

DOMAIN NAMES AS PROPERTY RIGHTS

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Agenda

- Domain names from the perspective of the Registrant
 - Property rights v. Contract rights
- Domain names from the perspective of the Registry
 - Contractual rights
- Domain names as property rights
 - Rights in the domain name itself
 - Cybersquatting
 - US Position via AntiCybersquatting Consumer Protection Act 1999
 - Case law from UK, Malaysia, New Zealand
- Summary
 - contrast with telephone numbers, licence plates, business names etc.
 - implications for Registry on treating domain names as property rights

Property rights v. Contract rights

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- *Some scholars distinguish property rights from contract rights by explaining that property rights are regarded as in rem rights that bind the entire world, while contract rights are in personam and thus bind only the parties to the contract*

Q:- Has technology created a new form of Intellectual Property?

[Source: "Ownership of Internet Domain Names," Mohammad S. Al Ramahi, School of Law, University of Manchester]

- Property rights are claimed when registrants seek remedies under the law for domain name itself



Domain Names as Contract Rights

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Non-exclusive Right to use the domain name	Process application to register & renew domain names	Entering domain name details into Name Server	Maintaining Registration
<ul style="list-style-type: none">-Registrant does not own the domain name-Registration or use MUST not be for any illegal, unlawful purpose & doesn't infringe rights of any party	<ul style="list-style-type: none">-Registrar CANNOT refuse to register/renew domain names that satisfy eligibility requirements & where registrant has made payment	<ul style="list-style-type: none">-Registration on a first-come first-serve basis-No exactly similar domain name will be registered-technical contact, primary & secondary name servers will be included	<ul style="list-style-type: none">-Registrant cannot assign contractual rights & obligations-Registrant may delete or transfer the domain name

[MYNIC Agreement for the Registration of Domain Names]



From Contract Rights to Property Rights

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- There is no contractual right for Registrant to buy or sell the domain name to a third party under the Registration Agreement with MYNIC
 - Hong Kong (‘.hk’):-
Registration of a domain name does not constitute & shall not be used by the registrant as evidence of ownership of the domain name
[Clause 6.2, .hk registration agreement]
 - Singapore (‘.sg’):-
The registrant has the right to use the domain name but not the right to own it. As such, the registrant does not have the right to sell or transfer the domain name to any party whether for profit or otherwise.
[para 13.1, SGNIC’s Registration Policy Procedure Guideline (“RPPG”), Version 1.4, November 2006]
- Registrant is bound by the MYDRP (www.mynic.net.my/mydrp/) over the rights to register and use the domain names



Domain Names as Property Rights

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- MYDRP is modelled on the UDRP
 - For trademark or servicemark owners
 - file complaints over disputed domain names with the KLRCA
- No. of Internet domain name cybersquatting disputes filed with WIPO increased by 25% in 2006
[www.wipo.int/pressroom/en/articles/2007/article_0014.html]
- **Cybersquatting**
The term is derived from "squatting" which is the act of occupying an abandoned or unoccupied space or building that the squatter does not own, rent or otherwise have permission to use. Cybersquatting however, is a bit different in that the domain names that are being "squatted" are (sometimes but not always) being paid for through the registration process by the Cybersquatters.
[Source: en.wikipedia.org/wiki/Cybersquatting]



Domain Names as Property Rights

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1. United States of America Position

According to US federal law known as the Anti-Cybersquatting Consumer Protection Act, is registering, trafficking in, or using a domain name with bad-faith intent to profit from the goodwill of a trademark belonging to someone else. The cybersquatter then offers to sell the domain to the person or company who owns a trademark contained within the name at an inflated price.

[<http://en.wikipedia.org>]

- The Anticybersquatting Consumer Protection Act (ACPA) 1999
*a strong federal policy against registering or keeping domain names for the sole purpose of profiting by selling those domain names to **trade mark owners** or to **people whose personal names are similar to the domain name***



Domain Names as Property Rights – US Position

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- ACPA 1999 gives trademark owners the option to proceed *in rem*
 - against the domain name itself.
Overcomes previous difficulties in locating the registrant
 - *In rem* suit is brought in the judicial district where the registrar is located.
Where registrar received file stamped copy of court complaint, registrar
 - must not transfer or cancel the registration
 - must deposit the domain name with the court
- *Sporty's Farm LLC v. Sportsman's Market Inc.*
 - Use of the '**sports.com**' domain name was indistinguishable from "Sport's" trademark.
 - Registrant found to have acted in bad faith to profit and had used the website to directly compete with the trademark owner.



