

DISPUTE RESOLUTION PANEL

For the Internet Society of Israel

Neil J. Wilkof, Panelist

In the Matter between

eMusic.com
(the Complainant)

and

galgalim superman
(the Respondent)

With Respect to the Domain Name <emusic.co.il>
(the Domain Name)

DECISION

Procedural Background

The Panel was established under the Internet Society of Israel's "Procedures for Alternative Dispute Resolution under the .IL ccTLD by Dispute Resolution Panels (:IL-DRP)" ("the Procedures") in response to the Complainant's Petition to Cancel Allocation of the Domain Name to Holder and to Transfer It to Complainant, filed December 3, 2008 (the Petition). On January 19, 2009, the Panelist notified the parties of the establishment of the Panel. The Complainant filed a further brief submission with the Panel on February 4, 2009. Despite having been duly notified of the Petition, the Respondent failed to submit any response. In its submission of February 4, 2009, The Complainant has requested the Panel to render an ex parte decision based on the aforementioned submissions.

FACUTAL BACKGROUND

The Complaint has alleged the following facts.

1. The Complainant owns and operates a digital music retail supply service, offering songs in digital format for sale and delivering them to purchase through an Internet website—www.emusic.com. The website was launched in 1998. Song files of artists of different genre on independent labels are sold over the website to users, who take delivery of the songs by downloading them directly to their computers. The most popular format is MP3. The Website also provides music by streaming audio directly to the user's computer. The Complainant considers that EMUSIC has become the leading brand name among online sellers of music produced under independent labels. The Complainant offers its music from an inventory of over 1,000,000 songs. As of today, some 4,500,000 files are downloaded each month by users and subscribers the world over. More information about the Complainant may be found on the Website. A print-out of information has been attached to the Petition.

2. The Complainant is the registered owner in Israel of the mark EMUSIC, registration no. 188122 in class 35 for “online retail store services featuring downloadable recorded music and podcasts”, filed with a convention priority date of January 18, 2006, and registered on June 3, 2006, under the provisions of section 16 of the Trade Marks Ordinance (the telle quelle provisions) on the basis of U.S. registration no. 2036441, dated February 11, 1997; and registration no. 188123 in class 38 for “streaming of audio material on the internet”, filed with a convention priority date of January 18, 2006, and registered under the telle quelle provisions on the basis of U.S. registration no. 3348261, dated December 4, 2007. The Complainant is also the registered owner in the United States of several registrations, including for the mark EMUSIC, registration no. 2036441 (no further details are provided) and for registration no. 3,348,261, for “on-line retail store services featuring downloadable

recorded music and podcasts,” reciting a first use of June 9, 1995, and a registration date of December 4, 2007.

3. The Complainant provided the following information regarding the Domain Name:

“galgalim supermen

86a Rothschild Boulevard, 65878

Tel Aviv

Administrative Contact:

Muly Litvak, NetMatch, NetMatch Ltd.

42 Rothschild Boulevard, Tel Aviv

Tel. 5606265 Fax 5661849

Email: domains@netmatch.co.il”

The Complainant has further stated that it was not able to locate the registered holder at the address or telephone number listed, believes that administration contact organization NetMatch Ltd. is not listed in the companies register, has no knowledge as to whether “galgalim supermen” is an entity, and has discovered that the domain name is not activated via the listed dns servers or otherwise. It appears on investigation that the domain name emusic.co.il. never served as an active website.

It is to be regretted that the Complainant did not attach a copy of the WHOIS entry for the Domain Name or otherwise summarize registration information about the Domain Name (other than a reference to the allocation date of the Domain name “in 1999”). As noted above, the Complainant has only provided information regarding the registered holder itself. The Panelist has taken upon itself to review the aforementioned WHOIS entry and the Panelist notes the following additional information about the registration of the Domain Name:

“Assigned: 21-02-1999
Last Update 20-02-2000
Validity Date 21-02-2011
Status Transfer Allowed”

The Respondent did not submit any allegation of facts.

THE PARTIES’ CONTENTIONS

Complainant

In support of the Petition, The Complainant has argued the following:

1. The Domain Name is the same or confusingly similar to Petitioner’s registered corporate name; Complainant’s trade name via the website; and Complainant’s registered trademark.
2. Complainant has the rights in the name EMUSIC.
3. The registered holder, to the extent that it exists, has no rights in the Domain Name.
4. The application for allocation of the Domain Name was made in bad faith, which is seen in the following:
 - a. The copying of the Complainant’s name, website name and trademark.
 - b. The registered holder has never had any rights in the Domain Name, which was established as the Complainant’s name and mark prior to the allocation date of 1999.
 - c. The only use by the registered holder in the Domain Name would be to unlawfully divert customers from the Complainant’s service to the website, or to misappropriate the name and goodwill of the Complainant.
 - d. There has apparently been no active use or any relevant and active DNS particulars.
 - e. There does not appear to be any person or entity by the name of “galgalim supermen”.

Respondent

The Respondent did not submit any contentions.

