



Presenter Paper

Trade Marks and Domain Names

This production lasts just over an hour. It is very informative and describes the process of dispute resolution in relation to the use of domain names. It will interest a wide group of people in our community who are interested in protecting their domain names and how they may deal with domain squatting.

Discussion Includes

- What are Domain Name Disputes?
- How are Domain Name Disputes generally resolved?
- What has changed over this space in the past few years?
- How does a UDRP/URS procedure work?
- What are the differences between UDRP and the URS?
- How does TM clearing house work?
- Do you have any general advice for TM holders?

Resolving Domain Name Disputes – Update and new tools

a paper presented by

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About the Author

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He subsequently spent five years as a solicitor with King & Wood Mallesons, working in their Banking and Finance, Intellectual Property, and Dispute Resolution groups.

Since 2011 he has practised at the Bar in Blackstone Chambers, principally in the areas of Intellectual Property, Trade Practices and Commercial Law. Nicholas has authored or co-authored papers on ADR, Domain Name Disputes, Interlocutory Injunctions and the Anti-Money Laundering and Counter-Terrorism Financing Act.

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Resolving Domain Name Disputes – Update and new tools

Nicholas Smith

There are several courses of action available to solicitors seeking to evict ‘cybersquatters’ that have registered domain names similar to marks held by their clients. Which one is the best course of action?

Domain name disputes arise when one party owns a domain name (the “Respondent”) that another party (the “Complainant”) considers that it has “rights” to, usually a registered trade mark or sufficient reputation to ground a passing off or misleading and deceptive conduct claim. The usual business concern is that clients or third parties interested in the Complainant will, through the domain name, think that the Respondent (including any goods or services sold through the domain name) is some way connected to the Complainant. The Respondent may be a professional cybersquatter deliberately registering a domain name for financial gain, it may be a criminal, registering the domain name as part of a “phishing” scam, it may be a malicious competitor or a gadfly, registering the domain name to annoy or damage the Complainant’s business, or it may be a legitimate competitor or other innocent who had a perfectly good reason to register the domain name. Each of these issues will affect the strategy to obtain the best possible outcome (usually the acquisition of the domain name at the lowest cost and in the least time).

This paper will look at the various options for recovering a domain name, when they should be used and how to maximise their effectiveness. Such options include commencing legal proceedings in Australia, usually for trade mark infringement or breach of s18 of the Australian Consumer Law, making a complaint to .au Domain Administration (“auDA”), bringing a complaint under the Uniform Domain Name Dispute Resolution Policy (“UDRP”) or .au Dispute Resolution Policy (“auDRP”) or bringing a complaint under the Uniform Rapid Suspension System (URS).

This paper is primarily a guide for legal advisers to Complainants, as most of the work in this area involves acting for rights holders, but solicitors who act for Respondents will also appreciate knowing what a Complainant's options are and how they can respond to those options.

The significant new change in this area is the release of new general top level domains (gTLD). No longer does an Australian business entity have to worry about cybersquatters registering (for example) trademark.com, trademark.net or trademark.com.au; now it also has to worry about trademark.web, trademark.shop, and several hundred other variants of its trade mark that professional cybersquatters could register. There are also new tools to protect rights-holders, being the aforementioned URS and the Trademark Clearinghouse. Domain name disputes are not necessarily complex disputes, but they are worthwhile resolving quickly and show no signs of going away.

Questions to Ask

When acting for a Complainant there are several key questions you need to ask in order to determine what action to take to recover the domain name. The relevant questions are as follows:

1) What is the domain name?

In particular does it end in a country-code top level domain (ccTLD) such as .au; does it end with a .com, .org, .net or one of the other standard general top level domains (gTLD) or does it end with one of the newly released domains such as .web, .shop, .site, .hotel?

2) Who owns it and are they located in Australia?

In order to find out the owner of a domain name you need to conduct what is called a whois search. There are many providers of such search services – my advice would simply to google “Whois”. If it is a .au domain name a whois search will reveal the name and e-mail address of the Respondent. If it is a gTLD, a whois search will reveal the date the domain

name was registered and may reveal the full details of the Respondent, or the Respondent may have used fake details or used a privacy service, which will allow communication through e-mail but will not provide actual details of the Respondent.

3) What rights does the Complainant have?

In particular, does the Complainant have a registered trade mark right in a word or design mark that corresponds in some way with the domain name? If so, then for what goods and services/in what countries and since when. If the Complainant does not have registered trade mark rights then does it have sufficient reputation in a sign that corresponds in some way with the domain name?

4) When was the domain name registered? Was it before the creation of the Complainant's rights?

A whois search for gTLDs will tell you when the domain name was first registered. You cannot find that information for an .au domain name. This is important as if the domain name was registered prior to the acquisition of rights by the Complainant in the corresponding mark, it is difficult to argue that the Respondent registered such a mark in bad faith and as such a complaint under the UDRP or URS is likely to be unsuccessful.

5) Is the domain name being used, and if so, what for?

In particular, is it clear that the Respondent is using the domain name to take advantage of any confusion with the Complainant's mark, such as using a site that offers links on a pay-per-click basis to similar goods/services as those of the Complainant or otherwise appears to have created a website with the Complainant in mind?

Competing tools to recover domain names

A Complainant has a number of tools to recover a domain name, including the four discussed in this paper. The fifth one is in many ways the simplest: pay for it. Professional cybersquatters will often be prepared to negotiate a settlement of a dispute which involves transferring their domain name for a fee, often \$1500 (the cost of a UDRP proceeding); indeed that is often their business model. The ethics of paying professional cybersquatters what can be characterised as a ransom for a domain name is up to an individual Complainant, not to mention the possibility that the Complainant may be targeted in future, however if a Complainant needs a domain name as soon as possible, doesn't want to pay legal fees and doesn't care about the consequences, it is always worth considering a settlement with the cybersquatter.

