

TRADE MARKS AS DOMAIN NAMES: AN AUSTRALIAN PERSPECTIVE

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INTRODUCTION

Words used in an Internet address, or domain name, are most often carefully chosen. With the ease of identification and recollection of such names, domain names have come to acquire a supplementary existence as business or personal identifiers. Given the substantial increases in traffic on the Internet in the past few years, competition to register an aesthetically pleasing or mnemonically stimulating domain name has increased dramatically. Trade marks as domain names are a logical extension. The lack of adequate control over the domain name system has produced a new species of dispute in trade mark law. Owners of trade marks are finding their marks, or close variations of their marks, being used as domain names by persons unauthorised to do so. The question is whether current trade mark law, in any country, will afford protection to owners of trade marks in these circumstances. As will be illustrated in this article, it may be that it should not be the law, rather the domain name system, that should provide an adequate means of protection.

A. THE DOMAIN NAME SYSTEM

Each site on the Internet has an address; similar to a person's mailing address or home address. To access a site on the Internet, your computer needs to know the address of the site. The address system used by the Internet is called the Internet Protocol address ("IP address"), which is actually a unique number¹ that identifies every

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¹ The IP address is a numbering scheme consisting of four numbers, each between 0 and 255 (eg. 195.17.5.233).

computer on the Internet. To move between sites, each IP address needs to be known for each site. Due to the obvious difficulties in remembering vast amounts of these numbers, the Domain Name System (DNS) was developed. This system allows letters to be used instead of numbers, hence providing a more convenient way of remembering an address. Each domain name² is actually converted to an IP address, therefore to produce a unique IP address, each domain name must also be unique. For this reason, no two organisations can have the same domain name.

The DNS has a hierarchical structure, with the highest level (the "top level domain") listed last, preceded by any number of lower level domains. The top level domain has two categories: the generic top level domain (gTLD)³ and the country code top level domain (ccTLD)⁴. The "second level domain" (SLD) refers to the actual name⁵ of the organisation included in the domain. Take, for instance, the domain name "ibm.com.au"; the name "ibm" forms the second level domain, the .com is the gTLD and the .au represents the ccTLD. It is the SLD that forms the primary focus of this discussion for it is in the SLD that trade marks are being used.

Registry functions for domain names have recently undergone a significant change. On 22 April 1999, the Internet Corporation for Assigned Names and Numbers (ICANN)⁶ awarded contracts to five companies worldwide⁷ to issue domain names under the lucrative .com domain, breaking the monopoly held by the US company

² An example of a well-known domain name is "microsoft.com".

³ There are currently seven gTLD's (.com, .net, .org, .int, .edu, .gov, .mil); they represent the type of body that holds that name. For example, .com is used for commercial entities, .edu for educational institutions, etc.

⁴ There are currently 243 ccTLD's. These domains are two letters long and represent the country of origin. For example, .au is the ccTLD for Australia.

⁵ The use of the word "name" in this context does not mean that the SLD *has* to be a word or a name, it is merely a string of letters that are often formed as words or names for convenience.

⁶ ICANN is a non-profit, private sector corporation that has been designated by the US Government as the global consensus entity to which they are transferring the responsibility for coordinating four key functions for the Internet: the management of the domain name system, the allocation of IP address space, the assignment of protocol parameters, and management of the root server system. They can be found at <http://www.icann.org>

⁷ One of these being Australian firm Melbourne IT, a wholly owned subsidiary of Melbourne University. Melbourne IT is already in charge of registrations for the .com.au domain. Ultimately, the domain name registration functions will be opened up to 29 other competitors. See generally, "Melbourne IT's giant leap for domain kind" (Friday, 23 April 1999) *The Australian Financial Review* at 1,12.

Network Solutions, Inc (NSI). Although registration procedures may differ slightly amongst these companies, the system is generally run on a "first come, first served" basis, with the registry under no obligation to analyse registrations for possible trade mark infringements⁸.

B. TRADE MARK LAW IN AUSTRALIA

The law relating to trade marks in Australia is governed by the *Trade Marks Act 1995* (Cth)⁹. Section 17 of the Act defines a trade mark to be:

"A sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person."

