

Wednesday 15 February 2023

Defending Your Domain(s): IP Considerations for Protecting Your Online Presence

John McLellan, Lawyer | Intellectual Property

Phoebe Naylor, Lawyer | Intellectual Property

Contents

01	Why are Domain Names Important?	04	Action – Defensive and Proactive Measures
02	Behind the Screens	05	Summary
03	What Problems can Arise?		



An Online World



Why Domains?

- High stakes: Australians spent a record AU\$62.3 billion online in 2021. Australians also lost just over AU\$9 billion in online shopping scams in 2022
- Individual consumer loss negatively affects business reputation
- Protecting your business from:
 - Scam websites
 - Counterfeiting websites
 - Phishing websites
 - Consumer confusion

A Hypothetical Case Study: Nathan's Nappies

- Nathan and his partner start selling nappies made of organically-made materials during COVID
- They start selling the nappies to friends who rave about the products on social media, a TikTok ad goes viral and word rapidly spreads
- Nathan and his partner settle on the business name Nathan's Nappies. They register a business name and instruct their lawyers to file a trade mark application
- They purchase a domain name nathansnappies.com.au (**Primary Domain**) and engage a website developer to build a website

Nathan's Nappies Cont.

- The website goes live
- Nathan's Nappies engages 'search engine optimisation' (**SEO**) professionals to increase the digital footprint of the brand and pay for ads through social media accounts linked to the Primary Domain
- Sales skyrocket
- Nathan's Nappies run a slick marketing campaign on Instagram in which comedian Dave Hughes plays a struggling father looking for nappies for his baby who is allergic to a chemical found in most nappies
- Nathan's Nappies thrives in the online world
- A bump in the road for Nathan's Nappies emerges – copycats



