

# DOMAIN NAMES.

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# DOMAIN NAMES.

## 1.- INTRODUCTION.

The Internet is a relatively new world wide network which has begun a new era in international relations and data communications. The Internet has gained growing popularity in nearly all countries. Despite the positive aspects, the Internet and its use, however, bring along various problems, legal and economic issues. One of these is the protection of industrial property rights in relation to Internet domain names. This problem has given rise to an extensive debate in numerous countries and international organizations in this field. The practices and rules vary greatly from country to country.

Domain names are an important active for operated in Internet.

Information on the structure of the names in DNS (Domain Name System), specifically the top – level domain names; and on the administration of domains. Internet Society (ISOC) and IANA (Internet Assigned Numbers Authority) were the overalls authorities since the beginning of Internet for the “Internet Protocol – Addresses” (IP – addresses) , the Domain Names, and many others parameters, used in the Internet.

Nowadays ICANN<sup>1</sup> is the successor of IANA. ICANN board, on 16 November 2000, selected the new top – level domains (TLDs), ICANN is assuming responsibility for a set of technical functions preciously performed under U.S. government contract IANA and others groups. Following ICANN’s decision, WIPO (World Organization for Intellectual Property) has been working with the operators of the new gTLDs to develop on dispute resolution mechanism for their domains. The Center has been designated to provide dispute resolution services for these domains also.

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<sup>1</sup> The Internet Corporation for Assigned Names and Numbers is a technical coordination body for the Internet. ICCAN coordinates the assignment of the following identifiers that must be globally unique for the Internet to function: a) Internet domain names, b) IP address numbers y c) protocol parameter and port numbers. In addition, ICCAN coordinates the stable operation of the Internet’s root server system.

## **2.- THE TOP LEVEL STRUCTURE OF THE DOMAIN NAMES.**

In the DNS (Domain Name System) naming of computers there is a hierarchy of names. The root of system is unnamed. There are a set of what are called TLDs (Top – Level Domain Names) and another called SLD (Second Level Domain).

The TLD can consist in a serie of indicators called “generic TLD” (Gtld). The Gtld are: .COM, . NET, .ORG – they are “open domains” because they are opening for everybody and entities – and .EDU, .MIL, .GOV, .INT – are “closed domains” because they are opening only for organizations, colleges, Universities and institutions . .MIL and .GOV are only used in EEUU for military and government organizations.

There are others TLDs of geography or national character called “country code Top Level Domain” (ccTLD) or “national Top Level Domain” (Ntld).

The country code domains are each organized by administrator for that country. These administrators may further delegated the management of portions of the naming tree. These administrators are performing a public service on behalf of the Internet community.

- . us, for EEUU
- . es, for Spain.
- . fr, for France.
- . jp, for Japan, etc...

There are plus a special top – level domain (.arpa) for Internet infrastructure.

The .arpa domain is the Address and Routing Parameter Area domain and is designated to be used exclusively for Internet-infrastructure purposes. It is administered by the IANA in cooperation with the Internet technical community under the guidance of the Internet Architecture Board. The .arpa domain currently includes the following second – level domains:

- e 164.arpa
- in-addr.arpa
- ip6.arpa

## **2.1.- World Wide Generic Domains.**

**COM.-** This domain is used for commercial entities, companies. It is operated by **VeriSign Global Registry Services.**

**NET.-** This domain is used to hold only the computers of network providers, that's is the NIC and NOC computers, the administrative computers, and the network node computers. It is operated by VeriSign Global Registry Services.

**EDU.-** This domain was originally intended for all educational institutions of higher education that are accredited by one of the six U.S. regional accrediting agencies and is registered only through **Educause.** Many Universities, colleges, schools,... have registered here.

**ORG.-** This domain is intended as the miscellaneous TLD for organizations that didn't fit anywhere else. Some ex-nongovernmental organizations. It is operated by **VeriSign Global Registry Services.**

**INT.-** This domain is for organizations established by international treaties between governments, or international databases. It is operated by the **IANA.int Domain Registry.**

**MIL.-** is reserved exclusively for the United States Military. It is operated by the **US DoD Network Information Center.**

### **Αρτιχλε 12    Seven New TLDs.**

ICCAN Board, on 16 November 2000, selected the seven new top-level domains (TLDs) listed in the chart below for negotiation of agreements allowing them to be included in the Internet's domain-name system.

The new TLDs are of two types: .biz, .info, .name, and .pro are intended to be relatively large, "unsponsored"<sup>2</sup> TLDs.

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<sup>2</sup> Unsponsored TLD operates under policies established by the global Internet Community directly through the ICCAN process.

**NAME.-** is reserved for individuals, for registration of personal names and is operated by **Global Name Registry**.

**PRO.-** is being established; it will be restricted to credentialed professionals and related entities and is operated by **RegistryPro**.

