



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Telstra Corporation Limited v. Nuclear Marshmallows

Case No. D2000-0003

1. The Parties

1.1 The Complainant is Telstra Corporation Limited, a company incorporated in Australia, with its registered office in Melbourne, Australia. The Respondent is Nuclear Marshmallows. Nuclear Marshmallows is an unregistered business name of an unidentifiable business entity. The address of the Respondent as contained in the domain name registration is a post office box in Gosford, NSW, Australia. The administrative and billing Contact provided for the domain name registered by the Respondent is a Michael Jenkins.

2. The Domain Name and Registrar

2.1 The domain name that is the subject of this Complaint is <telstra.org>. The Registrar of this domain name is Network Solutions, Inc of Herndon, Virginia, USA.

3. Procedural History

Issuance of Complaint

3.1 A Complaint made pursuant to the Uniform Domain Name Dispute Resolution Policy implemented by the Internet Corporation for Assigned Names and Numbers (ICANN) on October 24, 1999 ("Uniform Policy"), and under the Rules for Uniform Domain Name Dispute Resolution Policy implemented by ICANN on the same date ("Uniform Rules"), was submitted electronically to the World Intellectual Property Organization Arbitration and Mediation Center ("WIPO Center") on January 4, 2000. A paper original of the Complaint together with annexures and the required fees were forwarded by courier under cover of a letter of the same date, and received by the WIPO Center on January 10, 2000. An Acknowledgment of Receipt was sent by the WIPO Center to the Complainant, by facsimile and email dated January 10, 2000.

3.2 A copy of the Complaint was dispatched by courier to the Registrar on 5 January, 2000, and delivered to the Registrar on 7 January, 2000. By email to the WIPO Center on 7 January, 2000, the Registrar confirmed that it is the Registrar of the domain name <telstra.org>; confirmed that the current registrant of that domain name is the Respondent, Nuclear Marshmallows; informed that the administrative, technical, zone and billing Contact for the Respondent is Michael Jenkins; and provided a postal and a email address, and a telephone and a facsimile number, for the Contact. The Registrar also supplied the terms of the domain name service agreement between it and the Respondent. Amongst other things, that agreement provides that the Respondent agrees to be bound by the domain name dispute policy incorporated therein. The policy incorporated into the agreement is the Uniform Policy.

Notification to Respondent

3.3 Having verified that the Complaint satisfied the formal requirements of the Uniform Policy and the Uniform Rules, the WIPO Center issued to the Respondent on January 12, 2000, a Notification of Complaint and Commencement of Administrative Proceeding (including a copy of the filed Complaint), to both the postal and email addresses of the Respondent, and to the facsimile of the Respondent's Contact, as provided by the Registrar. Copies of this Notification of Complaint were sent to the Complainant, the Registrar and ICANN on the same date.

3.4 On January 14, 2000, an email was received by the WIPO Center from the email address of Nuclear Marshmallows'

Contact, saying in full "cannot read attachment". On that day, the WIPO Center replied to the Contact by email, attaching the Notification of Complaint in four different formats in four separate transmissions, and inviting the Contact to specify any other format required. No response to these emails was received. Moreover, no response to the postal dispatches of the Notification of Complaint to the Respondent was received. Furthermore, all attempts to transmit the Notification of Complaint to the Respondent by facsimile failed. Having reviewed the communications records in the case file, the Administrative Panel finds that the WIPO Center has discharged its responsibility under Paragraph 2(a) of the Uniform Rules "to employ reasonably available means calculated to achieve actual notice to Respondent".

3.5 Having received no response from the Respondent within the specified time in the Notification of Complaint, on February 3, 2000, the WIPO Center issued to both parties a Notification of Respondent Default. On February 4, 2000, the WIPO Center issued to both parties a Notification of Appointment of Administrative Panel and Projected Decision Date. This Notification informed the parties that the Administrative Panel would be comprised of a single Panelist, Dr Andrew Christie.

4. Factual Background

4.1 The Complaint asserted, and provided evidence in support of, and the Administrative Panel finds established, the following facts.