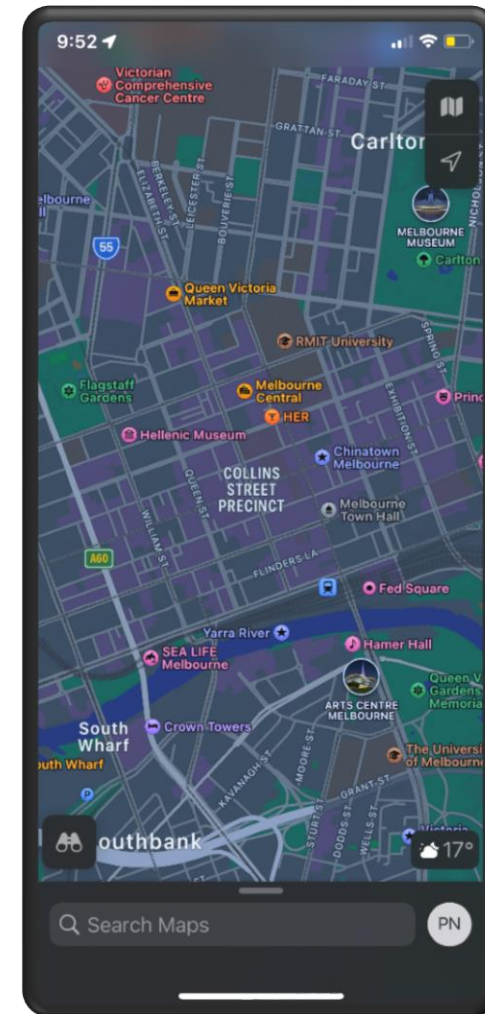
Behind the Screens



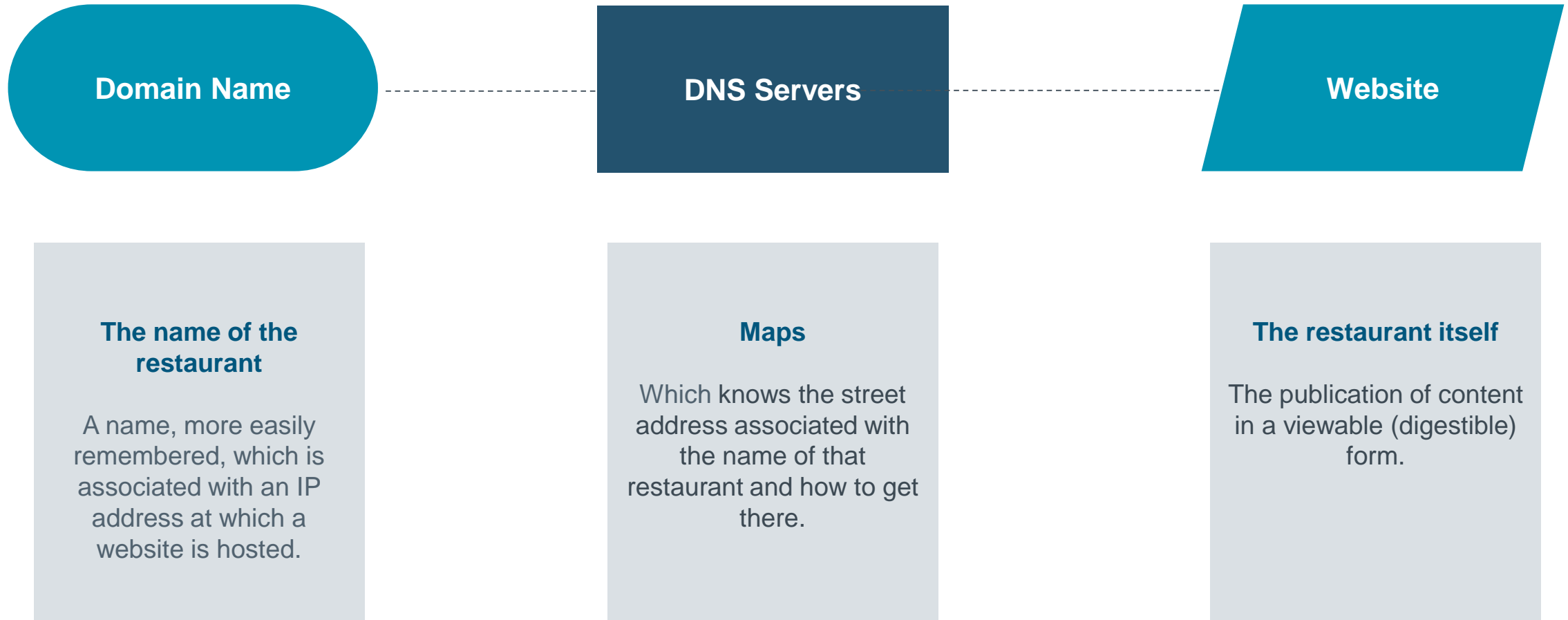
How Does the Internet Work?

An analogy:

- You know the name of the restaurant that has the food you're craving.
- You type this name into maps, and it comes up with a location / address
- Maps directs you to that address
- You enter the restaurant and get to eat!



How Does the Internet Work?