**BIZ.-** is restricted to businesses and is operated by **NeuLevel, Inc.**

**INFO.-** .info domain is operated by **Afilias Limited**.

The other three news TLDs: .museum, .coop, .aero, are for smaller “sponsored”<sup>3</sup> TLDs.

**MUSEUM.-** is reserved for museums and is sponsored by the **Museum Domain Management Association**.

**COOP.-** is reserved for cooperative associations and is sponsored by **Dot Cooperation LLC**.

**AERO.-** is reserved for members of the air-transport industry and is sponsored by **Société Internationale de Télécommunications Aéronautiques (SITA)**. The registrant must be recognized as a member of the aviation community and obtain an Aviation Membership ID from the Registry.

## **2.2.- The Dot.EU TLD Registry<sup>4</sup>**

In February 2000, the Commission proposal to create a new Internet Top Level Domain (TLD), Dot.EU for the European Union, initiated a public consultation.

The Commission published its conclusions as to results of that consultation on 5 July 2000. In the light of the strongly positive response, the Commission has requested delegation of the .EU domain from the ICANN on 6 July 2000 by letter.

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<sup>3</sup> Sponsored TLD is a specialized TLD that has a sponsor representing the narrower community that is most affected by the TLD.

<sup>4</sup> <http://www.europa.eu.int> DOCI – 52000PC0827 – bas-cen.

On 25 September 2000, the ICANN Board adopted a Resolution that would permit IANA to delegate the TLD based on the existing ISO reservation of the .EU code, subject to reaching a Registry agreement between the future Registry organization and ICANN.

The July 2000 Communication stated that:

*“The Commission will draw conclusions for the legal framework for the operation of the system, including the designation of the entity in charge of running the .EU registry and the guidelines for its registration policy, which will include measures to counter the speculative and abusive registration of names. These conclusions will form the subject of a further Communication”.*

Having assessed the issue, the Commission considers that it is appropriate to propose directly the instrument to implement the .EU domain.

The Registry is the entity that will be entrusted with the organization, administration and management of the .EU TLD and will ensure three essential functions:

- 1°.- Being the legal entity responsible for the Registry.
- 2°.- Implementing public policy rules, policies and procedures relating to the .EU TLD included in the Regulation or adopted by the Commission according to the consultation procedure provided by the Regulation.
- 3°.- Organizing, administering and managing the .EU TLD including the operations of maintenance of databases, registration of domain names, running the name –servers and dissemination of TLD zone files.

The Registry shall be a not-for-profit organization, operated in the public interest.

The Commission will designate the Registry organization. The report of the Interim Steering Group (ISG) recommends that the Registry should be an inclusive and representative organization enjoying as broad a consensus of the interested parties as possible. The Regulation specifies the conditions according to which the Registry will organize, administer and manage the .EU TLD.

### **3.- THE ADMINISTRATIONS OF DELEGATED DOMAINS.**

#### **3.1.- ICANN.**

The ICANN ( Internet Corporation for Assigned Names and Numbers) is responsible for the overall coordination and management of the DNS ( Domain Name System ), and especially the delegation of portions of the name space called top-level domains.

“ICANN works to ensure that those systems operate and evolve to serve the global Internet community in a stable and reliable manner”.

“ICANN Has three supporting Organizations, for the three system of Internet identifiers:

- Domain Name Supporting Organization.- for DNS.
- Address Supporting Organization.- for IP Address System.
- Protocol Supporting Organization.- for the numbering of port and protocol”<sup>5</sup>.

A central Internet Registry (IR) has been selected and designated to handled the bulk of the day – to – day administration of the Domain Name System.

The central IR is INTERNIC.NET. Second level domains in COM, NET; ORG, EDU, GOV are registered by the Internet Registry at the InterNIC. The second level domains in the MIL are registered by the DDN registry at NIC.DDN.MIL. Second level names in INT are registered by the PVM at ISI.EDU.

While all request for new top-level domains must be sent to the Internic ( at [hostmaster@internic.net](mailto:hostmaster@internic.net) ), the regional registries are often enlisted to assist in the administration of the DNS, especially in solving problems with a country administration.

Domain Name System Structure and Delegation regional registry for the Asia – Pacific region, while the INTERNIC administers the North America region, and all the as yet undelegated regions.

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<sup>5</sup> <http://www.icann.org>

The major concern in selecting a designated manager for a domain is that it be able to carry out the necessary responsibilities, and have the ability to do a equitable, just, honest and competent job.

- a) The key requirement is that for each domain there be a designated manager for supervising that domain's name space. In the case of top-level domains that are country codes this means that there is a manager that supervises the domain names and operates the domain name system in that country.
- b) These designated authorities are trustees for delegated domain, and have a duty to serve the community.

The designated manager is the trustee of top-level domain for both the nation, in the case of a country code, and the global Internet community.

- c) The designated manager must be equitable to all groups in the domain that request domain names.