If the Complainant takes the view that any payment to a cybersquatter is simply encouragement to be targeted next time, then the best approach will be one of the four approaches discussed below.

1) Bringing a case under the UDRP/auDRP

When is it appropriate?

The UDRP/auDRP is the best method of resolving a domain name dispute in the following circumstances:

- a) The Complainant has trade mark rights or sufficient reputation in a mark to ground a claim of passing off;
- b) The Respondent is either located overseas (and the Complainant does not want to bring proceedings overseas) or its location cannot be identified. A UDRP/auDRP proceeding can be brought against Respondents located anywhere, including in Australia, but it is particularly useful if the Respondent is located overseas as there is no issue of enforcement;

c) It is reasonably clear that the Respondent is using the domain name for an improper purpose. If it appears that the Respondent has registered and used the domain name for a prima facie legitimate purpose such as to describe the product they are selling or to reflect their trading name, than it is often better to begin court proceedings as judges are more qualified to determine matters of credit;

d) The Complainant is only interested in the recovery of a domain name, the only remedy under the UDRP/auDRP; and not damages, the payment of costs or injunctions relating to continuing conduct or conduct unrelated to the domain name; and

e) The Complainant wants a cheap (approx. \$1500 plus legal fees) and quick (2-3 months) way of recovering the domain name.

How does it work ?

The UDRP stands for Uniform Domain Name Dispute Resolution Policy and consists of a set of rules which help decide who ought to own a particular domain name. It was originally conceived by ICANN - the Internet Corporation for Assigned Names and Numbers, the organisation responsible for the operation of the domain name system. In 1999, ICANN decided a policy was needed so that rights-holders wouldn't be disadvantaged or held to ransom by people who managed to register a domain name before a rights holder had the opportunity to register that domain name.

The UDRP arises through contract and applies to all domain names that end with .com or other gTLDs. If a party registers a domain name with a registrar, they agree to be bound by the UDRP as part of its registration agreement. As part of the agreement between ICANN and the registrars, the registrars agree that they will be bound by the UDRP and in particular

- a) ensure all customers agree to be bound by the UDRP; and
- b) transfer and cancel a domain name upon receipt of an order from a properly appointed Panel applying the UDRP.

The only remedies under the UDRP are the cancellation of the domain name or (much more commonly) the transfer of the domain name from the Respondent to the Complainant. It is

not possible to get damages, costs or injunctions under the UDRP. Therefore a risk that exists is that following the success of a complaint relating to (for example) trademark.com, the Respondent can (if available) register trademark.org instead, with the game of cat and mouse continuing ad nauseam.

The UDRP has trappings of arbitration, but is actually an administrative process enforced by contract. The UDRP does not exclude the operation of courts. If a Respondent is unhappy with a transfer decision, they can commence proceedings in a court of proper jurisdiction in order to prevent the transfer of that domain name. Equally if a Complainant is unhappy with an outcome, that Complainant can commence separate proceedings in a court of competent jurisdiction in order to obtain transfer of the domain name. Such decisions are made on a de novo basis, with reference to local law. However it is very rare for a UDRP decision to be challenged in court.

ICANN has appointed a number of dispute resolution providers to manage disputes under the UDRP. Complainants can pick or choose which provider to use but the vast majority of cases are filed with the World Intellectual Property Organization (WIPO) or the Forum, formerly the National Arbitration Forum. Each organisation maintains a roster of independent third party panellists who decide UDRP disputes.

The cost of a UDRP proceeding varies but as a guide, a dispute before WIPO for 1-5 domain names decided by a single panellist will cost US\$1500, with \$1000 refundable if the matter is settled prior to the appointment of a panel. A party can also seek to have the dispute decided by a 3-member panel, with each party having the right to choose 1 panellist. The cost of that (again for a dispute involving 1-5 domain names), is \$4000 if chosen by the Complainant or \$2000 each if chosen by the Respondent.

Approximately 4000 UDRP cases are filed each year with the various dispute providers, with 85-90% of them resulting in the transfer of the domain name from the Respondent to the Complainant.

The procedure for a UDRP is fairly simple. A Complainant must prepare and file a complaint which contains evidence and submissions seeking a transfer or cancellation under the UDRP. Sample complaints are available from the WIPO website. Following a review of the

complaint for formalities, the provider will notify the Respondent of the complaint. The Respondent has 20 days to respond to the complaint. Regardless of whether a response is filed or not, the provider will then appoint an independent panellist (such as myself) to decide the case. The panel then has 14 days to prepare its decision. If the decision is to deny the Complaint, then the proceeding is concluded. If the decision is to transfer the domain name, then the Respondent has 10 days to bring proceedings in a court of law challenging the outcome. In the absence of any court proceeding the Registrar that the domain name is registered with will then enforce the decision by transferring the domain name to the Complainant.

Disputes involving domain names ending in .au are held under the auDRP. The process and policy of the auDRP is very similar to that of the UDRP, which some small changes, outlined later in this paper, relating to the cost of proceedings (calculated in AUD), the standing to bring cases and the requirements to show bad faith.

Requirements under the UDRP

The UDRP is drafted with reference to the domain name holder. In order to succeed in a UDRP dispute, a Panel must find, and hence a Complainant must prove, 3 elements starting with:

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

There is two elements in this test. Firstly the Complainant must show that it has trade mark or service mark rights. This has been interpreted to include sufficient reputation such that a Complainant would succeed in a passing off action, often referred to as “common law rights” or that the name has become a distinctive identifier associated with the complainant or its goods or services.¹ It is not an onerous test and operates really as a test of standing.