DISCUSSION

Section 3 of the Procedures sets out the grounds for bringing an action challenging the allocation of a domain name:

1. (Sec. 3.1) The domain name is the same or confusingly similar to a trademark, trade name, registered company name or legal entity registration of the complainant (the Name).
2. (Sec. 3.2) The complainant has rights in the Name.
3. (Sec. 3.3) The respondent has no rights in the name.
4. (Sec. 3.4) The application for allocation was made in bad faith.

Section 17.1 of the Procedures provides that “[w]here one party fails or refuses to respond to or to provide information or additional material to the Panelist/Panel, after being duly notified of the Petition, or where attempts to notify the Holder based on the information provided by the Holder to ISOC-IL do not succeed, the Panel/Panelist may make its determination on the material provided by one party alone or on the material before it.” That is the situation here. Still, while the Respondent did not submit any reply to the Petition, the Complainant must still satisfy the requirements of section 3 of the Procedures in order to prevail. Accordingly, the Panelist will consider each of the grounds set out by the Complainant in section 3.

The Domain Name is the Same or Confusingly Similar to a Name of the Complainant

The Domain Name is <emusic.co.il>, while the Complainant has claimed rights in the trademark EMUSIC. It is well-accepted that a designation such as “co.il” has no

distinctive power. Therefore, we conclude that the Domain Name is virtually identical to the name of the Complainant EMUSIC. The Complainant has satisfied the requirements of section 3.1 of the Procedure.

The Complainant Has Rights in the Name

In considering this requirement, the Panelist treats as the relevant date the date on which the Domain Name was assigned. As noted above, while the Petition did not explicitly provide this information in the Petition (except for the oblique reference to “the allocation date in 1999” in paragraph 4.4 of the Petition), the Panelist has examined the WHOIS entry for the Domain Name and has established that the Domain Name was assigned on February 21, 1999 (the Allocation Date). Thus, the relevant date is February 21, 1999. (The Panelist expresses its dissatisfaction with the fact that Complainant did not fully provide this information in the Petition.)

With respect to the Complainant’s registered trademark rights in the mark EMUSIC, the Complainant has attached a copy of two Israeli registrations, no. 188122 with a convention priority date of January 18, 2006, and a registration date of February 14, 2008; and no. 188123), with a convention priority date of January 18, 2006 and a registration date of June 3, 2008. Since both of these registrations postdate the Allocation Date, neither of them can provide a basis for the claim that the Petitioner had rights in the Name prior to the Allocation Date.

The Complainant has attached one U.S. registration, no. 3,348,261, filed on January 18, 2006 and registered on December 4, 2007. Here as well, this registration postdates the Allocation Date and cannot provide a basis for the claim that the Petitioner had rights in the name prior to the Allocation Date.

The Complainant refers in paragraph 2 of the Petition to U.S. registration no. 2036441. However, despite its assertion that “[c]opies of the trademark information are enclosed and marked as Exhibit B”, no copy of this registration was enclosed. The Panelist again expresses its displeasure on the omission of germane evidence by the Complainant.

The Panelist has examined this registration based on information available from the website of the United States Patent and Trademark Office (www.uspto.gov) (USPTO Website). It appears that the original registrant was Creative Fulfillment, Inc., which itself was an assignee from a Mark Chasan, who would appear to have been the original applicant. The mark and application were then apparently assigned by Creative Fulfillment, Inc. to eMusic, Inc., the current owner, apparently some time during November 1999. As noted, none of this information was provided by the Complainant, but it is available from the USPTO website.

The Panel further notes the following quoted passage from Exhibit A to the Petition (“eMusic—About Us”).

“Dimensional Associates is the operating company that manages private equity investments made by JDS Capital. In 2003, Dimensional purchased eMusic from VU Net USA, which bought the company in 2001. The groundbreaking digital music retailer was originally founded as GoodNoise in 1998 by entrepreneurs Gene Hoffman and Bob Kohn and was the

first company to sell online music in the MP3 format. It was renamed eMusic in 1999 and launched the world's first digital subscription service in 2000.”

Therefore, it appears that the Complainant acquired rights in U.S. registration no. 2036441 sometime in November 1999, the year that the Complainant renamed its online music service EMUSIC. On the basis of the foregoing, the Complainant has not submitted any evidence that it operated its online music service prior to the Allocation Date. The burden of making this showing lies with the Complainant, and it has failed to discharge this burden.

The question is whether the fact that the Complainant has made a reference in the Petition (as noted, without providing full particulars of that registration) to Complainant's ownership, by way of assignment, of a registered U.S. mark satisfies the requirement that the Complainant has rights in the Name. The Panelist finds, albeit reluctantly given the omissions of the explicit information in the Petition, that the Complainant has satisfied this requirement, based on the legal principle that the assignee of a registered mark may assert rights relating back to the original owner. Since the rights of the original owner of U.S. registration no. 2036441 predate the Allocation Date, and no evidence has been submitted by the Holder to the contrary, the Panelist concludes the Complainant has rights in the name prior to the Allocation Date.