Under section 6 of the Act, "sign" is defined to include any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent. The definition therefore requires: use, or proposed use, of the mark; the ability to distinguish the goods and services from the use of the mark; and a context of occurring within the course of trade. Section 20 of the Act outlines the rights given to a registered trade mark owner and hence outlines the categories of unauthorised use by others¹⁰.

Infringement of a trade mark will occur when a person "uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered"¹¹. Infringement may also occur in relation to "closely related" goods or services under s120(2) of the Act, however in these cases, a defence is available if the use of the sign "is not likely to deceive or cause confusion"¹². This concept of "use as a trade mark" is paramount to the domain name issue and is developed further below. The Act also makes provision for infringement of a

⁸ In *Panavision International LP v. Toeppen* 945 F Supp 1296, the court held that "...NSI is under no general duty to investigate whether a given [domain name] registration is improper". Also, in *Lockheed Martin Corp v. Network Solutions, Inc* 44 USPQ 2d 1865 (CD Cal 1997), the court held that "NSI, as a domain name registrar, has no affirmative duty to police the Internet in search of potentially infringing uses of domain names".

⁹ Any reference to the "Act" is a reference to this Act.

¹⁰ As the registered owner has *exclusive* rights to use the mark. Section 20(1).

¹¹ Section 120(1) of the Act.

¹² The onus of proof is on the defendant in trying to rely on this defence.

well-known mark on unrelated goods and services¹³. Section 120(4) provides assistance in determining whether a mark constitutes a well-known mark for the purposes of section 120(3).

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Many questions arise when considering the union of these two concepts. The following example will illustrate the kinds of issues that may occur.

A company, Arnold Enterprises Ltd (AE), has recently developed a clothing line using the "moms" label, of which AE is the registered owner of the trade mark. The clothing line enjoys rapid success and soon becomes very popular. Not realising the benefits of the Internet, AE enjoy success for over a year before applying to register the domain name "moms.com". To their dismay, AE find out that this domain name was registered six months prior to their application by someone unassociated with the company.

Now, many legal questions arise from this set of circumstances. Firstly, does the mere registration of the "moms.com" domain name constitute an infringement of AE's trade mark? What if the site is used for a wholly unrelated purpose? Would the answer be different if the site is used to sell a rival clothing line? Furthermore, what if the rival company registered the name "mums.com" and sold their wares? Consider then, the case whereby the "moms" trade mark is known throughout the world for its fantastic line of clothes. Would this change the situation? The above example is a very simple, yet common situation. The questions posed are very real and courts are having to deal with exactly these types of cases. The inherent uniqueness of a domain name and the "first come, first served" approach to registration thus lie at the centre of the domain name/trade mark paradigm. Whilst strategies are being developed to combat this problem¹⁴, a body of international case law is emerging that is fumbling with these issues.

¹³ Section 120(3) of the Act.

¹⁴ These strategies are discussed below, in Section D of this paper.

Classes of disputes

The kinds of disputes that may arise, illustrated by the above example, can be classified into four groups¹⁵. The first group is *domain snatching* and refers to the case whereby two or more parties will be claiming trade mark rights over the words in the domain name. Second is *domain piracy*, whereby one party will not claim any competing trade mark interests, merely priority in registration. The third group is an extension of the second and is referred to as *domain squatting*¹⁶, where one party has intentionally registered the name(s) of well known organisations as domain names with the intention of selling them to those organisations. Lastly is *domain mimicry*, whereby one party registers deliberate misspellings or abbreviations of well-known trade marks.

(i) Domain Snatching

There are not many cases dealing with this issue. In *Pitman Training Ltd & PTC Oxford Ltd v. Nominet UK Ltd and Pearson Professional Ltd*¹⁷, both plaintiffs and the second defendant were entitled to use the name or style "Pitman" for their respective trading purposes¹⁸. The issue in the case dealt with priority of registration more so than trade mark infringement and the "first come, first served" principle of domain name registration was upheld.