### **3.2.- ES – NIC.**

The delegation of the IANA (actually ICANN) in Spain is ES-NIC<sup>6</sup>, a public service which manages the Registry of Internet domain name under the country for Spain from 1995, having the responsibility of managing the top level domain **.es**, in equal conditions to all applicants: natural persons residents in Spain, legal persons constituted under Spanish company legislation or even foreign with a branch in Spain.

### **4.- RIGHTS TO NAMES.**

The general rule of Domain Names assignation is that “first to register owns a domain”, follows the principle “first-come, first-served”.

In case of dispute between domain names holders and trademarks holders, NSI developed a Dispute Policy In 1995<sup>7</sup>, which was an effort to appease both sides while maintaining its neutral position, gave trademarks owners the possibility to claim back a domain name.

The cases are characterized by trademark owners suing for infringement, dilution, unfair competition or resoled causes of action.

The solution is difficult because domain names in Internet have international aspect and trademark laws are nationals, the trademarks issues are different in every country, but finally there is a procedure and jurisprudence for dispute resolution.

### **5.- KINDS OF DOMAIN NAMES WHAT CAN BE GRANTED.**

- The domain shall individualize its holder.
- The leading rule is one domain or organization.
- The domain name should be: full name, part of the name or a well know or logical.

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<sup>6</sup> Network Information Centers.

<sup>7</sup> It was modified in November 1995 and in September 1996.



- The domain name must not violate another's right, based on law, to a name, firm name, trademark, symbol, abbreviation, domain name, copyright, or some other similar object of protection.
- Geographical names are only granted to municipalities, foreign embassies and provincial federations.
- The domain may not be misleading or improper, ex. (nazismo.es), generic terms, expressions and words may normally not be registered.

## **6.- LEGAL PROBLEMS IN SPAIN AROUND THE DOMAIN NAMES.**

Perhaps the most famous judicial decision known in Spain is the ***Ozu Case***.<sup>8</sup> but there are more Spanish Judicial Resolutions about Domain Names, such as, “**Sertel**”, “**Barcelona**”<sup>9</sup>, “**UNI2**”, “**Nocilla**”<sup>10</sup>, “**Banesto**”, “**Real Madrid**”<sup>11</sup>, etc...

### **➤ Spanish Judicial Resolutions about Domain Names.**

#### **1º. Ozu Case.**

In this cases what it really happens is the risk of confusion from the user regarding the origin of the page, as well as the services offered in the page. The techniques to solve this type of conflicts lies in the trademark right and the unfair competition.

Five persons created the search engine that vested in the ***ozu.com*** address. The domain name was registered in the United States by one of the members, meanwhile a company was established in Spain under the name of *Advernet*. This company was in charge of the commercial operations of the search engine, as well as the one who registered the trademark “**Ozu**” in 1996. Later, the members decided to separate and the ones who established *Advernet* created another search engine for *Ozu.es* address. Both parts demands the right to use under exclusive basis the name of *Ozu* and have started legal actions for infringement of trademark, trademark dilution and claiming compensation for damages.

El Tribunal de Primera Instancia nº 13 de Bilbao, on December 30, 1997 reasoned that the defendants were using the plaintiff's registered trademark without legal permission and decided in favour of Advernet, S.L. and ordered OZUCOM, S.L. to stop all activities in connection with the domain “**Ozu.com**”, mandating the change of the defendant's corporate name and imposing damages.

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<sup>8</sup> The first legal resolution dictated in Spain is dated December 30<sup>th</sup>, 1997, belonging to Juzgado de Primera Instancia nº 13 of Bilbao who adopts the preventive measures requested by the plaintiff regarding the suspension of the use of the name “ozu.com” that being used by the defendant.

<sup>9</sup> Barcelona.com Inc with address at New York vs. Excelentísimo Ayuntamiento de Barcelona, in Barcelona, Spain. WIPO Domain Name Dispute: Case D2000-0505.

[http://www.v2.vlex.com/vlex2/front/asp/especiales/icann/arx\\_barcelona.asp](http://www.v2.vlex.com/vlex2/front/asp/especiales/icann/arx_barcelona.asp)

<sup>10</sup> Firm B.E.S.A. vs. company G.S.L. for the Domain Name “Nocilla.com”. Nocilla is a food product knowing in the world.

<sup>11</sup> Plaintiff, Real Madrid Club de Fútbol, who is the titular of numerous registers of trademark “REALMADRID” vs. Lander W.C.S. Case Number D2000-1805. NETWORK SOLUTIONS with address in Virginia, USA obtained on 4<sup>th</sup> March, 1998 the registration of domain “realmadrid.org” who don't use the domain in the web.

The Ozu decision hinges upon a phenomenon because although it might appear a case where the registration of the domain took place before the registration of a trademark, this was not in fact, is a case of usurpation because was the administrative contact who changed certain data relating to the domain registration and assumed the control over the “**Ozu.com**” web site.