Complainant's Activities

4.2 The Complainant is the largest company listed on the Australian stock exchange, having a market capitalisation of approximately \$A62 billion. It is the largest provider of telecommunications and information services in Australia, with financial year 1998-99 revenue exceeding \$A16 billion. The Complaint's main activities, each of which is carried out under or by reference to the <TELSTRA> mark, are the provision of a fixed telephony network to residences and businesses across Australia; the provision of local, long distance domestic and international telephone call services to over 7 million residential and business customers in Australia; the provision of 78,000 public payphones in Australia; the operation of mobile telecommunications services to 3.4 million customers; the provision of a range of data, Internet and on-line services (including the largest Internet Service Provider in Australia); the provision of wholesale services to other telecommunications carriers and service providers; the provision of directory information and connection services to over 520 million calls per annum; the publication and distribution of white pages and yellow pages directories in hard-copy, CD-ROM and on-line formats; and the operation of over 80 retail outlets throughout Australia.

Complainant's Trading Name and Trademarks

4.3 The predecessor in title to the Complainant's business can be traced back to 1901. In April 1993 the Complainant changed its legal name to Telstra Corporation Limited. It has traded under the name <Telstra> outside Australia since that date, and within Australia since July 1995. The Complainant is the proprietor of more than 50 registrations in Australia of trademarks consisting of or containing the word <TELSTRA> (details of which are contained in Annexure 3 to the Complaint), including a number of registrations in class 38 in respect of telecommunications services. The various trademark registrations and applications cover an extensive range of goods and services, and span 17 of the 42 trademark classes. As well, the Complainant has registered, or applied for registration of, a range of trademarks consisting of or containing the word <TELSTRA>, in a large number of countries, such as Brunei, Cambodia, France, Germany, Hong Kong, Indonesia, Ireland, Japan, Kazakstan, Kiribati, Korea, Laos, Malaysia, Mauritius, New Zealand, Papua New Guinea, People's Republic of China, South Africa, Russian Federation, Saudi Arabia, Singapore, Taiwan, The Philippines, Tonga, United Kingdom, United States of America, Vanuatu, Vietnam and Western Samoa. In addition, the Complainant has obtained a registered Community Trade Mark for a trademark including the word <TELSTRA>. Details of the trademark registrations in countries outside Australia are set out in Annexure 4 to the Complaint.

Complainant's Domain Names and Web Sites

4.4 The Complainant is the registrant of the following domain names containing the word <TELSTRA>:

- telstra.com
- telstra.net
- telstra.com.au
- telstra-inc.com
- telstrainc.com

4.5 The Complainant operates its principal web site at <telstra.com>. The site includes electronic customer services for its fixed-line and mobile-phone customers, news and entertainment services, and White Pages and Yellow Pages directories.

Respondent's Identity and Activities

4.6 The Respondent is the registrant of the domain name <telstra.org>, the Registrar of which is Network Solutions, Inc. This domain name does not resolve to a web site or other on-line presence.

4.7 The postal address of the Respondent and its Contact, as contained in the Registrar's registry, is a post office box in a town in the State of New South Wales, Australia. The registers of company names and business names in Australia do not disclose a registration of a company name or business name for the Respondent's name, Nuclear Marshmallows. Accordingly, it is not possible to identify the legal entity conducting business in Australia under the Respondent's name.

4.8 Prior to the issuing of the Complaint, the Complainant made substantial efforts to identify and contact the Respondent, using the details then current on the Registrar's registry. During the course of these attempts, some of the contact details of the Respondent changed. The Complaint then renewed its efforts to contact the Respondent, using the changed contact details. These combined efforts disclosed that the street and post box addresses of the Respondent were for persons unassociated with the Respondent, and that the telephone number was for a person unassociated with the Respondent.

5. Relevant Provisions of the Uniform Policy

5.1 Paragraph 4(a) of the Uniform Policy sets out the three elements which must be present for a proceeding to be brought against the Respondent, and which the Complainant must prove to obtain a remedy. It provides as follows:

a. Applicable Disputes. You [the Respondent] are required to submit to a mandatory administrative proceeding in the event that a third party (a "complainant") asserts to the applicable Provider, in compliance with the Rules of Procedure, that

(i) your domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and

(ii) you have no rights or legitimate interests in respect of the domain name; and

(iii) your domain name has been registered and is being used in bad faith.

In the administrative proceeding, the complainant must prove that each of these three elements are present.

