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# Domain name management and German law

The management of domain names in Germany, as in all other jurisdictions, requires careful planning and a detailed knowledge of the peculiarities of the domain name registration and protection systems. Notably, alternative dispute resolution does not exist in Germany; however, the use of court procedures can quickly stop cybersquatters in their tracks

Managing domain names means more than putting a webpage on the Internet. As with the management of trademarks, domain name management includes strategic, financial and legal aspects. As managing a domain name portfolio requires some understanding not only of IT issues, but also of the particularities of registration that differ from country to country, many companies have set up separate domain name management groups which are often linked to the IT department. This requires cooperation between the domain name management group and trademark lawyers to ensure that registration, use and defence of domain names are properly handled.

## Selection of appropriate domain names

While the choice of a domain name often starts with marketing considerations, there are also some legal aspects to be considered when selecting an appropriate domain.

**Own name or trademark:** The use of one's own name as a domain name as opposed to the use of a trademark or title has the advantage that the domain name owner can rely on the so-called 'law of same names'. According to the Federal Supreme Court (November 22 2001, I ZR 138/99 – *'shell.de'*, and repeatedly confirmed thereafter), a domain name owner can rely on the 'first come, first served' principle against a claim alleging infringement of the right in a third party's name or other designation if the domain name corresponds to the owner's name, even if the owner's name is junior to the third party's name (unless the senior name is famous).

In addition to a domain name derived from one's own name, domain names based on established trademarks should be registered. Domain names relating to proposals for new marks should also be considered to ensure that they remain

available for use when the mark is finally introduced. However, it should be considered that deriving a domain name from a new trademark or title or creating new domain names requires availability searches, which can be quite expensive

**Variations and typos:** To ensure that internet users can find the relevant website, it is advisable to register obvious variations of the designation used for the domain name. Typical typos of the domain name can be registered not only to ensure that users misspelling the domain name will nevertheless be directed to the correct website, but also to avoid 'typosquatting' by third parties seeking to redirect user traffic to their own, often competing, sites. Typosquatting is considered an act of unfair competition under German law and can, in general, easily be challenged by legal means. However, under certain circumstances it can be difficult to prove bad faith in such cases.

## Generic second-level domain names:

Alternatively or in addition to domain names derived from company names, trademarks or titles, it may be useful to register generic or descriptive words as domain names if they are available. The registration of generic terms does not typically infringe third-party name or trademark rights. Furthermore, and according to the Federal Supreme Court (May 17 2001, I ZR 216/99 – *'mitwohonzentrale.de'*), the use of generic terms as domain names is generally (although there are some exceptions) not regarded as an act of unfair competition under German law, even though the use of a generic term in such a way can offer a competitive advantage as the relevant domain name can funnel traffic to the registrant's main website when users search for a general topic rather than an individual site.

**Top-level domain names:** If possible, a domain name should be registered under the most popular top-level domains (TLDs), whether generic TLDs (eg, '.com') or country-code TLDs (ccTLDs) referring to the country or territory in which the domain name owner is doing business (eg, '.de' or '.eu'). However, aside from the costs involved, this strategy can become risky if the domain name is derived from a generic term. In such cases, the funnelling of traffic might be viewed as an act of unfair competition as the Federal Supreme Court has acknowledged that the multiple registration of domain names with generic second-level domains (SLDs) is an exception to the general rule allowing generic registration.

**Internationalized domain names:** It has been possible for some time to register under various TLDs internationalized domain names (IDNs) using language-specific characters, such as the vowel mutations of the German language ('ä', 'ö' and 'ü'). Domain names under the '.de' ccTLD need no longer be converted to the respective double vowels 'ae', 'oe' and 'ue'. It is advisable to register domain names derived from words containing a vowel mutation both with the vowel mutation and in the converted double vowel version. The use of vowel mutation may also be a solution where the same term in the converted double vowel version has already been taken by a third party. The Court of Appeal of Cologne (decision of September 2 2005, 6 U 39/05 – *'schlüsselbänder.de'*) has held that registering a generic SLD with a vowel mutation cannot in itself be qualified as an act of unfair competition against the owner of the corresponding domain name using the converted double vowel version.

## Selection of appropriate owner

Domain names should, as a general rule, be

registered not in the name of an internet service provider, but rather in the name of the beneficial owner of the domain name or its parent company. This allows for use of the 'law of same names' defence (if appropriate) should a third party bring a claim of infringement of a name or trademark right. In this regard, the Federal Supreme Court has held that a parent company can refer to its subsidiary's name as if it were its own name (June 9 2005, I ZR 231/01 – 'segnitz.de').

Interestingly, a recent decision of the Federal Supreme Court (February 8 2007, I ZR 59/04 – 'grundke.de') establishes that an internet service provider that has registered a domain name in its own name on behalf of another party can invoke the name rights of the other party. However, this applies only if it is obvious that the mark has been registered on behalf of another party (eg, the name of the party is clearly disclosed on the website). Nevertheless, it is generally better practice not to allow third parties to be the registered owner of a domain name as this leads to a lack of control. However, if the owner of a '.de' domain name is a foreign company or person, the administrative contact has to be located in Germany.

### Challenging third-party domain names

Managing a domain name portfolio also includes defending it against infringing domain names registered by third parties. The following three key procedural issues should be borne in mind when tackling infringers.

#### No alternative dispute resolution:

No alternative dispute resolution (ADR) proceeding is available. Instead, infringement of a senior name, trademark or other IP right, or an act of unfair competition caused by a third-party domain name, can be remedied only by way of an ordinary court action.

However, it is often possible to stop the use of a domain name more quickly than would be the case if ADR were available as the German law of civil procedure allows for the grant of a preliminary injunction prohibiting use (but not registration) of a domain name within days of commencing an *ex parte* proceeding. Once the use is prohibited, the infringer is usually prepared to drop the registration voluntarily.

**Dispute entry:** A dispute entry puts a challenged domain name on hold. An application for a dispute entry against a particular domain name should be based on earlier name or trademark rights in an identical or similar term. A dispute entry prevents the transfer of the domain name



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to a third party for as long as the dispute entry is maintained (eg, pending the outcome of a court proceeding or settlement negotiations), and the domain name will be automatically transferred to the applicant of the dispute entry should the registration be cancelled. Therefore, the transfer of a domain name can be achieved, in certain circumstances, even when there is no legal claim for transfer under German law.

#### Acquisition of domain names:

Occasionally it can be less expensive and faster to buy a domain name instead of enforcing possible senior rights against it. Specialized companies offer to handle the negotiations and the transfer of domain names. While this can be a useful opportunity to acquire a domain name anonymously, it is advisable to consult experienced lawyers when cooperating with such companies to avoid any legal pitfalls.

#### Use of metatags and advertising keywords

The use of metatags to increase the chance of having a domain name prominently listed by search engines should be limited to generic terms or the name or trademark from which the domain name is derived. The use of another party's distinctive term as a metatag has been qualified by the Federal Supreme Court as use that could infringe that party's rights (May 18 2006, I ZR 183/03 – *IMPULS* and February 8 2007, I ZR 77/04 – *AIDOL*).

The Federal Supreme Court has yet to rule on the issues surrounding use of other parties' distinctive signs as advertising keywords, but such use may well be qualified in the same way. [WTR](#)