## 2°.- Sertel Case.

Besides, the Sertel case is being referred, exclusively to a second level low domain .es and perhaps it is the first Spanish case with a pronounced sentence, although it should be precise that this resolution contains no basic reasoning, due to the acceptance from the defendant side, the sentence entirely limits the proceedings of the plaintiff side.

“Servicios de Telemarketing, S.A.” vs. “Serveis Telematics de Balears, S.A.”.

Servicios de Telemarketing, S.A. owner of the trademark “**Sertel**” since on February 3<sup>th</sup>, 1992 claimed against Serveis Telematics de Balears, S.A. because on an infringement of its exclusive rights of trademark since had registered the domain name **Telemarketing.es**”.

On March 18<sup>th</sup>, 1998 el Juzgado de Primera Instancia nº 6 de Mallorca resolved in favour of the plaintiff solely on the arguments presented by the plaintiff. All the trial the defendant accepted the reasons of the claim.

## 3°.- BARCELONA Case.

The complaint was submitted in Arbitration Center (WIPO Center) in March 26, 2000 by Excelentísimo Ayuntamiento de Barcelona vs. Concepción Riera Llena who registered domain name “**Barcelona.com**” in February 1996.

Later she transferred the domain name to her husband Mr. Juan Nogueras Cobo in May 10, 2000 who proved the registration in United States of trademark “**Barcelona.com**” as a commercial name in June 15, 2000.

Complainant, Excelentísimo Ayuntamiento de Barcelona, -who has the trademarks registered in Spain “**Barcelona Excelentísimo Ayuntamiento de Barcelona**” and “**Barcelona – BCN**” and some trademarks most of them containing the expression BARCELONA, such as, “**TELEVISION BARCELONA**”, “**BARCELONA TELEVISION**”, “**BARCELONA ESPECTACLES**”, “**TEATRE BARCELONA**”, “**BARCELONA 92**”, etc... - contends that domain name issue is identical to several of Complainants’ registered trademarks, that the Respondent hasn’t rights or legitimate interest in the domain name, and it was registered and used in bad faith, for selling or renting for obtain some kind of payment from Excelentísimo Ayuntamiento de Barcelona.

The Complainant requires the transfer of the domain name “**Barcelona.com**”.

The Administrative Panel decided that domain name “**Barcelona.com**” was transferred to Excelentísimo Ayuntamiento de Barcelona.

#### 4°.- UNI2 Case.

One of the first domain disputes to result in criminal charges involves an attempt by Linx Telecommunications, a French

company, to use the domain “**UNI2.es**” as a site to market expansion across its border. “**UNI**” is a mark that has been registered for over 20 years to a huge Spanish corporation, Union Internacional de Limpiezas, SA. ES-NIC, the Spanish registry, only permits registrations of trade names and trademarks, neither of which Lynx had established in regard to UNI2. To qualify, Lynx formed a non-profit entity, Foundation UNI2, which was permitted to register the domain. The foundation promptly transferred title to Lynx. Union then brought a criminal complaint, which is still pending, in Madrid, alleging that the Foundation was a fraudulent attempt to violate the non-profit codes.

#### 5°.- Nocilla Case.

“**Nocilla.com**”<sup>12</sup> is a case of pornography. The Court appreciated the bad faith of the defendant, the company G.S.L. because of the pornography content of the “**Nocilla.com**” web site.

El Tribunal de Primera Instancia nº 5 de Oviedo in Spain ordered a Judicial Decree on June 2, 1999 to order company G.S.L. to immediately cease using the domain “**Nocilla.com**”, with the added warning of a daily fine which would be imposed on them if there was any delay in cessation.

#### 6°.- Banesto Case.

The complaint was submitted in the Arbitration Center of OMPI on January 27, 2000 by Banco Español de Crédito, S.A. in Spain vs. Miguel Duarte Perry Vidal Taveira. “**Banesto.org**” and “**Banesto.net**” are the domain names subjects of this complaint.

The Complainant was property of the trademark with the same name in Spain, UE and EEUU since March 18, 1966 and the Plaintiff registered the domains “**Banesto.org**” and “**Banesto.net**” on June 14, 1998 for used in bad faith, because he hasn’t legitimate interest in the domain names.

The Administrative Panel decided that domain names “**Banesto.org**” and “**Banesto.net**” was transferred to Banco Español de Crédito, S.A., sanctioning the parasitic use of a famous trademark by the Plaintiff.

