



NATIONAL ARBITRATION FORUM

DECISION

Advertising Magic, Inc. v. Ad Magic Inc., d/b/a Ad Magic c/o Shari Spiro
Claim Number: FA0701000894041

PARTIES

Complainant is **Advertising Magic, Inc.** (“Complainant”), represented by **Timothy Clyne**, of **Machetta Law Firm**, 14614 Falling Creek Drive, Suite 125, Walnut Creek, CA 94596. Respondent is **Ad Magic Inc.**, d/b/a **Ad Magic** c/o **Shari Spiro** (“Respondent”), represented by **Mark Ingber**, of **Ingber & Gelber, LLP**, 181 Millburn Avenue, Suite 202, Millburn, NJ 07041.

REGISTRAR AND DISPUTED DOMAIN NAMES

The domain names at issue are <**admagic.com**>, <**admagic-inc.com**>, <**admagicadvertising.com**>, and <**admagic.org**>, registered with **Go Daddy Software, Inc.**

PANEL

The undersigned certify that they have acted independently and impartially and to the best of their knowledge have no known conflict in serving as Panelists in this proceeding.

Sandra J. Franklin, Esq., Peter L. Michaelson, Esq., F.C.I. Arb. and Dr. Reinhard Schanda, Chair, as Panelists.

PROCEDURAL HISTORY

Complainant submitted a Complaint to the National Arbitration Forum electronically on January 22, 2007; the National Arbitration Forum received a hard copy of the Complaint on January 22, 2007.

On January 22, 2007, Go Daddy Software, Inc. confirmed by e-mail to the National Arbitration Forum that the <**admagic.com**>, <**admagic-inc.com**>, <**admagicadvertising.com**>, and <**admagic.org**> domain names are registered with Go Daddy Software, Inc. and that the Respondent is the current registrant of the names. Go Daddy Software, Inc. has verified that Respondent is bound by the Go Daddy Software, Inc. registration agreement and has thereby agreed to resolve domain-name disputes brought by third parties in accordance with ICANN’s Uniform Domain Name Dispute Resolution Policy (the “Policy”).

On February 1, 2007, a Notification of Complaint and Commencement of Administrative Proceeding (the “Commencement Notification”), setting a deadline of February 21, 2007 by which Respondent could file a Response to the Complaint, was transmitted to Respondent via e-mail, post and fax, to all entities and persons listed on Respondent’s registration as technical, administrative and billing contacts, and to

postmaster@admagic.com, postmaster@admagic-inc.com,
postmaster@admagicadvertising.com and postmaster@admagic.org by e-mail.

On February 7, 2007, Respondent requested, pursuant to Supplemental Rule 6, an extension of 20 days to respond to the Complaint due to extenuating circumstances. On February 8, 2007, the National Arbitration Forum, with Complainant's consent, granted Respondent an extension and set a new deadline of March 13, 2007 for a filing of a Response.

On February 13, 2007 Respondent filed a motion to suspend proceedings, pending disposition of Ad Magic, Inc. v. Advertising Magic, Inc. and Harilaos Boukis, United States District Court, District of New Jersey Docket no. 2:06-cv-05775 (SRC), which lawsuit was initiated prior to this ICANN proceeding.

A timely Response was received and determined to be complete on March 13, 2007.

On March 21, 2007, pursuant to Respondent's request to have the dispute decided by a three-member Panel, the National Arbitration Forum appointed Sandra J. Franklin, Esq., Peter L. Michaelson, Esq., F.C.I. Arb. and Dr. Reinhard Schanda, Chair as Panelists.

RELIEF SOUGHT

Complainant requests that the domain names be transferred from Respondent to Complainant.

PARTIES' CONTENTIONS

A. Complainant

Complainant makes the following assertions:

1. Respondent's <**admagic.com**>, <**admagic-inc.com**>, <**admagicadvertising.com**>, and <**admagic.org**> domain names are confusingly similar to Complainant's ADVERTISING MAGIC mark.
2. Respondent does not have any rights or legitimate interests in the <**admagic.com**>, <**admagic-inc.com**>, <**admagicadvertising.com**>, and <**admagic.org**> domain names.
3. Respondent registered and used the <**admagic.com**>, <**admagic-inc.com**>, <**admagicadvertising.com**>, and <**admagic.org**> domain names in bad faith.

B. Respondent

Respondent contends that there is no significant degree of similarity between the domain names at dispute and the Complainant's mark. Furthermore Respondent has rights in the domain names at dispute and did not register and use the <**admagic.com**>, <**admagic-inc.com**>, <**admagicadvertising.com**>, and <**admagic.org**> domain names in bad faith.

