

Resolution of Disputes involving Trademarks and Internet Domain Names

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Chapter for the book *O Direito e a Internet (Law and the Internet)*

General Editor - Valdir Rocha, Senior Partner, Veirano Advogados

INTRODUCTION

This chapter is intended to give our readers an overview of the interplay between internet domain names and trademarks, especially the methods used to resolve conflicts between them. The details can be highly technical and are best left for further investigation by those who are especially interested.

The chapter is organized into four parts:

A) A brief update on relevant activities of the WIPO Arbitration and Mediation Center, with some cases involving Brazilian companies

B) The new WIPO initiative to administer domain name cases with the country level extension <.br>

C) The new joint INPI – WIPO Mediation Center for Trademarks

D) The ICANN Program for Resolution of Disputes involving new General Top Level Domains (gTLDs)

* Mr. Mason is an American attorney specializing in arbitration, mediation and intellectual property. He has acted as arbitrator, mediator and advocate since 1986 in commercial disputes before the ICC/Paris, WIPO/Geneva (with 50+ domain name decisions), LCIA/London, ICDR-AAA/New York, Brazil-Canada Chamber of Commerce/São Paulo and the new INPI-WIPO Mediation Center for Trademarks/Rio de Janeiro. He is former Legal Director/Latin America for 3Com, Oracle and Digital Equipment Corporations and author of books and various articles on the subject. See www.paulemason.info for more information.

A) A brief update on relevant activities of the WIPO Arbitration and Mediation Center, with some cases involving Brazilian companies

The WIPO Arbitration and Mediation Center was founded in the mid-1990s to provide a specialized dispute resolution center and mechanism for conflicts involving intellectual property. The Center has two distinct activities: (1) resolution of disputes involving intellectual property generally (patents, licensing, etc.); and (2) resolution of disputes between internet domain name registrants and holders of trade or service marks with the same or similar names.

The general intellectual property dispute model has produced a relatively low volume of cases but with high value, whereas the domain name dispute model has generated a very high volume of cases with indeterminate monetary value and where the decision-making panels may only issue rulings as to who has superior rights to the domain name. They may not award financial damages. Because of this latter limitation and the fact that panel decisions are made fully public on the Center's website and may be tried *de novo* on the merits in national courts, they are not arbitrations in the truest sense of the word. Rather, they are administrative determinations.

The domain name decision procedure works this way. If someone registers a domain name which a trade or service mark holder disputes, the holder of the mark may file a complaint with the Center. The appointed panelist(s) – normally one or three persons - decide the case on three criteria: (1) whether the domain name is the same as or confusingly similar to the Complainant's existing trade or service mark; (2) whether the Respondent has any rights or legitimate interests in the domain name; and (3) whether the Respondent has both registered and used the domain name in bad faith. If all these criteria are met, then the panel will decide in

favor of the trademark holder and order the contested domain name be transferred to the trademark holder.

These kinds of conflicts occur because the domain name registration system is on a purely first come – first served basis. There are no legal requirements such as those involved in the trademark registration and approval process in most countries. Therefore, we have scenarios where people can register domain names identical or similar to pre-existing trade or service marks. When this occurs, the disputes need to be resolved using an efficient transnational mechanism which corresponds to the global reach of the internet.

The rules governing these cases call for expeditious decisions, usually within two weeks of naming of the neutral(s). Cases are decided on documents only, with the case file uploaded to the Center's secure site to allow online access by the neutral(s). Decisions are issued using a standard format provided by the Center. Although most decisions are in English, some are in other languages because the language of the decision depends largely on the language used in the domain name registration process. Filing fees and neutral compensation are low. Decisions are enforced through an adhesion contract mechanism between the internet's governing body ICANN and approved internet service providers worldwide. This results in an efficient, speedy and low-cost process well suited to a high volume of cases.