Secondly the Complainant must show that the domain name is identical or confusingly similar to its trade mark. Generally this question is a matter of impression in the

¹ WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition ("WIPO Overview 2.0") located at <http://www.wipo.int/amc/en/domains/search/overview2.0/>, section 1.7

circumstances of each case. Marks that consist of the trade mark plus a descriptive term or geographic term have generally been found to be confusingly similar as are misspellings of the trade mark. Also as figurative, stylized or design elements in a trademark are generally incapable of representation in a domain name, such elements are typically disregarded for the purpose of assessing identity or confusing similarity, with such assessment generally being between the alpha-numeric components of the domain name, and the dominant textual components of the relevant mark. However, design elements in a trademark may be relevant to the decision in certain circumstances - such as where, for example, they form an especially prominent or distinctive part of the trademark overall. ²

The second element is that:

- *(ii) you have no rights or legitimate interests in respect of the domain name; such as*
 - *(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.*

While the burden of proof under the UDRP rests with the Complainant, the second element, in essence, requires the Complainant to prove a negative, which in the absence of detailed knowledge about a Respondent (especially one who might be using a fake identity), may not be possible. Therefore UDRP Panels have adopted the principle that what is required under this element is for the Complainant to make out a prima facie case that the Respondent has no

² WIPO Overview 2.0, sections 1.09-1.11

rights or legitimate interests, following which the onus shifts to the Respondent to show that it, in fact, has rights and legitimate interests in the domain name.³

The second element ensures that an entity that has registered a domain name because it is the name of its business, or it reflects the name that a person is commonly known by, has rights in the domain name that they chose to register. However, Panels have been sceptical of any transparent ruses adopted by Respondents, such as changing their name, or applying for a “fake” trade mark to correspond with the name of the domain name.⁴ A panel will normally require actual evidence of the use of a name/mark corresponding to a domain name, not simply assertions of legitimate use or a legitimate purpose.

A more complex area of UDRP jurisprudence is what amounts to legitimate non-commercial or fair use of the domain name. This topic is more complex than can be expressed in this paper, but in summary, much depends on whether the intention of the Respondent is to create a website for legitimate non-commercial criticism/fair use/fan site or if the site is being used for commercial purposes, and also whether the domain name reproduces the trade mark in its entirety or if it contains the trade mark and a word that suggests that it is not associated with the rights holder, i.e. <mcdonalds.net> is fair more likely to be found to be illegitimate than <mcdonaldssucks.net>.⁵

The final requirement to succeed in a UDRP claim is:

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

Examples of registration and use in bad faith include:

- (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*

³ WIPO Overview 2.0, section 2.1

⁴ WIPO Overview 2.0, section 2.7. See also *Westpac Banking Corporation v. Sir Oxford University aka David Seagle Doc Seagle and Mr Oxford University*, WIPO Case No D2003-0250 and similar cases involving Mr Oxford University and Mr Macquarie Westpac Bank

⁵ See WIPO Overview 2.0, sections 2.4-2.5

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.*

The four examples above are not exclusive. In particular bad faith can be found in the absence of use of the domain name. If a registrant has registered the domain name in circumstances that suggest that the domain name was registered in bad faith (for example, the domain name reproduces a well-known coined mark, such as <telstra.org>) and has not used it for any purpose, nor participated in the UDRP proceeding, panels have found that this amounts to “passive holding” and use in bad faith.⁶

From a practitioner’s standpoint the key aspect of proving registration and use in bad faith is persuading the Panel that the Respondent was aware of the Complainant at the time of registration and registered and used the domain name to gain the benefit of the association between the domain name and the mark in which the Complainant has rights. Ways to do this include:

- Evidence of the fame of the mark, i.e. the Complainant is so well-known in (location of the Respondent) that the Respondent must have known of the Complainant at the time the domain name was registered.

- Evidence of the content of the website, i.e. the website reproduces the design of the Complainant's website/refers to the Complainant showing that the Respondent must have known of the Complainant at the time the domain name was registered.
- Evidence of the content of the website, i.e., the website is a pay-per-click website that simply operates to re-direct people to other websites for money. Submissions on this basis are less likely to succeed if the domain name reflects a descriptive term, but if the domain name reflects a Complainant's coined trade mark it can be inferred that the domain name was registered to benefit from the association.
- Evidence about the Respondent, i.e. the Respondent was a former employee of the Complainant/worked in the same industry as the Complainant, showing that the Respondent must have known of the Complainant at the time the domain name was registered.
- Evidence of the unique nature of the Complainant's mark, i.e. the trade mark is a coined word with no other meaning in the English language (or other language used by the Respondent) and therefore there is no possible reason why the Respondent would have registered this combination of letters without intending it to be a reference to the Complainant.

Most successful Respondents rebut accusations of bad faith by either showing that the domain name was registered before the Complainant's trade mark existed/had any reputation, and/or to show that the domain name was registered for a good faith purpose – i.e. because it described the business they wanted to run/it reflected a word that they had a connection to. If the domain name was registered before the Complainant or its mark existed then it is very difficult for a panellist to conclude that the domain name was registered in bad faith.

