention to sell the domain name to the Complainant for considerable profit. This would give yet another explanation as to why the Respondent registered the additional 01X domain names as these domain names embody potential profit, when more local international carriers enter the market.

In both forms of bad faith mentioned above, it is referred to the undisputed fact that the Respondent registered 3 separate domain names. The explanation the Respondent offered for its actions is not satisfactory. Furthermore the Respondent did not offer a clarification of what it did or intends to do with the 2 "extra" domain names, once the negotiations with Bezek concluded in December 2010. If the Respondent's motives were in good faith one would expect from the Respondent to delete the unnecessary domain names or at the very least offer this Panel a coherent explanation as to the nature of these actions.

7. Decision

For all the foregoing reasons, in accordance with the Rules, the Panel orders that the domain name, <019.net.il> be transferred to the Complainant.

Yuval Karniel
Sole Panelist

Dated: January 16, 2010