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Owning your domain

K&L Gates' Simon Casinader and Bianca D'Angelo investigate the pitfalls of domain names.

AS A 'DIGITAL shopfront', domain names give you an exclusive right in a mark. They are important marketing tools for fashion companies in the 21st century. Navigating this area can be tricky, especially when encountering cybersquatters who seek to buy up domains to resell them for a profit at a later date, or when simple registration errors put your domains at risk.

"Ownership" of domains

You do not technically 'own' a domain, but you have a licence to use it from a registrar. By registering a domain, you have the right to use the domain name for a specific period subject to the terms of the registrar. This allows you to prevent anyone else from registering the same domain, but does not in itself entitle you to any other rights in the name. A trade mark is what

Cybersquatting

Since the mid-1990s, countless businesses have been embroiled in 'domain wars' against cybersquatters who register, occupy and trade a domain with a claim to having any legitimate interest in it.

In 2015, Hermes International successfully had the domain name hermes.com transferred to them.

In 2016, De Beers won a claim against an individual who registered debeers.feedback.

In 2017, Jimmy Choo defended its brand against jimmy-choos.com which misled customers into thinking they were buying genuine Jimmy Choo branded goods when this was not the case.

The De Beers and Hermes cases are good news stories for brands concerned about maintaining exclusivity in the wake of ICANN's new gTLD program.

Since 2012, ICANN has issued over 1,000 new gTLDs (including .shopping and .luxury), sparking a new wave of cybersquatting. Registering the name of brands and celebrities on social media sites is another relatively new problem. Other deceptive practices include making a domain with a typographical error and using someone else's domain as the sender or 'reply to' address in an email.

Who should own it?

Businesses commonly make mistakes setting up a domain. You must ensure the correct entity, usually your business operating entity, is registered as the owner of your domain. DO NOT register the first consulting a lawyer.

domain in the name of an individual who may eventually leave the business and take the domain name when they exit.

What to do with cybersquatters?

If you discover that your brand is being used in bad faith you can:

a) Seek to recover or cancel the domain through approved arbitration methods.

An authorised provider (such as WIPO) can cancel or transfer the domain under ICANN's Uniform Domain Name Dispute Resolution Policy (UDRP). All domain registrants are bound by the UDRP (or similar policies) when they buy a domain.

To succeed in a UDRP Complaint to transfer or cancel a domain, you must show that the domain:

1. is identical or confusingly similar to a trade mark or service mark, in which you have rights
2. the registrant has no rights or legitimate interests in respect of it, and
3. it has been registered and is being used in bad faith.

However, it is not considered bad faith to merely register a domain before adopting a trade mark or to register and not use it.

For a new gTLD (such as .store or .clothing), businesses can also seek to suspend a domain that is similar to their word mark through ICANN's Uniform Rapid Suspension System. This regime offers an even cheaper and faster path to relief than UDRP arbitration.

Institute Court proceedings seeking the recovery or cancellation of the domain. Although you can litigate these matters through the Courts, the arbitration systems above are the cheapest and easiest methods.

Conclusion

Domain names can be a vital asset for a business. It is important that your business register the correct domain names in the name of the correct owner. Furthermore, it is important that you seek the transfer or cancellation of any domain names which encroach on your legal rights.

For more information about issues relating to domain names please contact Simon Casinader, Senior Associate at K&L Gates (email simon.casinader@klgates.com.au). This article is for informational purposes and does not contain any convey legal advice. The information herein should not be used or relied upon in regard to any particular facts or circumstances without the first consulting a lawyer.

