QUESTION 143

Internet domain names, trademarks and trade names

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Question Q143

Internet domain names, trademarks and trade names

Resolution

AIPPI

Observing that a domain name constitutes a means for identifying and permitting access to resources available on the Internet. These resources include inter alia websites from which commerce can be conducted. When the domain name includes elements that would be recognized by the public as indicating the source of goods or services or a particular business, then the domain name may also be functioning as a trade mark or trade name.

Observing that a domain name because of the international nature of the Internet when functioning as a trademark or trade name appears to defy the trademark and trade name principle of territoriality in view of its potential to serve as a conduit to a website offering goods and services to any country; may defy the trademark principle of speciality since it may not be restricted to any specific goods or services; may defy the principle of prevention of confusion since it can fulfil its address function while coexisting with nearly identical domain names;

Recognizing that the authority to allocate domain names is not based on any law or treaty, but is rather a de facto authority, exercised by private, semi-private or public institutions, such as governments, educational institutions, private enterprises and individuals: domain names under generic Top Level Domains (gTLDs), at present .com, .edu, .net, .int, .gov, .mil and .org, are currently registered by e.g. Network Solutions, Inc. and national Top Level Domains (nTLDs) are registered by assigned national institutions, companies or individuals;

Recognizing that, with few exceptions where dispute resolution mechanisms have been established by domain name registrars, domain name registrars have adopted a passive role in resolving disputes between domain name holders and trademark owners, relying on the decisions of arbitral or judicial tribunals to resolve such disputes;
Cognizant that the implementation of the Generic Top Level Domain Memorandum of Understanding (gTLD-MoU) establishing seven new gTLDs has been postponed in view of certain divergent views expressed by the United States government;

Cognizant that the gTLD-MoU has established Administrative Challenge Panels to be administered by the WIPO, which has convened meetings of experts to develop guidelines on dispute resolution;

adopts the following Resolution:

A) Introduction

Recognizing that certain domain name registrars have adopted stricter registration conditions for domain names in order to prevent legal domain name problems, such as:

1) requiring the domain name applicant to identify itself sufficiently to enable service of legal documents on the registrant of the domain name;

2) requiring a domain name registrant in its application to attest that the domain name does not knowingly conflict with another party's intellectual property rights;

3) requiring a domain name registrant to submit disputes regarding the domain name to a particular arbitral or judicial tribunal;

4) requiring that a domain name registrant establish within a defined period of time a working website, or adequate link, with respect to that domain name;

5) requiring that a domain registration is only valid for a specific period of time (one to two years) and must be renewed upon payment of a fee;

6) requiring a domain name registrant to resolve disputes regarding the domain name in accordance with the laws of a particular jurisdiction;

7) requiring that a domain name correspond to an existing trademark, trade name right or personal name;

8) restricting the types of entities that may register domain names in certain sub-domains;

9) restricting the number of domain names registrable by a single party;

10) providing for an "objection" procedure whereby the domain name is placed "on hold" at the request of a third party pending disposition of the merits of the request by an arbitral or judicial tribunal;

11) providing for an "objection" procedure whereby the registrar, or its appointee, after examining the merits, may delete or assign the domain name to a party with a superior right;
12) providing for a "waiting period" of provisional domain name registration, affording third parties an opportunity to object to the registration of the domain name within the waiting period.

AIPPI believes that all domain name registrars should be encouraged to adopt, at a minimum, conditions (1) through (5) above and to furnish the information required by paragraph 1) in a public easy to use on-line data base.

AIPPI also recognizes a desire on the part of some to introduce numerous other gTLDs, and also additional subdomains within existing nTLDs, but does not believe that the introduction and use of such TLDs would necessarily be sufficient to reduce trademark and trade name conflicts. Instead, absent strict control by domain name registrars who have generally preferred a passive role rather than an active role, such a system may actually have the effect of increasing the likelihood and incidence of "domain name grabbing".