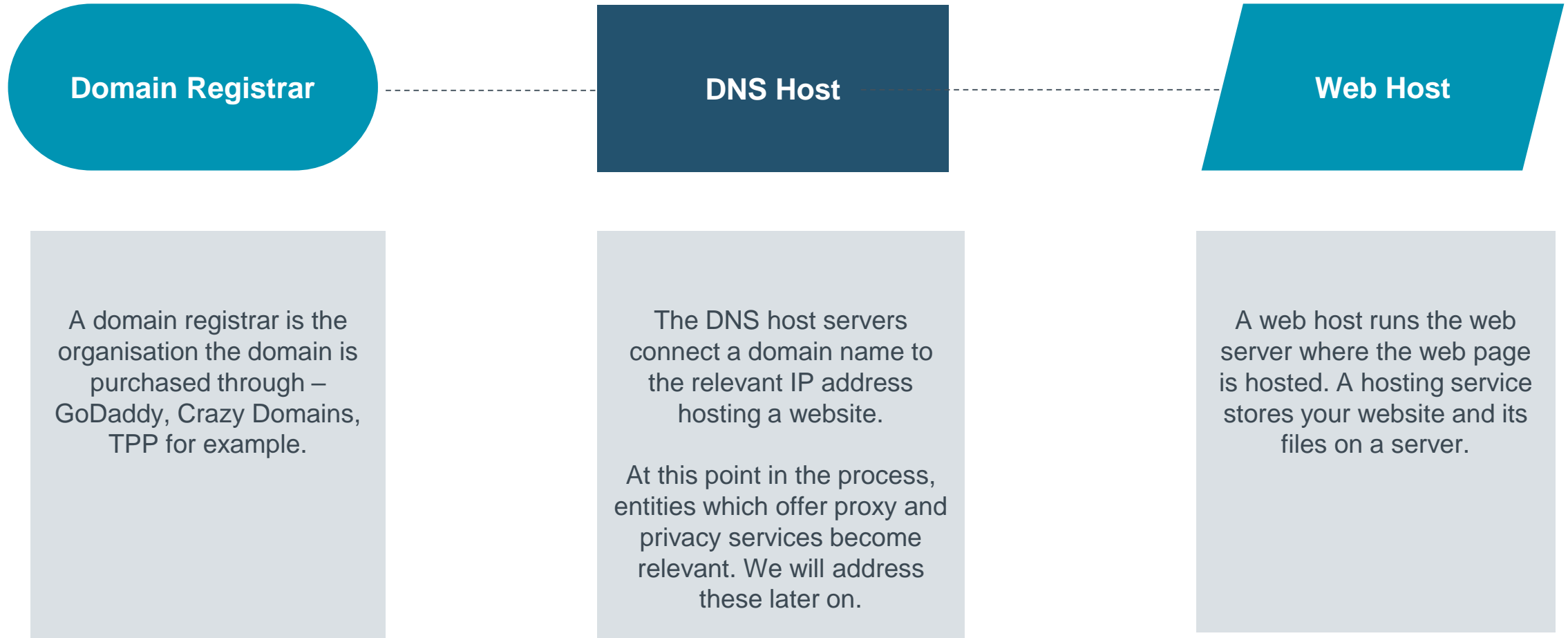
Websites vs Domain Names

You can purchase the address as an empty block of land without it necessarily having a building on it.

A business could pick up a building (website) and transfer it to another street address (domain name). You could also keep your address, knock down the building and rebuild (i.e. design and build a new website located at the same domain name).

In Australia, if you search for a domain name that is not registered and does not resolve to a live website, a domain name system error message is received.

The Parties Involved



Key Players



ICANN

The Internet Corporation for Assigned Names and Numbers (**ICANN**) is a US-based not-for-profit organisation responsible for coordinating the maintenance and procedures of several databases related to namespaces.



WIPO

The World Intellectual Property Organization (**WIPO**) has described its two main objectives as being (i) to promote the protection of intellectual property worldwide, and (ii) to ensure administrative cooperation among the intellectual property Unions established by the treaties that WIPO administers.



Arbitrators

Independent arbitrators are appointed to hear and determine domain name complaints. WIPO appoints arbitrators to determine UDRP complaints.

Whois and Domain Name Search Tools

- Major domain name registrars and some organisations provide 'Whois' services, which enable the public to search for domain name information including registrant details, domain name registrar details and contact details for each party
- For domains ending in ".au", auDA free tool is accessible via the URL www.whois.auda.org.au
- Other organisations provide search tools for other domain names. ICANN provides a Whois lookup for a number of other domain name types including .com domains
- Some registrants hide their details by using proxy or privacy services



Proxy Servers



To register a domain name, you need to provide your details, including a name and address.

Some applicants choose to register a domain name by listing the details of a proxy server such as Cloudflare rather than their own.

This provides the holder with an additional layer of protection and anonymity.

Operators of scam websites often register a domain name through a proxy server.

Where is Your IP in all of These?

- **Trade marks** – can be used in domain names, on websites, and potentially in meta tags
- **Copyright** – businesses can own copyright in various elements of websites including images, branding elements or social media advertisements (including music used in these). Could also own the copyright in source code (although perhaps not if a third party created the code and did not assign it to the website operator)
- **Confidential information** – certain types of information relating to domain names and websites hosted from domain names might be confidential for a business (including website visitor statistics, or turnover from online sales from a website)



Potential Problems



What Problems can Arise in the Domain Name Space?