Under Australian law, the issue in these types of cases will come down to the use of the site. When considering owners of identical trade marks in relation to different goods or services, the holder of the domain name (which encapsulates the trade mark) is entitled to use the site as long as it is in relation to the goods or services in which he/she holds the mark. If the domain name owner were to use the site in relation to other goods or services in which another entity owns the trade mark, this would constitute an unauthorised use of the trade mark under s20 of the *Trade Marks Act* 1995. This being the case, an infringement action under s120(2) of the Act would succeed unless the domain name owner could prove that the sign is not likely to deceive or cause confusion. This would not be easy. Depending on the

¹⁵ These groups are identical to those used in O Akindemowo, *Information Technology Law in Australia*, Sydney, LBC Information Services, 1999 at 184-185.

¹⁶ Also referred to as "cybersquatting".

¹⁷ [1997] FSR 797.

¹⁸ These terms were regulated by a prior agreement.

circumstances, the site may also constitute a false representation under s151 of the Act.

This category of cases highlights a significant flaw in the current domain name system, i.e. owners of identical trade marks with respect to different goods or services cannot both register their mark as a domain name¹⁹.

(ii) Domain Piracy

There have been a number of US decisions dealing with domain piracy. Almost all of these decisions have been brought under the anti-dilution provisions in either the *Lanham Act*²⁰ or the recently introduced federal *Trademark Dilution Act* 1996. These provisions prevent the impairing²¹ of the value of a trade mark, even if the use of the mark does not produce a likelihood of confusion. As a result, the US cases may not be of particular relevance in Australian proceedings, however they provide perfect examples of the types of cases that arise.

Arguably the most publicised of these cases was the case of *McDonald's v. Quittner*. Joshua Quittner, a magazine writer, registered the domain name "mcdonalds.com" during the course of writing an article about businesses not registering their names as domain names²². The case was settled with Quittner relinquishing the domain name in return for McDonald's purchasing Internet equipment for a school. In *Planned Parenthood Federation of America Inc v. Bucci*²³, the Court issued a preliminary injunction against the use of the domain name "plannedparenthood.com" as a site distributing anti-abortion material. The defendant's use of the domain name was an infringement of the service mark rights of the plaintiff, Planned Parenthood. In *Hasbro Inc v. Internet Entertainment Group Ltd*²⁴, the famous "Candyland" mark in relation to a children's game was held to have been diluted by tarnishment through the defendant's use of their "candyland.com" site in displaying sexually explicit pictures. These are but a few of a multitude of US cases dealing with domain piracy²⁵.

¹⁹ That is, in the same gTLD.

²⁰ This is a US *Trade Mark Act*.

²¹ Through "tarnishment" or "blurring".

²² Quittner's article is available at

<http://www.wired.com/wired/2.10/departments/electrosphere/mcdonalds.html>

²³ 42 USPQ 2d 1430 (SD NY 1997).

²⁴ 40 USPQ 2d 1479 (WD Wash 1996).

²⁵ Other cases include: *Cardservice International, Inc v McGee* 950 F Supp 737, 741 (ED Va 1997); *Lozano Enterprises v La Opinion Publishing Co* 44 USPQ 2d 1764 (CD Cal 1997);

One US case that is of particular relevance is *Interstellar Starship Services Ltd v. Epix, Inc*²⁶. The defendant Epix, owner of the "Epix" trade mark in relation to computer games and software, filed a challenge to the domain name "epix.com" with NSI. In response, the domain name holder Interstellar Starship Services, commenced an action seeking a declaratory judgment. The Court held that as the "epix.com" site only publicised information about a theatre group, there was no likelihood of confusion and hence the summary judgment was granted in favour of Interstellar Starship Services due to their priority in registration.