Other issues

In a UDRP proceeding there are no formal rules of evidence. In particular evidence of without prejudice settlement offers are admissible, and are often found relevant in

⁶ *Telstra Corporation Limited v. Nuclear Marshmallows*, WIPO Case No. D2000-0003

determining if the domain name was registered in bad faith, as they may be evidence that the domain name was registered for the purpose of selling it for valuable consideration.⁷

The content of the webpage is of variable influence in a UDRP Case. The fact that a user has put a disclaimer may, depending on the surrounding circumstances, show good faith, however equally it could show an awareness of the Complainant and its mark rights by the Respondent. Certainly, the mere presence of a disclaimer will not prevent a finding that the domain name was registered and used in bad faith, as, even with a disclaimer, a domain name holder still gains the benefit of people who initially arrive on the site by reason of confusion with the rights holder.⁸

.au Dispute Resolution Policy

The process and policy of the auDRP is very similar to that of the UDRP, which some small changes. The main differences between the auDRP and UDRP are:

- a) In addition to trade mark rights, a Complainant can bring a complaint if the domain name is identical or confusingly similar to the Complainant's personal name, or a company, business or other legal or trading name, as registered with the relevant Australian government authority.⁹
- b) It is only necessary to prove registration or use in bad faith, not registration and use in bad faith. Cases where a Respondent registered a domain name prior to the existence of the Complainant, but upon being subsequently made aware of the existence of the Complainant, took steps to capitalize on the situation (for example putting up a site re-directing traffic to a competing business) would generally be denied under the UDRP (where a Panel has to find registration and use in bad faith) but would generally succeed under the auDRP.¹⁰

⁷ WIPO Overview 2.0 section 3.6

⁸ WIPO Overview 2.0, section 3.5

⁹ auDRP paragraph 4(a)(i)

¹⁰ auDRP Overview section 3.1

- c) Under the UDRP, one of the grounds of bad faith is if “*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*”. Under the auDRP there is no requirement to show a pattern of conduct only that “*you registered the domain name in order to prevent the complainant from reflecting its trademark or name in the form of a domain name*.”¹¹
- d) In order to register a .au domain name you must satisfy certain eligibility requirements, requirements that do not exist for .com domain names. Paragraph 2 of the auDRP states that by applying to register a .au domain name, or by requesting maintenance or renewal of the domain name registration, “*the respondent warrants that statements made in the domain name application are complete and accurate, including those as to the respondent’s eligibility for a domain name in the open second-level domains (2LDs)*”. Where a Respondent does not meet the relevant eligibility requirement, the Respondent is in breach of the paragraph 2 warranty. auDRP panels have found this breach satisfies the paragraph 4(a)(iii) requirement that the domain name has been registered or subsequently used in bad faith.¹²

auDA has recently launched the auDRP Overview at

<http://www.auda.org.au/policies/audrp/audrp-overview>. This tool is similar to the WIPO Overview of WIPO Panel Views on Selected UDRP Questions which operates as a guide to existing panel precedent on a number of questions with links to relevant cases. It is particularly useful in dealing with questions that only arise under the auDRP and hence which UDRP precedent is of little value.

Ultimately the UDRP/auDRP is the leading option for resolving a dispute where it is clear that the Respondent is a cybersquatter and all the Complainant wants to do is to recover the domain name.

¹¹ auDRP Overview, section 3.3

¹² auDRP Overview, section 3.2A

2) Bringing a case under the Uniform Rapid Suspension System (URS)

When is it appropriate?

- a) If the domain name ends in one of the new gTLDs;
- b) If it is a very clear case of cybersquatting;
- c) If the Complainant wants the cheapest and quickest way of preventing the domain name from being used; and
- d) If the Complainant has no interest in acquiring the domain name itself.

How does it work?

ICANN is in the process of introducing new top-level domains to the Internet as per its New gTLD Program. This program is expected to add well over 1,000 new TLDs to the 14 previous domains (.com, .net, .org, etc.). They will include generic terms as well as brand names; domains open and closed for second-level registration; domains in “Roman” script as well as internationalized domain names such as Arabic, Chinese and Cyrillic. Examples of the new domains already available include .web, .hotel and .shop.

These new domain names are subject to the UDRP and a Complainant may bring a complaint under the UDRP. However they are also subject to a new dispute resolution system called the Uniform Rapid Suspension System (URS) which aims to provide a similar outcome to the UDRP at a lower cost. The UDRP and URS will run similarly, and indeed a party that does not succeed under the URS can bring a separate claim under the UDRP.

The only remedy a URS panel may grant a successful Complainant is the temporary suspension of a domain name for the remainder of the registration period (which may be extended by a prevailing Complainant for one year at commercial rates). The outcome means that the Respondent remains the holder of the domain name but they cannot use or renew the domain name. It does not mean that the Complainant becomes the holder of the domain name.

The URS is currently provided by the Forum and the Asian Domain Name Dispute Resolution Centre. The cost of a proceeding at the Forum is \$375 (more for appeals and 3 member panel cases).

A URS decision can be appealed with the parties having a limited right to introduce new admissible evidence subject to a payment of a fee. The procedure under the URS is similar to that of the UDRP: The Complainant files a complaint, the Respondent responds and the Panel issues a decision, only there are tighter timelines, with the Respondent only having 14 days to respond.

If there the Respondent does not reply, an Examiner (i.e. a Panellist) still issues a written decision. If after default, the Examiner rules in favour of the Complainant, the Respondent can seek relief via de novo review by filing a Response any time up to 6 months from the Notice of Default (or 12 months if extension request is made before 6 month deadline), whereupon a new Examiner is appointed to decide the case.¹³ In any event either party can file an appeal of any URS decision within 14 days of a decision.¹⁴ The provider will then provide the material to a further 1 or 3 member panel. The cost of a 3 person appeal panel is \$950 at the Forum. It would theoretically be possible for a party to succeed in a URS case, have the matter reviewed under a de novo decision, then have the matter appealed, and then, if the Complainant is unsuccessful, bring a separate complaint under the UDRP or proceeding in court. Therefore the benefit of the URS in cost and speed compared to the UDRP may be lost in the multiple rounds of proceedings necessary to reach a certain outcome.