However, AIPPI - recognizing the differences of views - takes into consideration the propositions suggesting to categorize different products and services accessible on the Internet in conformity with the principle of speciality and recommends the further study of these propositions to assume their practical feasibility.

In view of the uncertain implementation date of the Generic Top Level Domain Name Memorandum of Understanding (gTLD-MoU) implementing Administrative Challenge Panels (ACPs) to be administered by the WIPO, and in view of the current draft state of the ACP Rules, AIPPI reserves its right to continue the study of this issue and comment in the future. However, at this time, AIPPI commends the work carried out thus far by the WIPO with respect to this endeavour and supports the creation of non-judicial dispute resolution panels, provided that the law applied by such panels is consistent with the private international law or laws whence a dispute arose and fairly balance each party's rights in all jurisdictions.

AIPPI also commends those domain name registrars that offer an administrative domain name objection and cancellation procedure and encourages all domain name registrars to adopt similar procedures in order to alleviate the burdens on courts to resolve such disputes, and the resulting burdens of time and expense on litigants.

AIPPI believes that the further study of the WIPO efforts in establishing and maintaining ACPs is recommended as more information becomes available.

B) **Trademark Law**

**Can a domain name constitute a trademark?**

AIPPI believes that establishing a website that can be accessed at a Uniform Resource Locator (URL) containing a domain name should be capable of constituting a national trademark within that domain name, provided that goods or services offered via the website establish a link with the national market. The required link with the national market is a matter for national law.
Can prior use of a domain name which includes a trademark constitute sufficient use in order to qualify the subsequent filing by another party of said trademark as a filing in bad faith?

AIPPI believes that in those jurisdictions that provide for opposition or cancellation of a mark on the ground that the mark was filed or obtained in bad faith, mere use of a domain name that includes a trademark should not qualify the subsequent filing by another party of said trademark as filed "in bad faith", unless the use of the domain name constitutes trademark usage, as discussed above, and, in those jurisdictions that do not recognize trademark rights based solely on use, the trademark applicant has been aware or ought to have been aware (e.g. as a consequence of the trademark being well-known) of the prior use of said domain name.

Do the rules of absolute invalidity of trademarks also apply to domain names?

AIPPI believes that although generic top level domains (e.g. .com, .net) and national top level domains (e.g. .uk) and subdomains (e.g. .plc.uk) are generic and unprotectable, the applicable rules of absolute invalidity (e.g. on the grounds of descriptiveness, genericness, deceptiveness, non-distinctiveness, etc.) should apply where trademark protection is claimed in a second level domain.

Can an Internet domain name infringe another party's rights to a trademark?

AIPPI believes that the mere use of a domain name on the Internet for offering goods and/or services may be sufficient to constitute infringement, unfair competition, or dilution with respect to a prior trademark right of a third party in accordance with the laws of the jurisdiction where such use is made. AIPPI also recognizes that the type of use of a domain name (e.g., mere ability to access a website, ability to access a website aimed at a particular market, etc.) that would rise to an actionable level may differ under national laws. However, AIPPI believes that where the use of a domain name conflicts with a well-known or famous mark, any use may be considered prima facie actionable.

What measures can be taken by the domain name holder in order to prevent his use of the domain name from infringing a conflicting trademark?

AIPPI believes that there may be practical measures available to a domain name holder with a legitimate interest in that domain name in order to prevent use of the domain name from infringing a conflicting trademark. Although a conspicuous disclaimer of rights as to the availability or accessibility of the goods and services offered through the website in a given jurisdiction, or a conspicuous disclaimer disavowing any relationship with a trademark or trade name owner may be sufficient to lessen the risk of infringement or unfair competition, such disclaimers may not serve to prevent such risk. Other, more effective methods, may also exist, such as: establishing an intermediate web page that merely states that the user has accessed the website of a particular enterprise which is active in a particular field and which requires the user to access a further page revealing the actual home page of the domain name owner; establishing an intermediate web page that requires the user to input their country of origin before accessing the home page and disallows further access to users from jurisdictions where the domain name
conflicts with a prior right; or other means that may become available as technology advances. Although AIPPI recognizes that different conflict situations may be capable of resolution on the basis of the differing practical solutions, and that no one solution will be a panacea, AIPPI believes that the more serious the conflict, namely the greater the risk of confusion or association, particularly in the case of well-known or famous marks, the more exacting will be the practical solution required. Accordingly, AIPPI recommends that this issue receive further study.