Domain Names as Property Rights – US Position

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- *Joseph C. Shields & The Joe Cartoon Co. v. John Zuccarini*

'joescartoon.com'

'joecarton.com'

'joescartons.com'

'joescartoons.com'

'cartoonjoe.com'

Plaintiff was a graphic artist who created, exhibited and marketed cartoons under the name "Joe Cartoon" & the "The Joe Cartoon Co." Creations included "Frog Blender", "Micro-Gerbil" & "Live & Let Dive" animations.



The "Joe Cartoon" mark was held to be distinctive & famous and entitled to protection under the ACPA 1999. Plaintiff's domain at 'joecartoon.com' was also protected by the Act.

Defendant was a wholesaler of Internet domain names and the registered domain names were all found to be confusingly similar to that mark, within the meaning of the ACPA 1999.

Plaintiff was awarded

- Permanent injunction & summary judgment on his ACPA claim
- Statutory damages of USD10,000 for each infringing domain name
- Award of Attorneys' fees

Source:<http://www.keytlaw.com/Cases/shields.htm>



Domain Names as Property Rights - US Position

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- *President and Fellows of Harvard College v. Michael Rhys*
 - Harvard University brought suit in the US District Court under the ACPA 1999 to prevent a company that had registered 65 domain names relating to Harvard & Radcliffe, one of which was 'radcliffecollege.com'.
 - Defendant charged with federal trademark cyberpiracy, federal trademark infringement, federal unfair competition & federal trademark dilution under the ACPA 1999.
 - The court granted interim injunction to prevent the company from using Harvard's trademarks for all the 65 domain names.
- *Lucent Technologies v lucentucks.com*
 - Lucent brought suit against domain name 'lucentucks.com' which allegedly contained pornographic images.
 - Court held that Lucent had located the owner of the site & could have proceeded against the registrant. The court held that the *in rem* suit (on the domain name itself) was not proper.



Domain Names as Property Rights - US Position

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- *Caesars World, Inc v. Caesars-Palace.com*
 - Defendants argued that *in rem* provisions of the ACPA 1999 were unconstitutional.
 - Court held that the Act's provisions were valid because Congress could declare domain names to be property and identify the registration location as the *situs*, and because the name itself was the entire subject matter of the claim and sole remedy, there was no due process violation to the defendant by allowing *in rem* jurisdiction.
- All case law under the ACPA 1999 concerned gTLD-category domain names, almost all under the '.com' category.



Domain Names as Property Rights – UK position

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2. The UK Position

- *British Telecommunications Plc v One in a Million Ltd*
Marks And Spencer Plc v One in a Million Ltd
 - Defendant registered a large number of domain names incorporating well-known trade marks and trade names without the consent of the companies or persons which owned the goodwill.
 - English courts granted injunctions to the Plaintiff to prevent the use of their trademark.
 - Court viewed the domain name registrations as “*instruments of fraud*” & any “*realistic use*” of them would result in **passing off & trademark infringement**.
- This position is followed by the Malaysian courts when considering the plaintiff’s application for interim mandatory injunction over the registration of domain names ‘petronas-dagangan.com’, ‘petronasgas.com’, ‘mypetronasdagangan.com’ and ‘mypetronas.com’ by the defendant.
[*Petroliam Nasional Berhad (Petronas) & Ors v Khoo Nee Kiong*]



Domain Names as Property Rights – NZ position

3. The New Zealand Position

- *Oggi Advertising Limited v McKenzie*

Plaintiff applied for an interim injunction

- preventing the registrant defendant of 'oggi.co.nz' from using the domain name and
- applied for an order requiring the registrant defendant to assign the domain name to the Plaintiff

The court found that all the elements of the **tort of passing off** could be established & granted the injunction & order.

- Misrepresentation by registrant
- made by trader in course of trade
- made to prospective customers of or ultimate consumers of goods & services i.e. NZ web users
- calculated to injure business/goodwill of another trader
- damage was caused



SUMMARY

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- Domain Names
 - Contractual rights (Registry/Registrar perspective)
 - service to the registrant
 - positive use to establish websites
 - Property rights (Registrant perspective)
 - domain name itself
- Approaches towards legal treatment of domain names
 - Similar treatment as trademarks in terms of remedies in UK, Malaysia, NZ
 - A new form of Intellectual Property right?
 - Corporate asset?
 - Contrast with
 - telephone numbers,
 - car licence (vanity) plates
 - business/trade names etc.



SUMMARY

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- What is the extent of Registries' responsibility if domain names are treated as property rights?
 - Registrant can treat it as property rights under US law
 - Would domain names become real estate (in cyberspace)?
 - lease, licence, enter caveats, rent, trust, will, etc.
- What are the implications for Registry services ie registrations, transfers & deletions e.g. accidental deletions of domain names that are treated as property rights – would liability be limited to contract value (registration fee) of domain name?



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Discussion



THANK YOU!

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