The substantive provisions of the URS are quite similar to the UDRP. In particular the Complainant must show that:

- a) “the registered domain name is **identical or confusingly** similar to a word mark;...”
- b) “that the Registrant has **no legitimate right or interest** to the domain name;...”and

¹³ URS, section 6.4

¹⁴ URS section 12

- c) “the domain was **registered and is being used** in bad faith”¹⁵

There are three substantive differences between the UDRP and URS.

Firstly, the first element of the URS is limited to a word mark, while the UDRP refers to trade marks. If the Complainant only has a composite/figurative mark, it cannot succeed in a URS Complaint.¹⁶

Secondly, In order to prevail in a URS proceeding, a Complainant must demonstrate by clear and convincing evidence that no genuine issue of material fact exists as to any of the elements of the claim.¹⁷ The UDRP, by contrast, requires only that a Complainant prove each element of a claim by a preponderance of the evidence.¹⁸

Finally, in respect of the bad faith element, there are a number of new substantive defences to the claim of bad faith including several that, in the UDRP, are examples of rights or legitimate interests. These include:¹⁹

- *Before any notice to Registrant of the dispute, Registrant’s 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*
- *Registrant (as an individual, business or other organization) has been commonly known by the domain name, even if Registrant has acquired no trademark or service mark rights; or*
- *Registrant is making a legitimate 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.; or*

¹⁵ URS section 8.1

¹⁶ See *FUTBOL CLUB BARCELONA v. Joerg Lindemer et al.* Claim Number: FA1409001580834

¹⁷ URS section 8.3

¹⁸ WIPO Overview, section 4.7

¹⁹ See URS sections 5.8 and 5.9

- *The domain name is generic or descriptive and the Registrant is making fair use of it; or*
- *The domain name sites are operated solely in tribute to or in criticism of a person or business that is found by the Examiner to be fair use; or*
- *Registrant's holding of the domain name is consistent with an express term of a written agreement entered into by the disputing Parties and that is still in effect; or*
- *The domain name is not part of a wider pattern or series of abusive registrations because it is of significantly different type or character to other domain names.*

Despite the cheaper cost, there are only certain circumstances where a complainant is better off filing a URS complaint than a UDRP complaint. While the upfront price of a UDRP complaint is substantially cheaper (\$375 to \$1500) the fact that the remedy is limited to suspension for the remainder of the registration period (i.e. if the registration expires in 6 months, then the Respondent [or another cybersquatter] can re-register the domain name following expiry) and the fact that there is an appeals process means, in some cases that a party may incur greater legal fees by using the URS than the UDRP.

The first URS case was decided on 27 September 2013, but that was an unusual case involving the domain name *facebok.pw*. *.pw* being the country code extension for the country Palau which has adopted the URS. The second URS case was resolved in February 2004. As of the date of this paper there have been approximately 250 cases resolved under the URS.

In general URS outcomes have tracked UDRP outcomes, with transfers occurring at between 80 and 90% of cases filed, which is similar to the UDRP. This may suggest that the higher standard of proof under the URS (Clear and convincing evidence that no genuine issue of material fact exists) is not making a significant difference in outcomes. There have been numerous cases where Examiners, similar to UDRP Panellists, have shown a willingness to disbelieve and find against a Respondent who has provided unsupported claims of a good faith intention or a supposedly legitimate business. An example is the case of *Dana Limited v. farris nawas et al.* Claim Number: FA1402001545160 involving the domain

name <dana.holdings> where the Respondent's claim of good faith was not accepted by the Examiner since there was no supporting evidence.

However there have been some denials where the clear and convincing test may have made a difference, not least in *Aeropostale Procurement Company, Inc. v. Michael Kinsey* Claim Number: FA1403001550933. This case involved <aeropostale.uno>. The trade mark for AEROPOSTALE was owned by Aeropostale West, Inc. The Complainant was Aeropostale Procurement Company and the Complaint provided little or no evidence of any connection with Aeropostale West. As such the Complainant was not able to provide the Panel with clear and convincing evidence about its ownership of the trade mark. Notably Aeropostale Procurement Company did appeal the decision (presumably with additional evidence) and were able to persuade the second Examiner to grant the remedy sought.

The most divisive URS cases have been a series of cases decided in the URS involved the company yoyo e-mail.²⁰ Yoyo e-mail has registered a large number of .email domains and claims to have a business model where it will provide a free recorded delivery service for e-mail, where e-mail account holders with yoyo can send recorded delivery emails to any other .email domain operated by yoyo. Yoyo has stated that the domain names would only be used for e-mail purposes and not for any website. A majority of panellists have taken the view that such a service is essentially implausible or amounts to the monetisation of well-known trade marks and found for the complainant.²¹ Other panellists²² found that the evidence put on by Yoyo, including the declaration by their owner as to the business plan, is sufficient that the Complainant could not satisfy them that no material issue of fact exist as to whether yoyo has rights or legitimate interests.