5.2 Paragraph 4(b) of the Uniform Policy identifies, in particular but without limitation, four circumstances which, if found by the Administrative Panel to be present, shall be evidence of the registration and use of a domain name in bad faith. The precise wording of this paragraph is as follows:

b. Evidence of Registration and Use in Bad Faith. For the purposes of Paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith:

(i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or 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 of 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

(iii) 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 web site 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 web site or location or of a product or service on your web site or location.

5.3 It is worthy of note that *each* of the four circumstances in paragraph 4(b), if found, is an instance of "registration and use of a domain name in bad faith", notwithstanding the fact that circumstances (i), (ii), and (iii) are concerned with the primary intention or purpose of the registration of the domain name, whilst circumstance (iv) is concerned with an act of use of the domain name. The significance of this point is discussed in paragraph 7.10 below.

5.4 Paragraph 4(c) of the Uniform Policy sets out circumstances, in particular but without limitation, which, if found by the Administrative Panel to be proved, demonstrate the Respondent's rights or legitimate interests to the domain name for the purposes of paragraph 4(a)(ii). The provisions of this paragraph are as follows:

c. How to Demonstrate Your Rights to and Legitimate Interests in the Domain Name in Responding to a Complaint.

When you receive a complaint, you should refer to Paragraph 5 of the Rules of Procedure in determining how your response should be prepared. Any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate your rights or legitimate interests to the domain name for purposes of Paragraph 4(a)(ii):

(i) before any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or

(ii) you (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or

(iii) you are making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

6. Parties' Contentions

The Complaint

6.1 The Complainant contends that each of the three elements specified in paragraph 4(a) of the Uniform Policy are applicable to this dispute. In relation to element (i), the Complaint contends that the relevant part of the domain name in issue is <telstra>, and that this is clearly identical with or confusingly similar to the various trademarks for the word <TELSTRA> which are registered and owned by the Complainant.

6.2 In relation to element (ii), the Complaint contends that the word <TELSTRA> is an invented word, and as such is not one traders would legitimately choose unless seeking to create an impression of an association with the Complainant. The Complaint further contends that it has not licensed or otherwise permitted the Respondent to use any of its trademarks, nor has it licensed or otherwise permitted the Respondent to apply for or use any domain name incorporating any of those marks. Accordingly, the Complainant contends that the Respondent has no rights or legitimate interests in respect of the domain name in issue.

6.3 In relation to element (iii), the Complainant contends that evidence of bad faith registration and use is established by the following circumstances. First, the Respondent is in breach of the relevant Australian business names registration legislation, by virtue of its failure to register its trading name, Nuclear Marshmallows, as a business name. Secondly, the Respondent has provided false address information for the purposes of its domain name registration, in breach of the Respondent's warranty under paragraph 2(a) of the Uniform Policy. Thirdly, the trademark <TELSTRA> is one of the best known trademarks in Australia, and it is inconceivable that the person or persons behind the Respondent would not be aware of this fact. Fourthly, by virtue of the wide spread use and reputation of the trademark <TELSTRA>, members of the public in Australia would believe that the entity owning the domain name <telstra.org> was the Complainant or in some way associated with the Complainant. Fifthly, any realistic use of the domain name must misrepresent an association with the Complainant and its goodwill, resulting in passing off, breaches of Australian consumer protection legislation, and trademark infringements.

The Response

6.4 The Respondent did not file a Response to the Complaint.

7. Findings and Conclusions

Identical or Confusingly Similar Domain Name

7.1 The domain name in issue is <telstra.org>. The relevant part of this domain name is <telstra>. The Administrative Panel finds that this part of the domain name is identical to the numerous trademark registrations of the word <TELSTRA> held by the Complainant. In addition, the Administrative Panel finds that the whole of the domain name is confusingly similar to those trademark registrations.

Respondent's Rights or Legitimate Interests in the Domain Name

7.2 The Respondent has not provided evidence of circumstances of the type specified in paragraph 4(c) of the Uniform Policy, or of any other circumstances giving rise to a right to or legitimate interest in the domain name. In light of (i) the fact that the Complainant has not licensed or otherwise permitted the Respondent to use any of its trademarks or to apply for or use any domain name incorporating any of those marks, and (ii) the fact that the word <TELSTRA> appears to be an invented word, and as such is not one traders would legitimately choose unless seeking to create an impression of an association with the Complainant, the Administrative Panel finds that the Respondent has no rights or legitimate interests in the domain name.