The first edition of this book was published in 2002. It included a chapter which noted that as of 2012, the WIPO Arbitration and Mediation Center had decided some 400 domain name cases, many involving so-called piracy of celebrity names for imitation websites. Since then, the number of cases at the Center has grown tremendously. As of July 2013, disputes involving domain

names with gTLD extensions heard by the Center have totaled as follows according to the Center's website:¹

<.ASIA> – 17

<.BIZ> – 564

<.CAT> – 6

<.COM> – 35,375

<.EDU> – 1

.<.INFO> – 1,791

<.MOBI> – 253

<.NAME> – 27

<.NET> – 4,460

<.ORG> – 2,754

<.PRO> – 24

<.TEL> – 28

<.TRAVEL> – 13

<.XXX> – 17

TOTAL – 45.330 WIPO Center gTLD domain name cases 1999 - 2013²

There have been several interesting decisions involving Brazilian parties. One was the famous dispute in 2000 over rights to the domain name <Corinthians.com>. The owner of the mark is the Corinthians soccer club

¹ See <http://www.wipo.int/amc/en/domains/statistics/gtlds.jsp>

² Some cases involve several gTLD extensions for the same domain name, eg <Globo.com>, <Globo.org>, <Globo.net> so there are somewhat fewer actual cases filed than the above numbers indicate, but the number of cases filed at WIPO is still very large. It should also be observed that the WIPO Center is not the only one authorized by The Internet Corporation for Assigned Names and Numbers (ICANN) to hear these kinds of disputes. There are a few others but the WIPO Center has by far the largest market share of these cases.

(through Corinthians Licenciamentos LTDA) while the domain name registrant was an individual claiming fair use of the domain name to post Biblical information from the Book of Corinthians, etc. The WIPO panel ruled that the registration and use were in bad faith because the registrant registered this domain name using the extension <.COM>, implying a commercial usage for the domain name rather than a not-for-profit use.³ The domain name registrant then requested a trial *de novo* on the merits in the U.S. federal court, which overturned the ruling of the domain name panel. However this case appears to have been settled subsequently.

A 2007 case involved rights to the domain name <gavea.com>. Gavea Investimentos in Rio de Janeiro challenged a Russian who had registered this domain name in 2003. The panelist ruled that Gavea Investimentos had not registered its relevant marks before the Russian Respondent registered the domain name. Therefore this domain name remained with the Respondent.⁴

The WIPO Center has also administered several thousand cases involving country level domain names (“ccTLDs”) such as <.NL> (Netherlands), <.ES> (Spain), etc. and has recently obtained the rights to administer cases involving the <.BR> (Brazil) country level domain name as well, as described below.

B) The new WIPO initiative to administer domain name cases with the country level extension <.br>

Formerly, all registrations of domain names with the country extension <.BR> were governed by the Registro.br government facility, with domain name

³ http://www.wipo.int/amc/en/domains/search/case.jsp?case_id=463

⁴ <http://www.wipo.int/amc/en/domains/decisions/html/2007/d2007-1804.html>

disputes heard by Brazilian courts. However in 2011, the WIPO Center began administering domain name disputes involving the <.BR> extension and has administered some 25 such cases since that time between Brazilian and foreign parties. The WIPO administrative staff are Brazilian lawyers with training in intellectual property. Most neutrals are Brazilian, with a few exceptions including this author. All decisions are issued in Portuguese and are based on the same criteria as noted in part A) of this article above, with one technical difference.⁵

C) The new Joint INPI – WIPO Mediation Center for Trademarks

In July 2013, the Brazilian Institute of Industrial Property (INPI) and WIPO announced the formation of a Pilot Project joint Center to use mediation to help resolve the very large backlog of trademark disputes filed at INPI. There are literally hundreds of thousands of these cases, causing years of delay in processing trademark applications in Brazil, which in turn has negative commercial implications. This new mediation service for trademark disputes will be administered by the INPI Center for Defense of Intellectual Property or *Centro de Defesa da Propriedade Intelectual do INPI* (CEDPI).

In preparation for this, INPI and WIPO presented a series of joint seminars and training programs in Brazil in 2012 and early 2013. A set of basic rules and roster of neutrals have been established. One rule provides that if both parties to the dispute are resident or located in Brazil, then the case will be administered by INPI. If at least one party is resident or located outside of Brazil, then WIPO will

⁵ A description of the Center's services with respect to .BR extension domain names is available at <http://www.wipo.int/amc/en/domains/cctld/br/index.html> Texts of the decisions are available at <http://www.wipo.int/amc/pt/domains/decisionsx/index-cctld.html>

administer the case. Further details are available at the INPI portal at http://www.inpi.gov.br/portal/artigo/projeto_piloto_de_mediacao

This is intended to be the first phase of a larger project. If this first phase is considered successful, INPI and WIPO may expand the ambit of this new joint Center to also help settle patent disputes by mediation. Other phases may follow.