²⁰ *Stuart Weitzman IP, LLC v. yoyo.email et al.* Claim Number: FA1404001554808 - <stuartweitzman.e-mail>
Deutsche Lufthansa AG v. yoyo.email et al. Claim Number: FA1404001552833 - <Lufthansa.email>
Foot Locker Retail, Inc. v. yoyo.email et al. Claim Number: FA1406001565344 - <footlocker.email>
McDermott Will & Emery LLP v. yoyo.email et al. Claim Number: FA1406001564796 <mwe.email>
Playinnovation Ltd. v. yoyo.email et al. Claim Number: FA1407001568549 <playinnovation.email>
Beiersdorf AG v. yoyo.email et al. Claim Number: FA1407001571112 <beiersdorf.email><nivea.email>
Virgin Enterprises Limited v. Yoyo.Email et al. Claim Number: FA1410001585811 <virginatlantic.email>

²¹ *Beiersdorf AG v. yoyo.email et al.* Claim Number: FA1407001571112; *Virgin Enterprises Limited v. Yoyo.Email et al.* Claim Number: FA1410001585811

²² See *Stuart Weitzman IP, LLC v. yoyo.email et al.* Claim Number: FA1404001554808

There have been a number of URS appeals that have been heard, including cases in which the original decision was overturned. A URS appeal is a de novo review on the existing case material (but a party, for a fee may add additional material) but the Appellant must identify the grounds on which they appeal. Generally URS appeals have not acknowledged or referred to the original decision, rather the Examiner has redecided the case on the evidence before it.

There have been insufficient cases to identify a distinctly different strain of URS jurisprudence, compared to the UDRP that would suggest that it is advantageous to file in one than the other. However there are two circumstances where it may be advantageous for a complainant to file a UDRP case. The first is if the case is particularly weak or speculative, where the lower standard of proof under the UDRP may be advantageous to a complainant. The second is if the Respondent's actions clearly fall within one of the additional defences to bad faith that exist under the URS and not the UDRP.

3) Trademark Clearinghouse

When is it appropriate?

- a) If you own a trade mark; and
- b) You want to ensure that you can catch and stop potential cybersquatters quickly; and

How does it work?

The Trademark Clearinghouse is not a new dispute resolution system. Rather it is a database of validated trade marks maintained by ICANN to prevent infringing behaviour in the Domain Name System. Any entity with a registered trade mark can register with the Clearinghouse for approximately US\$150 for one year (with discounts for multiple registrations or multiple years). The Trademark Clearinghouse is located at <http://www.trademark-clearinghouse.com>.

Benefits

When a new GTLD is launched there is what is known as a Sunrise Period, where some people (such as the holders of registered rights) have the ability to register domains before the general public. Sunrise periods are at least 30 days. If a company has registered its mark with the Clearinghouse it will automatically be provided with the opportunity to register a domain name associated with its trade mark ahead of the public, and does not have to prove that it is the mark owner to any particular registry (registration in the Clearinghouse is sufficient proof). The practical advantage of this is that a trade mark owner will be exposed to every new domain and given the opportunity to register a corresponding domain name to ward off cybersquatters. For example, if you are Westpac, you might not want to register Westpac as a domain name for every new domain but might wish to register it for every new domain that is associated with financial services to prevent others from registering (for example) <westpac.bank>, <westpac.money> or <westpac.loans>.

Following the sunrise period, there is a 90 day claims period where people can apply to register a particular domain name in that new gTLD. If a potential registrant attempts to

register a domain name that reflects a trade mark registered in the Clearinghouse then that potential registrant will receive a warning notice informing them of the potential conflict.

If the person goes ahead and registers the domain name, the trade mark owner will receive a notification from the Clearinghouse of the new registration so they can take appropriate action immediately. The trade mark owner can opt in to receive this service after the 90 day period expires.

Finally if an entity has registered its mark with the Clearinghouse it is definitive proof of a valid, registered mark for the purpose of a claim under the URS.

4) Making a complaint to auDA

When is it appropriate?

- a) If the domain name ends in .au; and
- b) If the Respondent is clearly has no obvious rights in the domain name; and
- c) If the Complainant has no obvious rights in the domain name; and
- d) If the Complainant does not wish to acquire the domain name itself but merely prevent the Respondent from holding it.

How does it work?

Each domain (i.e. .com, .gov, .com.au, .gov.au) has different restrictions on who may register a domain name with that ending. The .com domain name is an “open” domain in that there are no restrictions on who may register a particular domain name. The .gov.au domain, by comparison, is a “closed” domain in that registration is restricted to government bodies.

The .com.au and .org.au domains, and certain other .au domains are “open domains” in that they are open to the general public on a first come and first served basis, however to register a domain name you have to fulfil certain eligibility criteria set out at

<http://www.auda.org.au/policies/2012-04>. Those criteria include the fact that domain names in a number of .au domains must be

a) an exact match, abbreviation or acronym of the registrant's name; or b) otherwise closely and substantially connected to the registrant.

In com.au and net.au, the categories of close and substantial connection are:

a) a product that the registrant manufactures or sells; or b) a service that the registrant provides; or c) an event that the registrant organises or sponsors; or d) an activity that the registrant facilitates, teaches or trains; or e) a venue that the registrant operates; or f) a profession that the registrant's employees practise.

If a Complainant has registered a .com.au or .net.au domain name without fulfilling the eligibility criteria it would be possible, by e-mail or letter, to bring this to the attention of .auDA, who would then have the discretion to cancel the registration of the domain name. This approach can be used when the Complainant does not have any rights corresponding to the domain name but would like to prevent the Respondent from using the domain name.

An example of a situation where this occurred is the case of *Loans and Debt Assistance Incorporated & Anor v .au Domain Administration Limited* [2012] NSWSC 558.

The Plaintiffs in the case owned a number of domain names were in respect of debt or consumer products (e.g. <homeloan.asn.au>, <money.org.au> and <mortgage.org.au>). Upon registration, the Plaintiffs had completed the standard form agreement with auDA, which incorporated auDA's policies. The auDA Guidelines provided that registrants must have a "close and substantial connection" to their domain names.

auDA received a complaint that one of the Registrants' domain names (<carloans.org.au>) was a "clear breach of policy". Following correspondence between the parties, auDA notified the Registrants that all their domain names were to be deleted.