Additionally Respondent contends that it has filed suit against the Complainant in federal court to protect its rights to and interests in the “AD MAGIC” service mark, requesting a judicial declaration that it has not infringed upon Complainant’s “ADVERTISING MAGIC” trademark. The action, filed in December 2006 is docketed as Ad Magic, Inc. v. Advertising Magic, Inc., and Boukis, United States District Court, District of New Jersey, Docket No. 2:06-CV-05775 (SRC).

C. Additional Submission

With its additional submission Respondent has filed a motion to suspend proceedings pending disposition of its Federal lawsuit, that lawsuit having been initiated prior to the ICANN proceeding. In its additional submission Respondent has submitted its extensive arguments on the merits in the pending proceedings before the District Court.

Respondent contends that it seeks declaration that its use of the service mark AD MAGIC and its domain names <admagic.com>, <admagic-inc.com>, <admagicadvertising.com>, and <admagic.org> and related websites in the course of advertising its goods and services do not infringe Complainant’s claimed trademark rights and do not constitute false designation of origin or unfair competition under state law.

According to Respondent, the District Court action will provide a resolution of all disputes between the parties concerning all of their marks, which the Forum cannot decide. In addition, the District Court proceedings permit the exchange of discovery, examination of witnesses, presentation of reply arguments, and examination and cross-examination of live witnesses, all of which are unavailable in a proceeding under the UDRP. The ability to resolve the entire breadth of the parties’ dispute, in a forum which allows detailed consideration of all the parties’ grievances, calls for a stay of the present proceedings in favor of the District Court.

DISCUSSION

Paragraph 15(a) of the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”) instructs this Panel to “decide a complaint on the basis of the statements and documents submitted in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable.”

Paragraph 4(a) of the Policy requires that the Complainant must prove each of the following three elements to obtain an order that a domain name should be cancelled or transferred:

- (1) the domain name registered by the Respondent is identical or confusingly similar to a trademark or service mark in which the Complainant has rights;
- (2) the Respondent has no rights or legitimate interests in respect of the domain name;
and
- (3) the domain name has been registered and is being used in bad faith.

Procedural Matter

Respondent has allegedly filed a lawsuit against Complainant in the United States District Court for the District of New Jersey seeking a declaratory judgment that it has not infringed upon Complainant's ADVERTISING MAGIC mark by using the AD MAGIC mark.

Rule 18(a) of the Policy provides: "In the event of any legal proceeding initiated prior to or during an administrative proceeding in respect of a domain-name dispute that is the subject of the complaint, the panels shall have the discretion to decide whether to suspend or terminate the administrative proceeding, or to proceed to decision".

After fully considering all issues in dispute, particularly in light of those raised in the Respondent's Additional Submission, the Panel concludes that determination of all these issues is beyond the scope of an ICANN proceeding. Thus, pursuant to Rule 18(a) of the Policy, the Panel, in exercise of its discretion decides to terminate the present proceeding, without prejudice, and defer resolution of all these issues to the United States District Court and through the lawsuit now ongoing between the parties. *See AmeriPlan Corp. v. Gilbert* FA105737 (Nat. Arb. Forum Apr. 22, 2002) (finding that Policy ¶ 4(k) requires that ICANN not implement an administrative panel's decision regarding a UDRP dispute until the court proceeding is resolved and therefore, a panel should not rule on a decision when there is a court proceeding pending because no purpose is served by the panel rendering a decision on the merits to transfer the domain name, or have it remain, when a decision regarding the domain name will have no practical consequence); *see also Lutton Invs., Inc. v. Darkhorse Distrib., Inc.*, FA 154142 (Nat. Arb. Forum June 4, 2003) (stating that "[t]he pending arbitration between the parties to this dispute, touching on matters directly relevant to the resolution of a claim under the UDRP, justifies terminating the present administrative proceeding" and dismissing the complaint without prejudice). Once the pending District Court litigation concludes, then either of the parties, should it desire to do so, can initiate a subsequent ICANN proceeding regarding any of the present domain names presently in dispute.

DECISION

Because this matter is subject to previously filed proceedings in the United States District Court for the District of New Jersey, the ICANN proceedings are terminated. The Complainant with respect to the domain names <admagic.com>, <admagic-inc.com>, <admagicadvertising.com>, and <admagic.org> is hereby dismissed without prejudice.

Dr. Reinhard Schanda, Chair
Sandra J. Franklin, Esq., Peter L. Michaelson, Esq., F.C.I. Arb., Panelists
Dated: April 4, 2007

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