The most poignant example for Australian purposes however, is the case of *Prince PLC v. Prince Sports Group PLC*²⁷. Prince PLC, a UK based IT company, registered and were using the domain name "prince.com" since 1995 and had been trading under the name "Prince" since 1985. Prince Sports Group, a US based company and well-known manufacturer of Prince tennis racquets, owned a number of "Prince" trade mark registrations including in the UK. They wrote to the Prince IT company alleging trade mark infringement and unfair competition under the *Lanham Act*²⁸. They also complained to NSI, requesting the domain name be put on hold pending the outcome of the dispute. NSI advised the Prince IT company of a number of ways in which to respond, including bringing an action against the sports group in any Court of competent jurisdiction. The Prince IT company commenced proceedings under s21 of the UK *Trade Marks Act 1994* requesting, amongst other things, a declaration that the threats of trade mark infringement were unjustified²⁹. The matter was heard in the UK, with the Court declaring the threats unjustified due to the sports group's trade marks in the UK covering goods such as sportswear and tennis racquets, hence in no way relating to information technology. As such, the Prince IT company was able to keep their domain name as their priority in registration of the name prevailed.

Under Australian law, the *Epix* and *Prince* cases would seemingly be decided along the same lines as they each were. In both of these cases, the goods/services associated with the domain name were

Comp Examiner Agency, Inc v Juris, Inc 1 BNA Electronic Info Policy & L Rpt 86 (5-3-96) (CD Cal 1996).

²⁶ 1997 WL 736486 (D Ore 1997).

²⁷ CH 1997 - P No 2355 (July 18, 1997). See also B Cunningham, "UK Courts Address Domain Name Issues" (Jan 1998/Feb 1998) *IP Worldwide*.

²⁸ This is a US Statute.

²⁹ A similar provision in Australia is s129 of the *Trade Marks Act 1995* dealing with groundless threats.

substantially different to those in which the trade mark was registered. As a result, an infringement action could not be brought under the *Trade Marks Act* unless the trade mark is found to be well known. If the mark is held to be well known, then pursuant to s120(3) of the Act, an action for infringement may succeed as long as the sign would be taken as indicating a connection between the unrelated goods or services and the owner of the trade mark³⁰ and, for that reason, the interests of the registered owner would be likely to be adversely affected³¹.

If the domain name holder was to use the site to display identical, or closely related, goods or services to which the owner of the trade mark holds the mark, then infringement actions will exist under ss120(1) and (2) of the Act respectively. Depending on the factual circumstances, the site may also constitute unauthorised use of the trade mark under s20, and may possibly be regarded as a false representation under s151.

(iii) *Domain Squatting*

In the past five years, some enterprising individuals quickly realised the potential to make money by registering the names of well-known organisations and businesses as domain names and selling them to the organisations for considerable fees. These cybersquatters, as they have been dubbed, have been the subject of a substantial amount of litigation.

In *Panavision International LP v. Toeppen*³², a well-known cybersquatter, Dennis Toeppen, was the registered owner of the domain name "panavision.com"³³. He used the site to display aerial views of Pana, Illinois. When Panavision asked him for the name, Toeppen offered to relinquish it for \$13,000. Panavision sued Toeppen instead. The Court found that "Panavision" was a well-known mark and hence the site diluted the "Panavision" trade mark under the *Federal Trademark Dilution Act* 1996. To fall within the ambit of this Act, use of the trade mark must be a commercial use. Despite finding that "registration of a trade mark as a domain name, without more, is not a commercial use of the trade mark..."³⁴, the Court seemed keen to

³⁰ Section 120(3)(c).

³¹ Section 120(3)(d).

³² 40 USPQ 2d 1908, 1913 (CD Cal 1996).

³³ He also registered the domain name "panaflex.com", another of Panavision's trade marks. The site only contained the word "hello".

³⁴ 945 F Supp. at 1229-30.

impute a commercial use. A commercial use was found because "Toeppen's 'business' is to register trade marks as domain names and then to sell the domain names to the trade mark's owner"³⁵.

The next case features Toeppen again, this time in relation to the domain name "intermatic.com". In *Intermatic Inc v. Toeppen*³⁶, the defendant displayed a map of the Champaign-Urbana, Illinois area on the "intermatic.com" site. Intermatic brought an action against Toeppen for trade mark infringement and dilution. The Court found the site diluted Intermatic's trade mark based on the same reasoning in the *Panavision* case. Of particular interest though are the Court's findings in relation to infringement. The Court found no similarity between Toeppen and Intermatic's products or services and that there was no evidence of actual confusion over Toeppen's use of the Intermatic name.