## 7.- SITUATION OF THE LEGAL PROBLEMATIC OF THE DOMAIN NAMES

1.- The legal problematic set out regarding domain names is divided into two sections:

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<sup>12</sup> <http://www.masterdiseny.com/legalia/dominios/nocilla.php.3> and Newspaper “La Nueva España de Oviedo” of June 9, 1999.

a) Disputes between individuals can emerge around a specific name and are resolved with the private law. The registration of the domain name can break the trademark right if it is registered as a name not involved and can suppose the practice of a unfair competition. As well as the intention of making use of the reputation of others and can suppose a violation of the property rights if it is register as a domain, for example, the title of a literary work, protected by the intellectual property rights, as a movie film of the title of a book.

b) The confrontation between two private agents can be produced because both have the intention to use the same domain name (with the same principal domain) as the cases happened in Europe<sup>13</sup> and in United States<sup>14</sup>, where the confrontation is not exactly because the use of the same name, but it is due to the fact that one agent decides to use the same name as the other but under another first level domain. In these cases what it really happens is the risk of confusion from the user regarding the origin of the page, as well as the services offered in the page. The techniques to solve this type of conflicts lies is the trademark right and the unfair competition.

2.- The disputes connecting with the public slope of the domain names, which are resolved with the private law.

In this section must be considered the character of the domain names and the entities which manage the domain names; its administrative character and the register of domain name as a public service.

## **8.- PROCEDURES FOR RESOLVING DOMAIN NAME DISPUTES (ICANN/WIPO).**

The WIPO<sup>15</sup> and the ICANN set up a uniform and obligatory administrative procedure for resolving disputes over first level domain names: the **Uniform Domain Name Dispute Resolution Policy (UDRP)**.

This procedure has been applicable since December 1999 and implemented by, among others, the **WIPO Arbitration and Mediation Center**. The Center has administered proceedings in the generic Top Level Domains (gTLDs): .net, .com, .org and in the seven new TLDs, except .edu, .gov, .int and .mil . The UDRP does not apply country code Top Level Domains (ccTLDs) except in a few cases, such as, **.mx**, for Mexico or **.ro**, for Rumania.

The WIPO Center is the leading dispute resolution service provider of the UDRP – a low cost and speedy alternative to litigation in the drive to resolve cases of “cybersquatting”. The database of WIPO Arbitration and Mediation Center has thousands of cases of “cybersquatting”.<sup>16</sup>

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<sup>13</sup> Cases of Europe: Case Pitman In United Kingdom: <http://www.nic.uk/news/> . Case Sapeso in France: [http://www.legalis.net/legalnet/judiciaire/internet\\_marques.html](http://www.legalis.net/legalnet/judiciaire/internet_marques.html) , and Case “Heidelberg.com” in Deutschland.

<sup>14</sup> Case Panavision: <http://www.jmls.edu/cyber/case/domain.html>

<sup>15</sup> WIPO: World Organization for Intellectual Property. Based in Geneva, Switzerland, the WIPO Arbitration and Mediation Center was established in 1994 to offer arbitration and mediation services for the resolution of international commercial disputes between private parties.

<sup>16</sup> It's available on – line on July 5, 2000. <http://arbiter.wipo.int/domains/search>

### **8.1.- Uniform Domain Name Dispute Resolution Police.**

The UDRP was adopted by ICANN on August 26, 1999 but its implementation began on October 24, 1999 when the final policy documents were approved. UDRP establishes a uniform and mandatory administrative dispute – resolution system to address cases of bad faith, abusive registrations.

The system is that either of three members, or of just one member, called arbitrators<sup>17</sup> who composed a Tribunal, appointed by the WIPO Arbitration and Mediation Center review claims and eliminate clear abuses of trademark holders' rights. The WIPO Center Domain Name Resolution Service has been established specifically to administer Domain Name disputes and is supported by electronic case filing facilities and a well developed case administration system.

The relevant national authorities of United States have adopted a variant of the UDRP.

### **8.2.- The Procedure.**

The procedure adopted by the ICANN is a method of resolving a dispute out of court. The disagreement will be settled outside any judicial body and involves an administrative procedure.

The rights and obligations of the parties and the procedure followed by the arbitrators are defined in the WIPO Arbitration Rules.

The parties also choose the language of the arbitration, if they do not exercise this choice, the language of the arbitration will be of the contract clause or which the Tribunal determine in the light of the observations made by the parties and the circumstances of the arbitration. The Tribunal also apply the law that it determines to be appropriate, but usually the place of arbitration determines the law will be apply.

The Center requires the payment of an advance deposit from each party in respect of the cost of the arbitration.

During 2000, the WIPO has reviewed 65% out of all cases presented under ICANN's UDRP rules and the majority of them are of Spanish companies and entities.

When a complaint, the person accused of cybersquatting, is notified, the respondent has 20 days available to reply. Once the WIPO has received respondent's reply, the period to appoint the panel of arbitrators<sup>18</sup> that will solve the case starts. When they takes a decision in favour of the complainant it shall be executed within 10 days, and the entity in charge of registering domain names is ordered to execute this action.

This procedure is:

- Open to anyone.
- Limited to disputes relating to the improper use of domain names (cyber piracy or cyber squatting).
- Non – contentious.

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<sup>17</sup> WIPO has more than 180 arbitrators who must sign a declaration of impartiality and independence to be accepted as an arbitrator for a certain case.

