

3rd ECLIP II Workshop
“Domain Name Issues”
Münster, September 1, 2000

**The Registration and Use of Generic
Terms as Domains**

Introduction

- Structure and function of the Zentrale zur Bekämpfung unlauteren Wettbewerbs e.V. (Center for Combatting Unfair Competition)
- May 2000: new administrative department (VI) for Internet, New Economy and International Relations

Problem I

- Registration of domain names has become a big legal issue
- Many legal provisions applicable; Trade Mark Law, laws regulating rights of personality, Unfair Competition Law
- Many different problems
 - Registration of company names by competitors with and without use of the domain
 - Registration of town and city names
 - Domain grabbing
 - Registration of company names by natural persons of the same name

Problem II

- Lecture restricted to one special issue, the registration and use of generic domain names
 - No trademark protection: art. 3 lit. b) and d) of the Directive 89/104/EEC to approximate the laws of the Member States relating to trade marks
 - Center's right of action results from § 13 Act against Unfair Competition and §§ 13 and 20 Unfair Contract Terms Act
 - Therefore legal evaluation furthermore narrowed down to Unfair Competition Law

Legal Evaluation: Germany I

- Legal basis for evaluation: sec. 1 and 3 German Act against Unfair Competition (text and English translation see below)
- Sec. 1 Act against Unfair Competition
 - Is the process of registering domain names already a commercial activity for competitive purposes? Yes: decision "cyberspace.de". Need for further distinction (no commercial activity in case a private website is operated under the registered domain name)

Legal Evaluation: Germany II

- Does the registration of generic or descriptive domain names contradict public morals?
 - Competitive advantage by breach of law (Vorsprung durch Rechtsbruch)
 - Application of Sec. 8 German Trademark Act mutatis mutandis?
 - No: decisions "mitwohnzentrale.de LG", "wirtschaft-online.de", "sat-shop.com"
 - Arguments: evaluation procedure by the patent and trademark office for trade marks and decision of the legislator not to regulate domain names in German Trademark Act

Legal Evaluation: Germany III

- Anti-competitive impediment of sales (wettbewerbswidrige Absatzbehinderung)
 - Yes: decision "mitwohnzentrale.de"
 - Counter arguments: it has not been established that the Internet user mainly relies on domain names for finding a service (many different sites behind generic domain names, use of search engines). Practical problems: what happens to well-known services under generic domain names (buecher.de)?
 - "Mitwohnzentrale.de" might have to be distinguished as there is no alternative name for this kind of soliciting agencies in the German language
 - Exception: domain grabbing in order to prevent registration and use by competitors

Legal Evaluation: Germany IV

- Conclusion Sec. 1 Act against Unfair Competition:
until the appeal has been decided by the High Court no contradiction of public morals by the registration and use of descriptive or generic domain names

Legal Evaluation: Germany V

- Sec. 3 Act against Unfair Competition
 - Can registration and use of a domain constitute a fraudulent representation regarding commercial circumstances?
 - Registration w/o use: no, because no service or good is offered on the website which could be fraudulently represented
 - Use: yes, if the Internet user can reasonable expect a certain service or at least a certain type of service
 - Decisions: "amtsgerichte.de", "rechtsanwaelte-koeln.de", "bahnhof.de"

Legal Evaluation: Germany VI

- Application on the case "mitwohnzentrale.de"? No, because the Internet user does not expect a comprehensive list of soliciting agencies (only at least one)
- Conclusion Sec. 3 Act against Unfair Competition: infringement has to be determined on a case by case basis by looking at the services offered on the website

Legal Evaluation: Germany VII

- General conclusion: there is no infringement of German unfair competition law when registering and using generic or descriptive domain names with the following two exceptions:
 - Registration of a generic domain without using it by a competitor in order to prevent the competitor from using said domain
 - Use of a generic domain if it constitutes a fraudulent misrepresentation of the goods or services offered on the individual website in order to lure customers to one's website
- Policy of the Center for Combatting Unfair Competition

Comparison: French Unfair Competition Law I

- Legal basis for evaluation: no statutes covering especially unfair competition law; Art. 1382 Code Civil, Art. L 111-1 Code de la Consommation
 - Art. 1382 Code Civil: 4 groups of infringement: confusion entre les entreprises, dénigrement, désorganisation du marché, désorganisation de l'entreprise rivale do not seem to fit

Comparison: French Unfair Competition Law II

- Art L 111-1 Code de la Consommation: applicable only to advertisements? Does not cover the registration and use of domain names, but could be applicable if the generic domain (as title of the advertisement on a website) is misleading
- Very broad provisions. Will probably be interpreted more liberal than sec. 1 and 3 German Act against Unfair Competition

Comparison: French Unfair Competition Law III

- Conclusion: with the exception of misleading generic domain names which lead to websites containing advertisement no infringement of Unfair Competition Law by registration and use of generic domain names

Comparison: British Unfair Competition Law I

- Legal basis for evaluation: no statutes covering especially unfair competition law; sec. 2 (1) (a) Fair Trading Act of 1973, sec. 1, 2 Trade Descriptions Act 1968, sec. 20 (1) Consumer Protection Act of 1983, British Codes of Advertising and Sales Promotion of 1995
 - Sec. 2 Fair Trading Act: very broad provision. Furthermore, only the Director General of Fair Trading is legitimated to control the commercial activities

Comparison: British Unfair Competition Law II

- Trade Descriptions Act 1968: "trade description" exhaustively defined in sec. 2. Definition does not include origin or nature of a good or service but only qualities of a good or service such as price, quantity, method of manufacture, composition etc.
- Sec. 20 (1) Consumer Protection Act of 1983: covers only misleading information as regards the price at which any goods, services, accommodations or facilities are available

Comparison: British Unfair Competition Law III

- British Codes of Advertising and Sales Promotion of 1995: applicable only to media as specified in sec. 1.1 such as advertisements, cinema and video commercials, sales promotions and mailing lists
- Conclusion: no provision applicable on generic domain names. Registration and use of generic domain names seems to be legal (which seems to apply even to misleading domain names)

Comparison: WIPO I

- Legal basis for evaluation: sec. 4 ICANN Uniform Domain Name Dispute Resolution Policy
- Only confusion of trademarks or service marks and domain names subject to Domain Name Dispute Resolution Process

Comparison: WIPO II

- Two possible conflicts:
 - Complainant conducts its business under a generic term for which a trademark has been registered. Cases No. D2000-0358 Interactive Television Corporation v. Noname.com, No. D2000-0405 Société des Hotels Méridien SA v. United States of Moronica, No. D2000-0439 Shopping.com v. Internet Action Consulting (complainant's rights) and Case D2000-0490 France Telecom v. Domain (bad faith)
 - Complainant conducts its business under a trademark which is a homophone of a generic term. Cases No. D2000-0624 Do The Hustle, LLC v. Tropic Web

Comparison: WIPO III

- Trend: no protection of generic terms even if they have been registered as trademarks (sole exception panel decision "lemeridien.com")

Final Conclusions

- In Germany, France, the United Kingdom and on the basis of the ICANN Uniform Domain Name Dispute Resolution Policy there seem to be no legal grounds to pursue the registration of generic or descriptive domain names in general
- In case of a misrepresentation of the good or service offered on the website by the use of a misleading domain name, however, at least in France and Germany the application of unfair competition law (art. L 111-1 French Code de la Consommation, sec. 3 German Act against Unfair Competition) may be considered