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INTELLECTUAL PROPEPRTY (IP) TODAY; OVERVIEW OF RECENT DEVELOPMENTS, CURRENT AND EMERGING ISSUES

(iii) TRADEMARKS AND DOMAIN NAMES IN THE DIGITAL ENVIRONMENT WITH PARTICULAR REFERENCE TO THE PROTECTION OF WELL-KNOWN MARKS

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Trademarks and Domain Names in the Digital Environment with Particular Reference to the Protection of Well-known Marks

Overview of Recent Developments, Current and Emerging Issues

WIPO Asian Regional Training Course
for Trainers and Instructors of Intellectual Property
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1. Introduction

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  - New domain name system
  - Protection of marks on the Internet

2. Background of the Legislation
(1) What is a domain name?

- A domain name is an "address" on the Internet.
  -An "IP (Internet Protocol) address" is assigned to each server on the Internet in order to identify them. "IP address" is just a string of numbers (e.g."112.168.9.1") and so is difficult to memorize. A domain name is a simplified form of IP address containing letters to make it easy to remember.

- Characteristics of a domain name are that it is a string of characters, has no geographical limitation on use and has no product classification.

2. Background of the Legislation (2) Domain name system

e.g.: meti.go.jp
abcd.com

Top Level Domain : there are 3 types as shown below.

(i) Generic Top Level Domain (gTLD) registered regardress of nationality - ".com", ".net", ".org"

(ii) Country Code Top Level Domain (ccTLD) - ".jp", ".uk", ".de" etc.

(iii) International Top Level Domain (iTLD) used by international organizations - ".int"

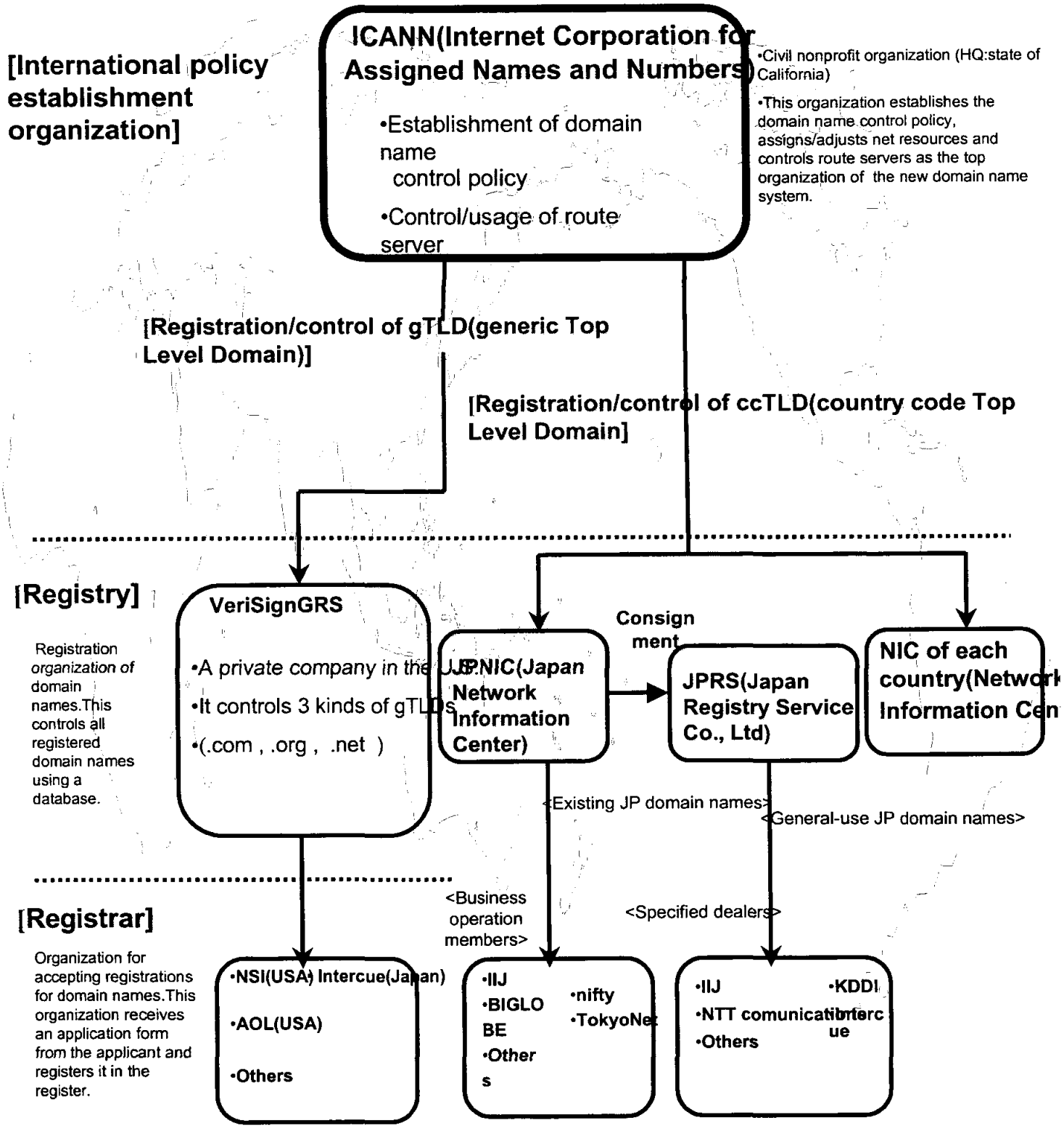
If the character string corresponding to an IP address is "***www.network1***.nic.ad.jp", for example, the part in italics is not controlled by the domain name registration organization, it is left free to the registrant. The rest excluding the part in italics, "nic.ad.jp" is the domain in the narrow sense. The name including this part is called the "Domain name" or "Full domain name".