<sup>18</sup> The panels consist of lawyers, retired jurist and law professors.

- Obligatory for the depositor of the domain name.

The registering of a domain name is considered abusive when the following cumulative conditions apply:

- The registered domain name is identical or so similar to the trademark to which the applicant has rights as to cause confusion.
- The depositor of the litigious domain name has no right to or legitimate interest in this domain name.
- The domain name has been registered and used in bad faith.

## **9.- TYPE OF ARGUMENTS.**

Authoress as Jonathan Agmon, Stacy Halper and David Pauker have established a typology of disputes, here are three general types of problems encountered by companies that have a “famous” name:

**a) Domain Name Grabbing.** This type of argument emerges when another Corporation intentionally registers the domain used by someone else as a commercial name or trademark to avoid that his owner be established with that name in the Net, or to force the owner of the trademark to pay certain sum of money to obtain the registered domain.

### ➤ Cases of Domain Name Grabbing<sup>19</sup>

#### 1º.- **mcdonalds.com.**

Joshua Quittner, a writer of a magazine registered the domain name “mcdonalds.com”, to demonstrate the problems with NSI’s registration system. After some prompting by Quittner, McDonald’s donated money to a charity in exchange for the domain name.

#### 2º.- **avon.com.**

Carnetta Wong Associates registered the domain name “avon.com”. Avon Brought an action in the United States District Court of New York. The complaint accuses Carnetta Wong Associates of unfair competition, trademark infringement, misappropriation, trademark dilution and deceptive acts and practices. Avon’s case marked one of the first suit alleging a count under the new federal Trademark Dilution Act. Avon has successfully reclaimed the domain name “avon.com”.

3º.- In Europe “Harrods” was the first case of Domain Name Grabbing in United Kingdom. “Harrods Ltd. c. UK. Network Services Ltd others” ST. Of the High Court of Justice of London, Chancery Division, on December 9, 1996<sup>20</sup>.

Second problem is called:

**b) Not Quite Domain Name Grabbing.** This dispute emerges when a Corporation registers a famous domain name knowing it’s someone else’s trademark, company name or slogan. In this case the registering doesn’t intend to hold the name for hostage, by instead intends to use it. The problem emerges when people that gain access looks forward to find in this domain the company’s name that coincides with the domain name. Example: “**mtv.com**”<sup>21</sup>, in this law case, Adam Curry, while employed by MTV as a “VJ”, registered the domain name “mtv.com” and maintained the site at his own expense and

<sup>19</sup> [www.ip-law.co.il/Domain](http://www.ip-law.co.il/Domain).

<sup>20</sup> Case “Harrods” in EIPR, 1997-4, section “Nationals Reports”, d-106 and ss.

<sup>21</sup> <http://www.jmls.edu/cyber/cases/mtv.txt>

MTV originally showed little interest in the site. MTV claimed the right to the domain name upon Curry's departure from MTV. MTV brought action in Federal Court. The parties eventually settled for undisclosed terms. Another's disputes of Not Quite Domain Name Grabbing are: "**Dole96**"<sup>22</sup> and "**Micros0ft.com**" in which a software company of Texas registered the domain name "micros0ft.com", the same name by Microsoft but with a zero instead of the second "o". Microsoft Corporation claimed that the use of the domain name "micros0ft.com" is likely to confuse consumers and dilute Microsoft Corporation's Trademark and demanded that Zero Micro Software stop using the domain name and abandon the domain name registration.

The third problem is when the famous name is share by companies, organizations, services or corporations:

**b) Logical Choice.** Innocent registrations of a logical choice are situations like the ones when a person registers a domain and by chance and coincidence it is similar to a trademark or different distinctive belonging to someone from outside. Inside this category there are two different sections, (Part I) when the names are identical and (Part II) when the names are not identical but are similar or presents relevant identities.

2.- The other section regarding problems is connected with the public aspects of the domain names: the conception or not of the domain names registration as a public service.

## **10.- RELATIONS WITH THE TRADEMARK RIGHTS**

1.- The purpose of the trademark legislation in Spain is double: one is to avoid confuse situation in the traffic through the protection of the normal consumer of the possible confusion regarding the management origin of the products that are presented to the market with the same trademark and the other is the setting of the register system where the juridical security can be held to protect the implementation of the marks in the market.

Article 34 belonging to the actual Law 17/2001 dated December 7<sup>th</sup> of trademarks confers to the owner of the registered trademark "the exclusive right of its use in the economical traffic".

Meanwhile, in the newspaper, radio or television, the violation of the exclusive right that the trademarks confers, should be in relation with the advertisement of the specific products, placed at every one disposition in the world, people who can see the product without any activity from their side and in the case of Internet this is not the only case. Effectively, in a determine online page, advertisement can be published violating the right conferred to the owner of the trademark, but this case would have no more problem than an advertisement in one of the commented media. But when the on line pages are designed by an address, it is this address who is sensitive to the violation of the exclusive right that confers the trademark.