Domain name squatting also occurred in the UK. In *Marks & Spencer and Ors v. One in a Million and Ors*³⁷, the defendant, One in a Million (OIAM), registered many domain names comprising the names or trade marks of well-known enterprises. It was common ground that OIAM were Internet domain name dealers, i.e. they registered the names with the intention to sell them to potential users. Marks & Spencer brought an action³⁸ for trade mark infringement in relation to the registering of the domain names "marksandspencer.com" and "marksandspencer.co.uk". The defendants argued that their use of the domain name was not "in the course of trade"³⁹ and that there was no evidence of the implicit requirement of confusion. The Court answered these concerns by stating, firstly, use in the course of trade means use by way of business (not use as a trade mark) and "the use of a trade mark in the course of the business of a professional dealer for the purpose of making domain names more valuable and extracting money from the trade mark owner is a use in the course of trade". Secondly, the Court was uncertain as to whether it was the law that the infringing sign must, for the purposes of s10(3), be likely to cause confusion. The Court did not find it necessary to resolve this issue however, for it held that the effect of the use by someone else of the domain name

³⁵ 945 F Supp. at 1229-30.

³⁶ 947 F Supp 1227 (ND Ill 1996).

³⁷ CH 1997 M.5403 (28 November 1997). Also available at <http://www.nic.uk/judgment2.html>

³⁸ They also brought an action under the tort of "passing-off" however this issue is not considered here.

³⁹ A requirement under s10(3) of the UK *Trade Marks Act 1994*.

"marksandspencer" illustrates an "inherent propensity to confuse"⁴⁰. As a final note, the Court stated:

"The history of the Defendants' activities shows a deliberate practice followed over a substantial period of time of registering domain names which are chosen to resemble the names and marks of other people and are plainly intended to deceive. The threat of passing off and trade mark infringement, and the likelihood of confusion arising from the infringement of the mark are made out beyond argument in this case, even in which it is possible to imagine in other cases in which the issue would be more nicely balanced."

This case strongly suggests that the practice of domain squatting will be treated harshly by the courts in the UK.

Whilst there is yet to be any judgment handed down in Australia in relation to cybersquatting, there have been recent proceedings in the Federal Court that concern this type of case. The case of *Melbourne IT v. Strauss & Ors*⁴¹ saw Melbourne IT, the well known registration body of Internet domain names, attempt to enforce their trade mark rights in relation to a number of domain names⁴² that were registered in the United States. The case did not proceed to judgment as consent orders were issued with the contents suppressed.

Under Australian law, cybersquatters that use a site in relation to unrelated goods or services than which the trade mark owner holds the mark may only be subject to an infringement action under s120(3). That is, if the mark is well known; and the sign would be taken as indicating a connection between the unrelated goods or services and the owner of the trade mark; and for that reason, the interests of the registered owner would be likely to be adversely affected; then an infringement action under s120(3) would be likely to succeed. The only criterion of those above which may pose a problem would be in relation to the connection between the unrelated goods or services and the owner of the trade mark. The other two would be satisfied due to the inherent nature of cybersquatting.

⁴⁰ The Court stated that the test to be applied "depends not on the way the sign has been used but on whether a comparison between the sign and the trade mark shows an inherent propensity to confuse".

⁴¹ Unreported, Federal Court of Australia (No V331 of 1999).

⁴² The names were: "Melbourne-IT.com", "IT-Melbourne.com" and "ITMelbourne.com".

If the cybersquatter was to use the site to display closely related goods or services to which the owner of the trade mark holds the mark, then in order to escape liability from an action under s120(2), he/she would have to prove the sign would not be likely to deceive or cause confusion. Given the response to cybersquatting from Courts in both the US and UK, this element would probably be relied on to impose liability⁴³.

Again, depending on the facts, the site may also constitute unauthorised use of the trade mark under s20, and may possibly be regarded as a false representation under s151.