Domain Name Registered and Used in Bad Faith

7.3 It is less clear cut whether the Complainant has proved the third element in paragraph 4(a) of the Uniform Policy, namely that the domain name "has been registered and is being used in bad faith" by Respondent. The Administrative Panel notes two things about this provision. First, the provision contains the conjunction "and" rather than "or". Secondly, the provision refers to both the past tense ("has been registered") and the present tense ("is being used").

7.4 The significance of the use of the conjunction "and" is that paragraph 4(a)(iii) requires the Complainant to prove use in bad faith as well as registration in bad faith. That is to say, bad faith registration alone is an insufficient ground for obtaining a remedy under the Uniform Policy. This point is acknowledged in the Administrative Panel Decision in the WIPO Center Case No. D99-0001, the first case decided under the Uniform Policy. In paragraph 6 of that Decision, the Administrative Panel refers to the legislative history of the Uniform Policy, and in particular to the Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy submitted to the ICANN Board at its meeting on October 24, 1999. That Report, at paragraph 4.5, contains the following relevant statement and recommendation:

Several comments (submitted by INTA and various trademark owners) advocated various expansions to the scope of the definition of abusive registration. For example:

a. These comments suggested that the definition should be expanded to include cases of either registration or use in bad faith, rather than both registration and use in bad faith. These comments point out that cybersquatters often register names in bulk, but do not use them, yet without use the streamlined dispute-resolution procedure is not available. While that argument appears to have merit on initial impression, it would involve a change in the policy adopted by the Board. The

WIPO report, the DNSO recommendation, and the registrars-group recommendation all required both registration and use in bad faith before the streamlined procedure would be invoked. Staff recommends that this requirement not be changed without study and recommendation by the DNSO.

7.5 From the fact that the ICANN Board accepted the approach recommended in the Second Staff Report, and thus adopted the Uniform Policy in the form originally proposed, it is clear that ICANN intended that bad faith registration alone not give rise to a remedy under the Uniform Policy. For a remedy to be available, the Complainant must prove both that the domain was registered in bad faith and that it is being used in bad faith.

7.6 This interpretation is confirmed, and clarified, by the use of both the past and present tenses in paragraph 4 (a)(iii) of the Uniform Policy. The use of both tenses draws attention to the fact that, in determining whether there is bad faith on the part of the Respondent, consideration must be given to the circumstances applying both at the time of registration and thereafter. So understood, it can be seen that the requirement in paragraph 4(a)(iii) that the domain name "has been registered and is being used in bad faith" will be satisfied only if the Complainant proves that the registration was undertaken in bad faith *and* that the circumstances of the case are such that Respondent is continuing to act in bad faith.

7.7 Has the Complainant proved that the domain name "has been registered in bad faith" by the Respondent? In light of the facts established in paragraphs 4.6 to 4.8, the Administrative Panel finds that the Respondent does not conduct any legitimate commercial or non-commercial business activity in Australia. In light of the facts established in paragraphs 4.6 to 4.8, the Administrative Panel further finds that the Respondent has taken deliberate steps to ensure that its true identity cannot be determined and communication with it cannot be made. Given the Complainant's numerous trademark registrations for, and its wide reputation in, the word <TELSTRA>, as evidenced by the facts established in paragraphs 4.2 to 4.5, it is not possible to conceive of a plausible circumstance in which the Respondent could legitimately use the domain name <telstra.org>. It is also not possible to conceive of a plausible situation in which the Respondent would have been unaware of this fact at the time of registration. These findings, together with the finding in paragraph 7.2 that the Respondent has no rights or interests in the domain name, lead the Administrative Panel to conclude that the domain name <telstra.org> has been registered by the Respondent in bad faith.

7.8 Has the Complainant proved the additional requirement that the domain name "is being used in bad faith" by the Respondent? The domain name <telstra.org> does not resolve to a web site or other on-line presence. There is no evidence that a web site or other on-line presence is in the process of being established which will use the domain name. There is no evidence of advertising, promotion or display to the public of the domain name. Finally, there is no evidence that the Respondent has offered to sell, rent or otherwise transfer the domain name to the Complainant, a competitor of the Complainant, or any other person. In short, there is no positive action being undertaken by the Respondent in relation to the domain name.