Presumably, people who enters online to a determine page, with an address of a well know trademark, hopes to find the company o people who are working for the trademark. Definitely, the domain name provides information regarding the origin of the online page.

In this case, the thesis that rises from the Spanish Law view is that the use, as a domain name of an alien trademark, with its valid registration constitutes a violation of the exclusive law in the use this trademark in the economic traffic that the owner has of the registered mark and

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<sup>22</sup> [http:// www.around.com/dirtystricks.html](http://www.around.com/dirtystricks.html)

that such violation is sensitive to led to consumers to error, regarding services offered by both companies.

2.- The right of the exclusive use of a registered trademark in the commercial traffic compromises dos aspects: from one side the positive aspect that implies that the owner of the mark is authorised to use, transfer, or to grand a license regarding the mark, and from the other the negative side that entails the capacity of the owner of the registered sign to forbid of the use of the mark to other people, that is to say the denominated ius prohibendi, which is extended to the same signs as to the easily confused and to identical or similar products, as well as to those who are not. The fundamental budget of this ius prohibendi is the risk of confusion.

The 17/2001 Law, in its article 34.3, takes in the specific faculties in which the negative aspects of the subjective law are ramified and could be practised always in accordance with the first paragraph of article 34.2, the considered acts “can led to errors”.

In regards to the confusion in the market, two are the circumstances that have been taken into account: the identity of the signs in conflict and the similarity or identity of the products that are referred to.

The **Tribunal Supremo** maintains, before the publication of the anterior Trademark Law of 1988, that when trademarks in conflict where identical, the point regarding the similarity of the products was not of special importance.

In the actual phrasing of article 6 of the Trademark Law, the identity or similarity of the products is included as a criterion to appreciate the risk.

The **association risk** is a new legal concept with no background in our jurisprudence and in the Spanish doctrine. To appreciate the association risk it is not necessary the identity or similarity of the product of the comforted services.

The association risk is formed as a unitary figure so there is a difference between the confusion risk, this difference is that no identity of similarity with the products is necessary.

The trademark legislation could be applied to suppositions where the behaviour is executed with a competitive character as concurrent circumstances. If this occurs, the use as domain name of someone else registered trademark, even though the products considered are identical o similar (in such case the confusion risk results undoubtedly) or if it refers to products that are not identical or similar (in case of association risk) it constitutes a violation of the exclusive law regarding the use of the registered mark in the economic traffic that the owner has.

These are the criterions to be related in the Spanish Law for the trademarks domains, considering the exclusivity right as it is conferred in article 34 of the Law 17/2001.



### **10.1.- Trade Mark cyber piracy or “cybersquatting”<sup>23</sup> by a domain name.**

Cybersquatting is considered a violation of the trademarks laws because is the purchase of a domain name in bad faith for sale to the company or person involved, at prices far beyond the cost of registration.

This involves a form of commercial blackmail consist of certain persons deliberately and insincerely registering trade marks, company names, commercial names, or even already existing place names, as domain names.

Bad faith registrations are acts contravening the principle of honesty and good faith of the Civil Law.

The United States Congress passed the **Anticybersquatting Consumer Protection Act of 1999** because numerous large companies were forced to pay money to buy their domain names from third parties.

Ex. In Spain: “RealMadrid.es”, “Danone.es”, “Cola-Cao.es”, “campsa.com”, “telecinco.com”, “hipercor.com”, “pie.com”, “libro.com”, “joseluisampedro.com”, “famosa.com”, “preysler.com”, etc... Ex. In EEUU: “Panavision”, but the most famous judicial case went “Marks and Spencer vs. One in a Million”<sup>24</sup> on 1998 in England, which described above represents a fairly typical instance of cybersquatting.

Courts sanction the piracy of distinctive signs by domain names by referring to intellectual property law, to the common law of civil liability and to competition law.

The majority of the decisions draw simultaneously on acts based on counterfeiting, civil liability and acts in unfair competition and the Court order to cease using the domain name and, if the domain was purchased after 1999, can be ordered to pay a compensation for damages .

### **11.- UNFAIR COMPETITION RIGHT RELATIONS.**

1.- In the Spanish Legislation, Law 3/1991, dated January 10, of the unfair competition right, does not constitute any requirement regarding the exercise of the actions that contains the fact that the parts in conflict are not in a situation of competence.

In effect, article 2<sup>nd</sup>. Of the law, establishes that in order to consider the act capable to be included in the assumptions that foreseen the requirements that these are realised with “concurrence purposes”, clarifying in the second concerned rule what is to be understood as “concurrence purposes”, responding to acts that attempts or assures the media in the own assistance or from a third party.