2. Background of the Legislation (3) Domain name registration and management

- Domain names are registered, in principle, on a "first-come, first-served" basis; an application for a domain name ascertains only whether the domain name applied for has already been registered.

- Domain name management system is controlled by the Internet Corporation for Assigned Names and Numbers (ICANN).

Management system of ~~domain names~~



2. Background of the Legislation
(4) Outbreak of dispute

- Conflicts between a domain name and trademark
  -Cybersquatting

- In the United States around 1996, disputes started being brought to court, many of which were on the grounds of Trademark Law.

2. Background of the Legislation

(5) Efforts to establish dispute resolution rules

a) Alternative dispute resolution (ADR) rules

- United States White Paper (June 6, 1998)

-Creation of non-profit cooperation based on the four principles

((a)Stability, (b)Competition, (c)Private, Bottom-Up Coordination, (d) representation) → ICANN

-WIPO study and recommendation

- Resolve trademark and domain name disputes involving
- cyberpiracy
- Protect famous trademarks in the gTLDs

2. Background of the Legislation

(5) Efforts to establish dispute resolution rules

a) Alternative dispute resolution (ADR) rules

- WIPO Domain Name Process

  - Practices designated to minimize conflicts arising out of domain name registration

  - Resolving conflicts in a multijurisdictional world with a global media : Uniform Dispute Resolution Policy

  - Protection of famous and well-known marks

2. Background of the Legislation

(5) Efforts to establish dispute resolution rules

a) Alternative dispute resolution (ADR) rules

- ICANN's Uniform Domain Name Dispute Resolution Policy (UDRP)

4. Mandatory Administrative Proceeding.

a. Applicable Disputes. You are required to submit to a mandatory administrative proceeding in the event that a third party (a "complainant") asserts to the applicable Provider, in compliance with the Rules of Procedure, that

(i) your domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and

(ii) you have no rights or legitimate interests in respect of the domain name; and

(iii) your domain name has been registered and is being used in bad faith.

In the administrative proceeding, the complainant must prove that each of these three elements are present.

2. Background of the Legislation
(5) Efforts to establish dispute resolution rules
a) Alternative dispute resolution (ADR) rules

- Japan Network Information Center (JPNIC)'s Domain Name Dispute Resolution Policy (JPDRP)

Art. 4 JP Domain Name Dispute Resolution Proceeding

a. Applicable Dispute

The Registrant is required to submit to this JP Domain Name Dispute Resolution Proceeding in the event that a third party (hereinafter referred to as "Complainant") asserts to the applicable dispute-resolution service provider, in compliance with the Rules of Procedure, that

i. the domain name of the Registrant is identical or confusingly similar to any mark such as trademark or service mark in which the Complainant has rights or legitimate interests; and

ii. the Registrant has no rights or legitimate interests in respect of the domain name registration; and

iii. the domain name of the Registrant has been registered or is being used in bad faith (unfair purpose).

In the JP Domain Name Dispute Resolution Proceeding, the Complainant must maintain that each of these three elements is present in the complaint.