7.9 This fact does not, however, resolve the question. As discussed in paragraph 7.6, the relevant issue is not whether the Respondent is undertaking a positive action in bad faith in relation to the domain name, but instead whether, in all the circumstances of the case, it can be said that the Respondent is acting in bad faith. The distinction between undertaking a positive action in bad faith and acting in bad faith may seem a rather fine distinction, but it is an important one. The significance of the distinction is that the concept of a domain name "being used in bad faith" is not limited to positive action; inaction is within the concept. That is to say, it is possible, in certain circumstances, for inactivity by the Respondent to amount to the domain name being used in bad faith.

7.10 This understanding of paragraph 4(a)(iii) is supported by the actual provisions of the Uniform Policy. Paragraph 4(b) of the Uniform Policy identifies, without limitation, circumstances that "shall be evidence of the registration and use of a domain name in bad faith", for the purposes of paragraph 4(a)(iii). Only one of these circumstances (paragraph 4(b)(iv)), by necessity, involves a positive action post-registration undertaken in relation to the domain name (using the name to attract custom to a web site or other on-line location). The other three circumstances contemplate either a positive action or inaction in relation to the domain name. That is to say, the circumstances identified in paragraphs 4(b)(i), (ii) and (iii) can be found in a situation involving a passive holding of the domain name registration. Of course, these three paragraphs require additional facts (an intention to sell, rent or transfer the registration, for paragraph 4(b)(i); a pattern of conduct preventing a trade mark owner's use of the registration, for paragraph 4(b)(ii); the primary purpose of disrupting the business of a competitor, for paragraph 4(b)(iii)). Nevertheless, the point is that paragraph 4(b) recognises that inaction (eg. passive holding) in relation to a domain name registration can, in certain circumstances, constitute a domain name being used in bad faith. Furthermore, it must be recalled that the circumstances identified in paragraph 4(b) are "without limitation" - that is, paragraph 4(b) expressly recognises that *other* circumstances can be evidence that a domain name was registered and is being used in bad faith.

7.11 The question that then arises is what circumstances of inaction (passive holding) other than those identified in paragraphs 4(b)(i), (ii) and (iii) can constitute a domain name being used in bad faith? This question cannot be answered in the abstract; the question can only be answered in respect of the particular facts of a specific case. That is to say, in considering whether the passive holding of a domain name, following a bad faith registration of it, satisfies the requirements of paragraph 4(a)(iii), the Administrative Panel must give close attention to all the circumstances of the Respondent's behaviour. A remedy can be obtained under the Uniform Policy only if those circumstances show that the Respondent's passive holding amounts to acting in bad faith.

7.12 The Administrative Panel has considered whether, in the circumstances of this particular Complaint, the passive holding of the domain name by the Respondent amounts to the Respondent acting in bad faith. It concludes that it does. The particular circumstances of this case which lead to this conclusion are:

(i) the Complainant's trademark has a strong reputation and is widely known, as evidenced by its substantial use in

Australia and in other countries,

- (ii) the Respondent has provided no evidence whatsoever of any actual or contemplated good faith use by it of the domain name,
- (iii) the Respondent has taken active steps to conceal its true identity, by operating under a name that is not a registered business name,
- (iv) the Respondent has actively provided, and failed to correct, false contact details, in breach of its registration agreement, and
- (v) taking into account all of the above, it is not possible to conceive of any plausible actual or contemplated active use of the domain name by the Respondent that would not be illegitimate, such as by being a passing off, an infringement of consumer protection legislation, or an infringement of the Complainant's rights under trademark law.

In light of these particular circumstances, the Administrative Panel concludes that the Respondent's passive holding of the domain name in this particular case satisfies the requirement of paragraph 4(a)(iii) that the domain name "is being used in bad faith" by Respondent.

8. Decision

8.1 The Administrative Panel decides that the Complainant has proven each of the three elements in paragraph 4(a) of the Uniform Policy. Accordingly, the Administrative Panel requires that the domain name <telstra.org> be transferred to the Complainant.

Andrew F. Christie
Presiding Panelist

Dated: February 18, 2000