(iv) Domain Mimicry

Whilst these cases may deal with domain names that are not specifically trade marks and often may be names that companies do not actually want, trade mark infringement actions will be a likely tool used to prevent others from using them. In *Toys "R" Us Inc v. Akkaoui*⁴⁴ for instance, an Internet site advertising the sale of adult sexual products, "adultsrus.com", was held to have diluted by tarnishment the famous trade mark for children's toys, "Toys 'R Us".

In relation to infringement however, David Loundy⁴⁵ uses the example of Zero Micro's domain name "micro0ft.com", which was registered and used to parody and criticise the Microsoft corporation. He makes reference to the case of *Nike, Inc v. "Just Did It" Enterprises*⁴⁶ where it was held that trade mark protection does not equal a right not to be mocked: "when businesses seek the national spotlight, part of the territory includes accepting a certain amount of ridicule". The case stated that this being so, claiming "parody" is not a defence to trade mark infringement, it is rather a factor to be weighed in the likelihood of confusion analysis.

Under Australian trade mark law, all the possible infringement provisions may be invoked in domain mimicry cases. This is due to the "substantially identical with, or deceptively similar to" clause that resides in each section⁴⁷. In these cases also, the site may also

⁴³ That is, the Courts may use this test to hold that in almost all cases the sign would be likely to deceive or cause confusion.

⁴⁴ 40 USPQ 2d 1836 (ND Cal 1996).

⁴⁵ See D Loundy, "A Primer on Trade Mark Law and Internet Addresses" (1997) 15 *John Marshall Journal of Computer and Info. Law* 465.

⁴⁶ 6 F. Supp 3d 1225, 1228 (7th Cir. 1993).

⁴⁷ See ss120(1), 120(2), 120(3).

constitute unauthorised use of the trade mark under s20, and may possibly be regarded as a false representation under s151. These types of cases would probably be the subject of the most extensive coverage by the *Trade Marks Act*⁴⁸.

FUTURE DIRECTIONS

This section of the paper will take a brief look at the work that is being conducted into the reform of the current DNS. The primary source of material in this respect is a recent report by the World Intellectual Property Organisation.

WIPO Report on DNS

The World Intellectual Property Organisation (WIPO) is an organisation established to provide the development and implementation of intellectual property policies on an international scale. Services provided by WIPO include the implementation of systems for global administration through a single international procedure, as well as protection of intellectual property in the multi-jurisdictional medium of the Internet.

On 30 April 1999, WIPO released its final report into the domain name system entitled, "*The Management of Internet Names and Addresses: Intellectual Property Issues*"⁴⁹. The report represents the culmination of an extensive amount of international consultation in order to provide ICANN with a number of recommendations for the growing number of problems associated with domain names and intellectual property rights. The recommendations made in the report include:

- Best practices for registration authorities;
- Administrative procedure concerning abusive domain name registrations;
- The possibility of exclusions for famous and well-known marks; and
- The introduction of new generic top-level domains (gTLDs).

⁴⁸ That is, compared to the other three categories.

⁴⁹ "*The Management of Internet Names and Addresses: Intellectual Property Issues*". Final Report of the WIPO Internet Domain Name Process (30 April 1999). Available at: <http://wipo2.wipo.int>

Best Practices for Registration Authorities

Developing a system of standard practices for authorised registrars to register domain names in the gTLDs, together with the collection and availability of accurate contact details of domain name holders will invariably reduce the tension between domain names and intellectual property rights. Some practices that were considered as possible "best practices" in the report include:

- The requirement for a formal registration agreement⁵⁰;
- The requirement for the collection and availability of accurate and reliable contact details concerning domain name registrants⁵¹;
- Safeguards against misuse of published contact details⁵²;
- Payments for registrations and re-registration fees (as it is recommended that all domain name registrations be for a limited time period)⁵³;
- Voluntary pre-registration searches, by prospective domain name applicants, to verify that the domain name would not infringe upon the intellectual property rights of others⁵⁴;
- Agreement to submit to a particular jurisdiction and to alternative dispute resolution procedures⁵⁵; and
- Measures to deal with inaccurate or unreliable information⁵⁶.