The Registrants sought an injunction to restrain auDA from deleting the domain names. They claimed that, pursuant to section 10.6 of the auDA Guidelines, they were eligible registrants as they had a "close or substantial connection" to their 42 domain names.

The Court discussed the definition of "service" and determined that the "service" that the Registrants were purporting to provide was the provision of advice or information. In light of this, the Court held that as the Plaintiffs do not provide finance, car loans or any other service referred to in the domain names, they did not have a "close and substantial connection" to the domain names and the domain names were subsequently cancelled.

A complaint to auDA is only suitable in limited circumstances. In particular, the discretion to delete a domain name rests with auDA and is to be done on their timetable. Ultimately, if the client has actual mark rights, commencing a UDRP proceeding will usually produce a clearer and more certain outcome.

5) Commencing proceedings in Australian court

When is it appropriate?

- a) When the domain name holder is located in Australia;
- b) When the Complainant requires one of the following outcomes, unobtainable outside court;
 - a. Damages and/or costs;
 - b. The prevention of broader conduct than simply the use of a domain name, such as trading under a corresponding mark;
 - c. An injunction against future conduct, for example against a persistent cybersquatter who registers a domain name, loses a UDRP case, and then continues to register new variants of that domain name.
- c) A situation where the domain name holder is operating a business or selling a product that corresponds with the name of the domain name. In such circumstances, it is unlikely that a UDRP or URS proceeding will succeed but a claim for trade mark infringement or misleading and deceptive conduct may succeed; and
- d) Where there is are competing rights and situations where it is necessary to weigh the evidence of both parties.

How does it work?

Court cases involving domain names are generally commenced in the Federal Court or Federal Circuit Court seeking orders that include the transfer or cancellation of the domain name along with broader injunctions prohibiting the conduct and potentially seeking damages. Such claims are generally based on either trade mark infringement or misleading and deceptive conduct/passing off.

Trade Mark infringement

In order to succeed in showing trade mark infringement it is necessary to have a registered trade mark in Australia and to satisfy the elements (or similar ones) set out below in the Trade Marks Act 1995:

S120(1) A person infringes a registered trade mark if the 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.

On the assumption the Complainant has a registered trade mark which is substantially identical or deceptively similar to the domain name, there are two issues that must be considered, namely:

- a) Is the Respondent using the domain name as a trade mark (in particular is the mere registration use as a trade mark) and
- b) Is the mark being used in relation to goods and services in respect of which the trade mark is registered?

The case that sets out the principles of how trade mark law applies to domain names is *Solahart Industries Pty Ltd v Solar Shop Pty Ltd* [2011] FCA 700. At [50] a number of propositions are set out about trade mark infringement and domain names

- “A number of propositions should be accepted:
- *first*, mere registration of a domain name does not establish the infringement of a trade mark;
- *secondly*, where a cybersquatter does not seek to attract consumers to the occupied domain name but merely seeks to treat with the owner of the mark it is unlikely that trade mark infringement will be shown for there will be no goods or services being proffered to consumers to which the impugned sign, contained within the domain name, may be reasonably be seen as relating (‘[t]here could be a threatened infringement if one were to take seriously the suggestion that [the cyber squatter]

intended to engage in the sugar trade’: *CSR Ltd v Resource Capital Australia Pty Ltd* [2003] FCA 279 ;(2003) 128 FCR 408 at 416 per Hill J);

- *thirdly*, where a person uses a domain name to attract consumers to a website which promises connexions with goods or services relating to the registered mark infringement may be established even if the owner of the domain name does not sell the goods or services and instead merely benefits from a flow of traffic over the website (*Nissan Motor Co v Nissan Computer Corp* [2004] USCA9 511; 378 F.3d 1002 (2004) (9th Cir. 2004));
- *fourthly*, where a domain name is used to conduct a website from which goods or services are sold the same kinds of questions which arise in ordinary trade mark litigation will arise, for in such cases the analogy between the sign on the front of a shop and the goods sold within will be established;
- *fifthly*, explicit advertising of the website in that context is obviously relevant for it will show more clearly the connexion between the sign and the service.”

In summary, in order to succeed in a claim for trade mark infringement, the mere registration of a domain name is insufficient. Rather the domain name must also be actively used as a mark in relation to a good or service that is related to the goods/or services for which the trade mark is registered for. This means that trade mark infringement will not be found in many types of “standard” cybersquatting cases, such as when the domain name is unused or re-directs to a gambling or pornographic site (unless the mark is registered for those services or is a well-known mark). Such matters are generally best resolved under the UDRP. Trade mark infringement claims are most likely to succeed when it is apparent that the domain name is being used by a competitor or potential competitor for its benefit by redirecting consumers to its website.

Misleading and Deceptive Conduct

In order to show misleading and deceptive conduct it is necessary to show that the conduct of the Respondent is in breach of s18 (or any related sections) under the Australian Consumer Law, namely that:

S18(1)A person must not, in trade or commerce, engage in conduct that is misleading or deceptive or is likely to mislead or deceive..

There are two issues that must be considered, namely:

- a) is the Respondent acting “in trade or commerce” and
- b) is the Respondent engaging in conduct that is misleading and deceptive?