- Scam websites
- Website cloning
- Domain name squatters
- Misuse of IP online
- Infringement in meta tags



Scam Websites and Website Cloning

- Website cloning is the creation of an illegitimate website that mirrors a genuine website
- Scam websites can also be non-mirrored versions of genuine websites that give the impression that they are associated with a legitimate website
- Often, scam websites are created and operated around busy online shopping periods (such as Christmas, boxing day or Black Friday) and purport to sell discounted goods or services

Nathan's Nappies Scam Website

- An unrelated party registers the domain name nathansnappies.com (**Infringing Domain**)
- Nobody monitors the 'help' inbox for a few weeks around Christmas, and Nathan's Nappies misses emails from dozens of consumers saying they have purchased nappies from the website hosted by the Infringing Domain
- Eventually, consumers take to social media to vent their frustration, and Nathan's Nappies receives bad press despite the fact that it was not operating the Infringing Domain
- Lesson: **if businesses are not diligent, serious reputational damage can be caused if consumers fall prey to fraud or scam websites purporting to be related to their brands**

Cyber Squatters

Domain name squatting is the action of purchasing a generic top-level domain name to block someone else from registering it in order to either make a profit from reselling it, or to sell ads from the domain name.

Domain name squatters commonly look at recently filed company names, business names and trade marks and pre-emptively register a domain name in the hope that a business will be open to paying an inflated sum in exchange for the domain name down the track.

Meta Tags – Possible Trade Mark Infringement

- Meta tags are snippets of text that describe the contents of a website
- Meta tags are located within the page's source code (the code or infrastructure that sits behind a website that determines what appears on the website, how it looks, etc)
- The use of meta tags in source code can impact upon search engine rankings
- In certain contexts, the use of a meta tag in source code can constitute trade mark infringement
- If a business is thinking of using a meta tag (especially one which is the same as or similar to a competitors brand), they should seek legal advice before doing so. If you suspect another business is using a registered trade mark as a meta tag, seek legal advice



Action



Action

- **Proactive:** Prior to domain name issues materialising for a business, it can insulate itself against the risk that these issues pose by taking a number of actions
- **Defensive:** Once issues arise, there are a number of reactionary measures that can be taken to remove the infringement



Trade Mark Registration

**KEEP CALM
AND
REGISTER
YOUR
TRADE
MARKS**

- Trade mark registration is the basis for many domain protection and defence mechanisms
- Conduct a review to determine if there are gaps in your portfolio: Do you have registrations? Are they up to date? Do they need to be assigned to a new entity / individual after a restructure?

Defensive Measures

- Uniform Domain Name Dispute Resolution Policy (**UDRP**):
 - Policy created by WIPO that registrars must follow
 - Complaints filed with WIPO
- Uniform Rapid Suspension System (**URS**):
 - A faster and lower cost complement to UDRP
 - Complaints filed with approved third party arbitration providers
- Abuse complaints:
 - Filed with the relevant registrar, proxy or privacy service, or webhost

Defensive Measures: UDRP

Aggrieved parties can file a domain name complaint under the Uniform Domain Name Resolution Policy (**UDRP**) which are filed with WIPO.

If a UDRP complaint is successful, the complainant can elect between (i) having the domain name cancelled, or (ii) having the domain name transferred to the complainant.

3 elements to prove:

- (i) Domain name identical or confusingly similar to registered TM or service mark in which complainant has rights;
- (ii) The registrant does not have any legitimate rights in the domain; and
- (iii) The domain name was registered and is being used in bad faith.

Defensive Measures: URS

- URS complaints can only be filed against domains which have ‘generic top level domains’ (**gTLDs**) introduced after June 2013
- Complainants need to establish the same 3 requirements that need to be established in UDRP complaints:
 - The domain is identical or confusingly similar to a registered trade mark;
 - The registrant has no rights; and
 - Bad faith.
- Notable difference to UDRP complaints: not possible to have the domain transferred to successful complainant. It is simply cancelled

Defensive Measures: Abuse Complaints



- Domain name registrars very often have policies and terms and conditions in place prohibiting certain acts. Often these include terms which prohibit infringement of intellectual property
- If registrants fall foul of abuse policies and / or terms and conditions, it can be an option to write a formal complaint to the registrar seeking for the domain name to be cancelled or suspended
- Depending on who the registrar is, this can be an effective approach
- Some registrars are more amenable to cancelling / suspending infringing domains than others, so very often it will depend on who the registrar for the domain name is