**Does use of a domain name, other than with respect to communication services, which is identical or similar to a service mark registered for communication means constitute infringement?**

In respect of communication services, use of a domain name does not constitute per se infringement of a service mark registered for communication services, (unless if because the mark is famous, well known or has a reputation the scope of protection of the trademark is extended to non-identical or non-similar goods or services) unless the actual use made of the domain name is considered to be service mark usage in respect of communication services.

**C) Trade Name Law**

**Can the registration and use of an Internet domain name be sufficient to create, and maintain, a trade name right to the second level domain name included therein?**

AIPPI recognizes that the protection of trade names differs from country to country. However, AIPPI believes that although registration of a domain name is not sufficient to create or maintain trade name rights, use of a domain name containing a trade name may constitute trade name use if the indicia of trade name rights are present in accordance with local law.

**To what extent do the rules on absolute invalidity of trade names also apply to domain names?**

AIPPI recognizes that the standards of absolute invalidity of trade names differ from country to country. However, AIPPI believes that a second level domain may constitute a protectable trade name provided that the name fulfils the conditions applicable to trade names in accordance with local law.

**Does the global nature of the Internet imply that the normal criteria of infringement of a trade name apply to any use of an identical or similar domain name?**

AIPPI believes that the mere use of a domain name on the Internet for offering goods and/or services may be sufficient to constitute infringement, unfair competition, or dilution with respect to a prior trade name right of a third party in accordance with the laws of the jurisdiction where such use is made. AIPPI also recognizes that the type of use of a domain name that would give rise to an action may differ under national laws. However, AIPPI believes that where the use of a domain name conflicts with a well-known or famous trade name, such use may be considered prima facie actionable.
What measures can be taken by the domain name holder in order to prevent his use of the domain name from infringing a conflicting trade name?
AIPPI reiterates its position on this issue as set forth with respect to trademark infringement above.

D) Unfair Competition
AIPPI recognizes that laws relating to unfair competition or tort vary considerably from country to country but believes that registration of a domain name containing another party's trademark or trade name either in bad faith, with the sole intention of selling the domain name registration to the rightful owner at a profit, or with the intention of interfering with the activities of another party, should be considered actionable under the general rules of unfair competition, fair trade practices, or tort, in accordance with local law.

E) Sanctions
AIPPI believes that the issue of available sanctions against domain names whose use or registration constitute trademark or trade name infringement, unfair competition, or tort, should be left to local law. In addition, AIPPI believes that the authority to order a cancellation or transfer of a domain name from the registrant to another party who successfully objects to that domain name, should be available in the case of famous marks and marks with a high reputation, but must be weighed carefully in all cases in view of the rights of the registrant outside the court's jurisdiction. AIPPI recommends that the issue of sanctions receive further study.

F) Private International Law
AIPPI recognizes that determinations under private international laws and rules concerning which jurisdiction's laws should apply to domain name disputes and which courts should have jurisdiction over such disputes may vary greatly, depending upon the jurisdiction. The mere fact of accessibility of a website without any relation to the country in which jurisdiction is sought should not of itself be a reason to assert such jurisdiction. AIPPI encourages and approves the efforts of various organizations to develop dispute resolution procedures including provisions on applicable law for Internet domain name conflicts and further encourages those who are making efforts to achieve a universal policy concerning such issues.

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