Whilst these recommendations alone will not overcome the current problems between the DNS and trade marks, they will (if implemented) provide for a better quality of service that should reduce the number of disputes that reach the courts.

Administrative Procedure Concerning Abusive Domain Name Registrations

The report recommends that a dispute resolution procedure should be implemented by ICANN for domain name disputes in all

⁵⁰ n49 at paras. 54-56.

⁵¹ n49 at paras. 58-82.

⁵² n49 at paras. 87-89.

⁵³ n49 at paras. 95-98.

⁵⁴ n49 at paras. 103-105.

⁵⁵ n49 at paras. 110-111.

⁵⁶ n49 at paras. 112-123.

open gTLDs⁵⁷. Intellectual property right owners have incurred significant expense and used many resources in protecting and enforcing their rights in relation to domain names in recent years. The WIPO proposal is to introduce a dispute resolution procedure that is quick, efficient, conducted to a large extent on-line, and primarily cost effective. It is also proposed that this procedure be limited to cases of deliberate, bad faith and abusive registrations of domain names that violate trademark rights known as "cybersquatting"⁵⁸, although the possibility of voluntary dispute resolution has not been ruled out.

As the Internet and use of domain names is global, an infringement may not only affect several jurisdictions but may also manifest itself in many gTLDs. As such, the report highlights that the proposed dispute-resolution procedure must provide a single means of resolution across multiple jurisdictions to be effective. It is suggested that registration authorities would enforce determinations under this procedure, which would encompass and be limited to cancellation or transfer of domain name registrations and the allocation of costs (excluding lawyers' fees). It has also been proposed that the right to litigate should be maintained should the parties so choose. This is perhaps a necessary element, however existing problems with litigation in this area, including possible court actions in several jurisdictions, will still need to be overcome in order to obtain a sufficient solution.

Exclusions for Famous and Well-known Marks

WIPO has recognised that a significant amount of the disputes that arise in this area are linked to famous or well-known marks. It is recommended that a mechanism for granting exclusions to famous and well-known marks be established. The report proposes that the owner of a famous or well-known mark could obtain an exclusion whereby any third party would be prohibited from registering the mark as a domain name.

⁵⁷ There are only three open gTLDs, in that there are no restrictions on the persons or entities that may register names in them: they are .com, .net and .org. The other four gTLDs are restricted, in that only certain entities that meet certain criteria may register names in them. See n49 at para. 6.

⁵⁸ n49 at paras. 163-177. Cybersquatting is previously discussed in Section C of this paper.

The two main approaches discussed in the report to implement an exclusion-based system are to establish:

- A mechanism for *obtaining* an exclusion of the use of a famous or well-known mark and the enforcement of that exclusion; and
- An evidentiary device ensuring that the protection of an exclusion can also be extended to misleadingly similar domain name registrations⁵⁹.

Enforcing protection for famous and well-known marks may prove difficult as gTLDs refer to undifferentiated geographical space. The report suggests that a solution to this may be that a mark, in order to qualify for an exclusion, should perhaps be famous and well known across many classes of goods and services and across a wide geographical area. The proposed mechanism to determine the "fame" of a mark would consist of a centralised panel of experts⁶⁰ that would make determinations relating to some or all open gTLDs. Upon the granting of an exclusion, an evidentiary presumption would then operate to place the onus on any applicant to justify the registration of the domain name⁶¹. Exclusions granted would not have any retroactive effect and determinations made should have no binding effect on national court decisions⁶².

New generic Top Level Domains (gTLDs)

The final report recommends that it would be undesirable to add new open gTLDs without first ensuring a safeguard against cybersquatting of famous and well-known marks. It is recommended that no new open gTLDs be added before the adoption of improved registration practices, administrative dispute-resolution procedures, and an exclusion mechanism as previously discussed. It is also recommended that if any new open gTLDs are introduced, that they be introduced in a slow and controlled manner that can be evaluated and monitored so as to avoid or reduce the existing problems⁶³.

⁵⁹ n49 at para. 262.

⁶⁰ It is suggested that a list of international representatives (and their qualifications) who would serve on the panels should be published, with an ad-hoc panel of three persons chosen from the list to decide applications. n49 at para. 276.