That said, the Panelist will ascribe only minor weight to the finding that the Complainant has rights in the Name based on a single U.S. registration. Countering this finding, the Panel points to the fact that the Complainant apparently only began to operate under the Name in 1999; the Allocation Date was February 21, 1999; no evidence was provided that

the Complainant made use of the Name prior to the Allocation Date; and the Complainant provided no evidence of the nature and extent of use of the Name by either of the original applicant or the original owner/assignor.

The Respondent has No Rights in the Name

The Respondent did not submit any response to the Petition. The Complainant did not allege any facts in its Petition that can be construed as supporting the claim that the Respondent has rights in the name. Therefore, we conclude that other than the fact the Domain Name is registered in the name of the Respondent, there is no indication that the Respondent has any rights in the Name.

The Application for Allocation was Made in Bad Faith

Paragraph 4 of the Procedures sets out a non-exclusive list of factors that evidence that there has been allocation or use of a domain name in bad faith. In summary, these non-exclusive factors are as follows:

1. The Holder continues to hold the domain name after termination of employment or work for hire, and the domain name should have been transferred to the employer or contracting party.
2. The Holder has sought allocation of the domain name primarily in order to disrupt the business of a competitor.
3. The Holder holds the domain name primarily to transfer the domain name to either the Complainant or a competitor of the Complainant for an amount that exceeds the Holder's direct out-of-pocket expenses.

4. The Holder has requested allocation of the domain name to prevent the owner of a trademark from reflecting the mark in a corresponding domain name, provided that there is evidence of a pattern of such conduct.

5. The Holder seeks to use the domain name to attract Internet users to its site for commercial gain by creating a likelihood of confusion as to the source of the website.

None of these factors explicitly applies to the conduct of the Holder. However, Section 4.1 states that the list of factors is “without limitation”. On the one hand, this means that the list of factors is not a closed one; on the other hand, no guidelines are provided about the criteria to be applied to determine what additional factors might apply. The question is whether the facts and circumstances surrounding the Holder provide the basis for reasonably concluding that there has been bad faith on the part of the Holder.

Having regard to the Petition, the Panelist is of the view that the only factual allegations that might provide the basis for a finding of bad faith is the claim that there has been an “absence of use and absence of relevant and active DNS particulars, apparently for years.” The issue is two-fold: First, as a matter of adjudicative principle under the Procedures, can the “absence of use” and/or the “absence of relevant and active DNS particulars” (the latter of which is not otherwise explained in the Petition) —serve as the basis for a finding of bad faith? Second, if the answer to the first question is “yes”, do the allegations by the Complainant support a finding of bad faith under the circumstances?

With respect to the first question, the Panelist is of the view that it would be inappropriate to announce a general rule that “an absence of use” by the Holder constitutes bad faith, when neither the Rules nor the Procedures have provided for such a result. The matter of use is too multi-faceted to be left to the jurisprudential discretion of the Panelist.

As for “absence of relevant and active DNS particulars”, the issue is more difficult. If a Domain Name lacks basic operational prerequisites, such as operational DNS name servers, this is an indication that the Holder lacks any serious intent about making use of the Domain Name (whatever “use” means). As such, the Panelist is sympathetic to the claim that, under appropriate circumstances, such a situation may serve as the basis for a finding of bad faith on the part of the Holder.

However, in the matter before the Panel, the Complainant has not sufficiently substantiated this allegation to support a finding of bad faith by the Holder. Inasmuch as the Procedures do not explicitly provide that the absence of such operational prerequisites constitutes bad faith, the Complainant has to meet a higher standard of showing than merely a laconic allegation about the “absence of relevant and active DNS particulars,” even if such allegation is not controverted by the Holder. As noted above, the Complainant has not done so. In the absence of such a showing by the Complainant, the Panelist is not prepared to conclude that the Holder has acted in bad faith.

The Panelist wishes to conclude with the following observations. We have several times in our Decision used the word “reluctant” in concluding various points on behalf of the Complainant. We have done so in light of the thin information and evidence provided by the Complainant in support of its Petition, information and evidence that the Panelist then

augmented by virtue of publicly available sources and information referred to by the Complainant.

In that connection, the Panelist notes that Complainant has not shown that, as of the Allocation Date, there is any credible evidentiary basis for the Panel to conclude that the name and mark EMUSIC had achieved any modicum of recognition, much less that the Registered Holder had knowledge of the name and mark. The mere fact that U.S. registration no. 2036441 predated the Allocation Date does not change this conclusion.

When this is taken together with the failure of the Complainant to make the necessary showing that the Holder has acted in bad faith, the Panelist is of the view that there do not exist sufficient grounds to support the Petition.

DECISION

In light of the above, the Panelist denies the Petition to Cancel Allocation of Domain Name <emusic.co.il> to Holder and Transfer It to Complainant.

Dated: March 22, 2009

Neil J. Wilkof, Sole Panelist