In *CSR Ltd v Resource Capital Australia Pty Ltd* [2003] FCA 279 ;(2003) 128 FCR 408, the Respondent registered <csrsugar.com.au> and <csrsugar.com.au>, purportedly for the purpose of selling them to CSR Sugar. The domain names were never active. The Court found that the Respondent, in registering the domain names for the purpose of selling them was acting in trade and commerce and furthermore, at [38]

“In my view the obtaining of the registration of both domain names, "csrsugar.com" and "csrsugar.com.au" implied that the domain name belonged to CSR or, if it was noted that RCA was shown as owner of the names that RCA was in some way connected with CSR. Anyone seeing the domain name would assume, unless he or she made further enquiries and was told the truth, that CSR was the real owner of the domain name and entitled to use it for its purposes on the internet in connection with its sugar businesses. In my view the act of obtaining registration of both domain names constituted conduct that was misleading and deceptive or was likely to mislead and deceive persons and breached s 52 of the *Trade Practices Act 1974* (Cth).”

In summary and contrary to the law on trade mark infringement, a claim for misleading and deceptive conduct can succeed even if the domain name is not actively used or used for goods or services unrelated to that of the Complainant. Rather what is determinative is what representation is made by the domain name, the Respondent’s conduct as a whole and whether this is misleading or deceptive.

A recent example of a case which shows different application of trade mark law and misleading and deceptive conduct in respect of domain names is *REA Group Ltd v Real Estate 1 Ltd* [2013] FCA 559. In this case REA owned the domain names <realestate.com.au> and <realcommercial.com.au> from which, since 1998 and 2002

respectively, it had run property portals. It also owned trade marks which featured the domain names <realestate.com.au> and <realcommercial.com.au>, along with the tag-line “Australia’s No.1 property site” and a logo. RE1 owned the domain names and operated property portals out of <realestate1.com.au> and <realcommercial1.com.au>. REA sought findings that RE1 by their actions had engaged in trade mark infringement, passing off, and conduct in breach of ss.52, 53(c) and 53(d) of the *Trade Practices Act* (as it then was). It was not disputed that the parties were engaging in trade and commerce and supplying similar services.

In this case the Federal Court found that REA had not established that a substantial number of ordinary or ‘reasonable’ persons were likely to have been misled or deceived by the closeness of the domain names. The Court concluded that consumers who had prior experience with REA’s site and clicked on RE1’s website would realize they were on the wrong site and go back to REA’s site, hence even instances of actual commercial confusion would be commercially insignificant.²³

Further, the Federal Court also reasoned that consumers will be more vigilant in the context of a market where close variants of “realestate.com.au” are common on a search results page. A consumer with ordinary recall specifically looking for “realestate.com.au” on a search page who sees the “1”, will not be misled or deceived into assuming an affiliation between the portal being searched for and “realestate1.com.au”.²⁴

His Honour indicated that if consumers were looking for <realestate.com.au> a Google search for that domain name would lead to that particular site, while if consumers were looking for “real estate”, and were led, through a Google search or sponsored link to <realestate1.com.au> then there is no proof they were misled, as it is not clear that they would be searching for REA’s site. The Federal Court indicated RE1’s strategy did not necessarily amount to an intention to mislead or deceive consumers, even though “less than honourable” motives were found to exist.²⁵

²³ *REA Group Ltd v Real Estate 1 Ltd* [2013] FCA 559 at [191]-[195]

²⁴ *REA Group Ltd v Real Estate 1 Ltd* [2013] FCA 559 at [146]

²⁵ *REA Group Ltd v Real Estate 1 Ltd* [2013] FCA 559 at [208]

Importantly, the conduct of a Respondent must be considered as a whole to determine if it had misled. This means that RE1's website had to be considered. In this case the Court found that if consumers who are misled by the domain name visit the website, realise their mistake, and go back, then harm may not be found to have occurred.²⁶

However when considering trade mark infringement, all that needs to be considered is whether the domain name is being used as a trade mark (which it was in this case) and whether the domain name is substantially identical or deceptively similar. In this case REA succeeded in showing TM infringement because it had registered the trade mark "realestate.com.au" which was deceptively similar to <realestate1.com.au>. Notably, Bromberg J expressed concern about this outcome and stated the following:

"As my conclusions demonstrate, registration of REA's realestate.com.au marks has effectively given REA a monopoly over two highly descriptive terms when used in combination. Those terms are likely to be the most common terms on a search results page where a search has been conducted for a residential real estate portal. ... It is troubling that terms that are highly descriptive of a particular area of commerce and which provide significant commercial advantage should not be readily available for use by all who seek to participate in that commerce. However, in the absence of a successful challenge to the registration of REA's realestate.com.au trade marks, whilst that may be troubling, REA is nevertheless entitled to the protection of the monopoly which has been conferred upon it."²⁷

In summary, trade mark infringement is appropriate if the Respondent is a competitor with the Complainant, with misleading and deceptive conduct has a broader application in Australian law.

Summary

A solicitor acting for a client seeking to protect their client's reputation from an infringing domain name has a number of options, including the one option not canvassed above, which

²⁶ *REA Group Ltd v Real Estate 1 Ltd* [2013] FCA 559 at [191]-[195]

²⁷ *REA Group Ltd v Real Estate 1 Ltd* [2013] FCA 559 at [247]

is simply settling the dispute by purchasing the domain name. However, while tools like the URS and complaining to auDA are interesting and may be useful in certain circumstances, the rule of thumb tends to be that if it is an issue with a professional cybersquatter, who is registering a similar domain name for profit, then the UDRP/auDRP is generally the best option. If the domain name is registered by a competitor of your client and is used for their business, then court action is generally more appropriate.

With the continued importance of the Internet for branding businesses and the introduction of the new top-level domains, domain name disputes are growing and are unlikely to go away. Hopefully this refresher is a tool that will assist you. Best of luck!

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