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<sup>23</sup> Guideline for hearing cybersquatting cases issued on August 2000 by the Beijing Higher People’s Court.  
<http://www.cpahklttd.com>

<sup>24</sup> The company One in a Million had registered the domain name “marksandspencer.co.uk” and then had offered to sell it to the British company Marks and Spencer. If Marks and Spencer refused to buy the domain name they sell it to their competitors. The Court ordered One in a Million to transfer the domain name “marksandspencer.co.uk” to Marks and Spencer free of charge.

Article 3<sup>rd</sup>. of the law, establishes that “the application of the Law cannot be subordinated to the existence of a relation to the competence between the active subject and the passive subject in the act of the unfair competition.

This is of special importance at the application when it comes the moment for the legislation of the domain names, as it will not be in an unfair competition with the distinctive sign. This legislation can be cited in cases that a person registers a domain name that coincides with a different sign of someone else, even though the activity areas of the agents are different, which means that it can be cited in the cases that the trademark is applied for different products and services.

Already fixed the possibility to apply that Unfair Competition Law in cases that no competition exists in between the agents, it remains to analyse which of the different acts that rules this regulations which can be applied to the domain names.

In the trademark legislation, the affectation comes from the consideration of the domain names as entirely the exclusive right to use the trademark in the economic traffic and to generate the risk of confusion or association. Besides, in the legislation regarding unfair competition, the cases that the domain names can be affected are those of article 6, that rules the acts regarding market confusion or association, and article 11 that rules the exploits the reputation of the other.

It could be considered as an act of confusion, (art. 6) not only the use as a domain name of a different sign from the other, but to registered a name that is clearly associated to services given by another person, even though it is not identical or not similar, can generate the risk of association in the market and support in such a way the practice of the disloyalty.

The risk of confusion or association, established by the LCD, presents a very superior outlets in its performance than the outlets of the Trademark Law, because the difference in this one the legislation regarding unfair competition is directed to protect the consumer and the market itself, so that the condemn acts that causes decisions in the market due to a wrong presentation of the reality.

The main criteria to specify this risk is constitute by the similarity of the used signs. The use of the another trademarks as a domain name, will not only imply confusion risk but closes radically the possibilities of any promotion of the trademark of your own.

From the other side, article 11 that condemns “the exploiter of a trademark not belonging to oneself” can also be affected, due to the fact that “it considers unfair the use of distinctive signs not of our own”.

To appreciate the application of this article, four criteria should be pointed out:

1. The implementation of the trademark in the market, in relation with the renown gained by the trademark is configured as principle.
2. The effort and the investments made by the owner of the trademark.
3. Competitive proximity of the area of activity of the companies in conflict.

4. The extent of the utilisation of the trademark by a third party affects the legal possibilities of exploitation by the owner.

## **12.- FINAL CONSIDERATION REGARDING THE COPYRIGHT, TRADEMARKS AND DOMAINS.**

It has been considered that the domain names, in relation with the trademarks, can be included in the exclusive right of the utilisation of the mark in the economic traffic and it has also been observed that this figure also presents unquestionable connections with the unfair competition right.

The rights that confers to its legal owner the copyright legislation can be affected by the trademarks. These two group of rules have evident relation, from one side the domain names are considered, as part of the right to use with exclusive basis, the trademark in the economic traffic, but perhaps it is already time to consider the domain names as a parallel institution to the trademarks and the copyrights.

Let us believe an hypothesis, that someone registers as a trademark a well know domain name, whose owner did not registered in its day the name as a trademark. Could the right of this trademark be rejected, in base of the right that the domain name confers?

It is very certain that the hypothesis could be applied to the doctrine of the renamed trademark and the evident trademark, but it should be noted that the evidence comes from the knowledge by the public of the net, that is to say the public knowledge in the virtual market that establishes Internet, where certainly, the domain names are exceptionally the distinctive sign in this new dimension of the Net.

The domain names establishes the real name that indicates the personality and origin of its owner.

Definitively we are before an authentic institution that is already starting to claim its own processing, connected with the trademark legislation, copyright and unfair competition.

The report from the French State Council in its article 5<sup>th</sup>, establishes three points based on the domain names system.

These points are the following:

1. The domain names are a public resource, it is not unlimited and consequently has to be administrated with a general interest conclusion.
2. What ever its legal status is (private or public) the DNS regulation rules should have an international character, as well as its own DNS. The DNS essential principles should, besides, be defined under the scope of the most appropriate international organisation.
3. The DNS should observe the patent rights, copyright and particularly the trademark rights.

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- 6.- **Marcas y Nombres de Dominio en Internet.** García Vidal, A. Madrid: Marcial Pons. A.DI, t. XVIII, 1997, pages:187 y ss.

## LINKS ON INTERNET.

- 1.- ICANN: <http://www.icann.org>
- 2.- ES-NIC: <http://www.nic.es>
- 3.- Dot.EU TLD: <http://www.europa.eu.int>
- 4.- WIPO: <http://www.arbiter.wipo.int/domains>
- 5.- Cases of Domain Names: <http://www.jmls.edu>