⁶¹ That is, with respect to a domain name that is the same as a mark that has obtained an exclusion. It is also suggested that this would include the registration of deceptively or misleadingly similar domain names. n49 at paras. 288-291.

⁶² They should be made only for the efficient operation and administration of the DNS.

⁶³ n49 at paras. 340-343.

This recommendation seems to be the most logical approach considering the number of problems that are associated with trade marks and the current DNS. It would be impetuous to add more gTLDs without first attempting to eliminate the cause(s) of the conflict between intellectual property rights and the DNS.

Effect of the recommendations?

The report highlights that it should be the responsibility of ICANN to implement the recommendations. Should ICANN introduce an effective mechanism to implement the changes that are suggested we may see the end of, or at least a significant reduction in, the *piracy*, *mimicry* and *cybersquatting* practices that are occurring all too frequently in our present system. Priority of registration will still exist and hence the problems associated with domain *snatching*⁶⁴ will remain, perhaps until new gTLDs are added. However as noted above, the addition of new gTLDs should not occur until the other recommendations have been implemented.

ICANN's Response

On 29 September 1999, ICANN published its draft "*Uniform Domain Name Dispute Resolution Policy*" for public review and comment⁶⁵. Once approved, this policy will be incorporated by reference into the Registration Agreement for the registration of a domain name.

The draft policy outlines the terms and conditions associated with a dispute that arises under the Agreement. These terms and conditions include:

- Warranties by the applicant that: the statements made in the Registration Agreement are complete and accurate; the registration of the domain name will not infringe the rights of any third party; the domain name is not registered for an unlawful purpose; and

⁶⁴ That is, owners of identical trade marks with respect to different goods or services cannot both register their mark as a domain name. See Section C of this paper.

⁶⁵ "*Uniform Domain Name Dispute Resolution Policy*", 29 September 1999. Available at: <http://www.icann.org>

the domain name will not knowingly be used to violate any applicable laws or regulations⁶⁶.

- The requirement to submit to a mandatory administrative proceeding. This will occur in cases where: the domain name is identical or confusingly similar to a trade mark in which the complainant has rights; *and* the applicant⁶⁷ has no rights or legitimate interests in respect of the domain name; *and* there is evidence of registration and use in bad faith⁶⁸.
- ICANN possesses the power to cancel, transfer or otherwise make changes to domain name registrations resulting from: written instructions from the owner to do so; an order from a court or arbitral tribunal; a decision of an Administrative Panel regarding the outcome of a mandatory administrative proceeding; or in accordance with other legal requirements⁶⁹.

This draft policy encompasses one of the primary recommendations of the WIPO report; to introduce, and require the submission to, a comprehensive internal dispute resolution process. The policy seems to adequately cover the problematic areas in relation to domain name registration and should work to significantly reduce the number of disputes that proceed to court. It should be noted however, that the right to litigate has been reserved with respect to all disputes that may arise⁷⁰, in accordance with the WIPO recommendation.

CONCLUSION

The Australian courts are yet to decide a case on any of the classes of disputes that have been discussed. Whilst there are a rapidly growing number of cases in other jurisdictions that may provide some guidance to Australian courts, it seems that it is not so much the law, as the system, that poses the problem. Moreover it seems that the domain name system, which is still in its infancy, is better equipped to overcome the problems that are occurring. Laws will be needed to be changed in a multitude of jurisdictions to account for these disputes; whereas with the centralisation of domain name functions under ICANN, an easier and more effective result will be obtained through

⁶⁶ n65 at clause 2 of the Policy.

⁶⁷ Or owner of the domain name.

⁶⁸ n65 at clause 4 of the Policy.

⁶⁹ n65 at clause 3 of the Policy.

⁷⁰ That is, those disputes that require mandatory administrative proceedings and those that do not.

the implementation of adequate internal controls and through the future restructuring of the DNS.

Nevertheless, under the protection of the *Trade Marks Act 1995*, trade mark owners in Australia would seemingly find themselves adequately covered in these types of disputes. Time will tell.