Notable WIPO UDRP Decisions

1. *Viceroy Cayman Ltd. v. Anthony Syrowatka*, WIPO Case No. D2011-2118 – WIPO panellist considered what constitutes ‘bad faith’ registration and use
2. *Telstra Corporation Limited v. Ozurls*, WIPO Case No. D2001-0046 – relevant findings regarding how many instances of bad faith constitute a ‘pattern of conduct’ (can be as little as 2)
3. *Harrods Ltd v. Boyd* (Case No. D2000-0060) – relevant finding where Respondent did not directly approach the complainant offering to sell the domain, but offered it to the world for sale at a price of US\$400,000. Despite not being explicitly directed at the complainant, panelist found complainant was “logical target” for the conduct. This indicated bad faith

Proactive Measures

- Watch service:
 - Arrange for a 'watch service' around key words and trade marks
 - Enables quick action to minimise fallout
- Defensive domain name registrations:
 - Registration of similar domain names to ensure these can't be used for illegitimate purposes
 - Be mindful of the requirements for registration of certain domains

Proactive Measures: Domain Registration Rules

.au

The .au Domain Administration Limited (**auDA**) develops and administers the rules for domain names in the .au country code Top Level Domains.

.com

The .com name was intended for commercial businesses, but is not restricted and can be used for other purposes.

.biz

The .biz domain is restricted to businesses.

.org

The .org domain is unrestricted, but was intended to service the non-commercial community.

Who is Eligible to Hold an '.au' Domain Name?

- To be eligible to hold a .au domain name, the registrant must have an **Australian presence**
- There are several ways to satisfy this requirement. The most straightforward way for a foreign registered entity to satisfy the Australian presence requirement is to register an Australian trade mark that exactly matches the domain name that it wishes to hold – this excludes punctuation and common articles such as 'a', 'the', 'and', 'of' and 'or'
- However, if a business registers a trade mark purely for the purpose of being able to hold a .au domain name, the trade mark could be vulnerable to opposition or revocation on the basis that the applicant did not have an intention to use the mark in Australia when filing the application

Open Australian Domain Namespaces

- There are 6 au namespaces that the general public can register, provided they comply with the various eligibility requirement/s for each namespace:

com.au	For commercial entities, such as companies and businesses registered with state governments
net.au	For commercial entities, such as companies and businesses registered with state governments
org.au	For charities and non-profit organisations
au	Open to anyone with a connection to Australia
asn.au	For incorporated associations, political parties, trade unions, sporting and special interest clubs
id.au	For individuals who are Australian citizens or residents

Closed Australian Domain Namespaces

- There are 3 '.au' namespaces that are closed to the general public as they are only available to entities within a defined sector:

edu.au	For educational institutions registered at federal or state levels
gov.au	For Commonwealth, state, territory and local government bodies
csiro.au	For the sole use of the Commonwealth Science and Industry Research Organisation (CSIRO)

Nathan's Nappies

- After having to deal with the scam website, Nathan and his partner want to take every measure possible to avoid being in the same situation
- They register nathansnappies.com, nathansnappies.au, nathansnappies.shop, nathansnappies.store and a number of other gTLDs
 - When users navigate to these domain names, they are redirected to the Primary Domain which hosts the legitimate website
- They also seek legal advice regarding a domain review, trade mark review and a watch service to ensure Nathan's Nappies IP is well protected

Summary

- It's an online world – with benefits and risks
- Protecting your business' IP online from being used to scam consumers or viewers is crucial to protecting reputation
- Take proactive steps:
 - Register trade marks
 - Register defensive domain names
 - Arrange a watch service
- Seek assistance ASAP if defensive steps are required:
 - The best option to take will depend on the circumstances
 - Delay can exacerbate reputational harm

QUESTIONS?

Contacts



John McLellan

Lawyer
Melbourne
+61 3 9640 4322
John.McLellan@klgates.com



Phoebe Naylor

Lawyer
Melbourne
+61 3 9640 4219
Phoebe.Naylor@klgates.com

K&L GATES