D) The new ICANN Program for Resolution of Disputes involving new General Top Level Domains (gTLDs)

Several years ago, ICANN⁶ began a process to expand the number of available General Top Level Domains (gTLDs). Just to clarify, the gTLDs are the designations located on the right side of the comma in a domain name, and represent entire categories of domain names in a similar class – for example <.com> (commercial domain names), <.org> (organizational domain names), <.gov> (government body domain names), .biz (business related domain names - primarily small and medium-sized businesses), etc. We distinguish the gTLD from the individual domain name itself which is located on the left side of the comma – for example “corinthians” or “gavea” in <corinthians.com> or <gavea.com>.

These gTLDs have considerable economic value because whoever owns them can then administer and charge fees for all domain names registered under their gTLD category. For this reason important internet players like Google, Verisign and others have applied to register many new gTLDs.

⁶ ICANN is the Internet Corporation for Assigned Names and Numbers, the governing body for the internet

The process for registration, approval or rejection of new gTLDs is technically complex. Suffice it to say here that the process consists of an application, an initial screening by ICANN, an initial technical evaluation to check aural similarity with any existing gTLDs or other new gTLDs being applied for in the same round, an Objection procedure, and finally an auction of the new gTLD if absolutely necessary. This article focuses on the Objection procedure.

There are four possible grounds for valid objections to newly applied-for gTLDs: (1) String Confusion Objection – the applied-for gTLD string (letter sequence to the right of the comma) is confusingly similar to an existing top level domain (TLD) or to another applied-for TLD in the same round of applications; (2) Legal Rights Objection – the applied-for gTLD string infringes the existing legal rights of the objector; (3) Limited Public Interest Objection – The applied-for gTLD string is contrary to generally accepted legal norms of morality and public order that are recognized under principles of international law; or (4) Community Objection – There is substantial opposition to the gTLD application from a significant portion of the community to which the gTLD string may be explicitly or implicitly targeted.

Cases involving String Confusion objections are administered by the International Centre for Dispute Resolution – American Arbitration Association/New York. Cases involving Legal Rights Objections are administered by WIPO/Geneva. The International Centre for Expertise of the International Chamber of Commerce/Paris administers cases involving Limited Public Interest and Community Objections.

When there is a String Confusion Objection, the objecting party carries the burden of proving that the newly applied-for gTLD has a high probability, and not a mere possibility, of producing confusion with his gTLD.

It is quite early in terms of Objections filed, and very few decisions have been published so far. There is little or no legal precedent to guide neutrals in making their decisions, so we will be breaking new legal ground in this area. Like the classic WIPO domain name registrant versus trademark holder cases described in parts A) and B) of this article, these gTLD Objection decisions are made on documents only, are limited to determining who has superior rights to the gTLD in question, and will be made public.

As of the date of writing this article in July 2013, this author was invited to hear four String Confusion Objection cases with the decisions awaiting publication. Two of these were easy to decide because the gTLD strings objected to sound different and have an entirely different meanings from the strings held by the objectors (<.NET> vs. <.PET>, and <.NET> vs <.VET>).

The other two cases were more difficult. One involves a challenge to the application for <.gBIZ> by the operator of <.BIZ>, and the other involves a challenge to the application for <.CARS> by the operator of <.CAR>. The grounds for deciding string confusion cases can be quite technical, involving measurements of visual similarities, aural similarities and similarities in meaning among other things.

A new decision was issued in July 2013 on the application by internet supermarket company Amazon.com for the gTLD <.AMAZON>. The governments of Brazil and Peru objected to the application on the ground that the term “Amazon” represents a well-known geographical region associated with and

belonging to the peoples living there. This objection was accepted by ICANN and the company's application rejected at the ICANN screening stage.

Conclusion

The internet is a living, expanding organism. The number and types of domain names are growing along with it. Disputes involving these domain names and trademarks need to be resolved as efficiently as possible, which is why new ways and facilities described in this article are being developed. The process is dynamic, so we may expect to see further evolutions in the near future.