2. Background of the Legislation
(5) Efforts to establish dispute resolution rules
a) Alternative dispute resolution (ADR) rules

- Dispute resolution organizations for ICANN's UDRP and JPNIC's JPDRP

-UDPR : CPR institute for Dispute Resolution (CPR)
eResolution (eRes)
National Arbitration Forum (NAF)
World Intellectual Property Organization (WIPO)

-JPDRP : Japan Intellectual Property Arbitration Center

2. Background of the Legislation (5) Efforts to establish dispute resolution rules b) Judicial rules

- WIPO Recommendation for the Rules to Protect Well-known Marks

Article 6 Conflicting Domain Names

(1) [*Conflicting Domain Names*] A domain name shall be deemed to be in conflict with a well-known mark at least where that domain name, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration of the well-known mark, and the domain name has been registered or used in bad faith.

(2) [*Cancellation; Transfer*] The owner of a well-known mark shall be entitled to request, by a decision of the competent authority, that the registrant of the conflicting domain name cancel the registration, or transfer it to the owner of the well-known mark.

2.Background of the Legislation
(5) Efforts to establish dispute resolution rules
b) Judicial rules

- U.S. Cybersquatting Consumer Protection Act (the Lanham law amended partly)

SEC. 3002. CYBERPIRACY PREVENTION.

(a) IN GENERAL- Section 43 of the Trademark Act of 1946 (15 U.S.C. 1125) is amended by inserting at the end the following:

`(d) (1) (A) A person shall be liable in a civil action by the owner of a trademark or service mark if, without regard to the goods or services of the parties, that person--

`(i) has a bad faith intent to profit from that trademark or service mark; and

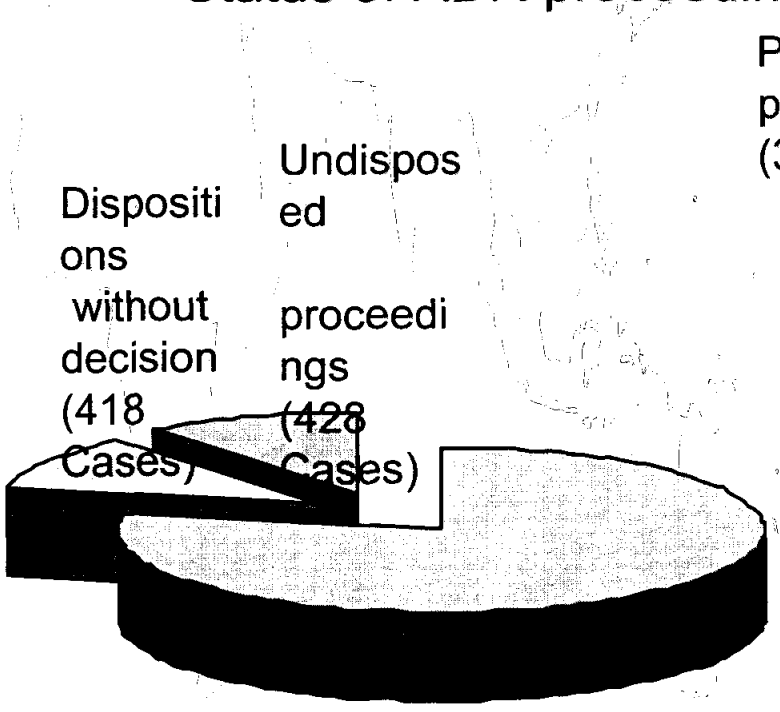
`(ii) registers, traffics in, or uses a domain name that--

`(I) in the case of a trademark or service mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to such mark; or

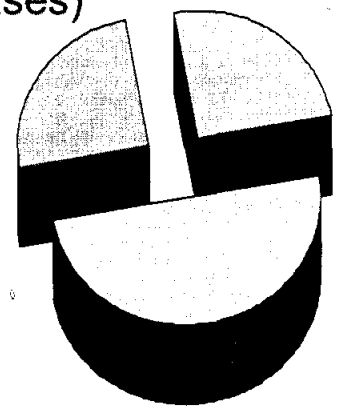
`(II) in the case of a famous trademark or service mark that is famous at the time of registration of the domain name, is dilutive of such mark.

2. Background of the Legislation
(6) Recent reports of disputes
a) ADR cases

- Status of ADR proceedings



Dispositions by decision
(3132 Cases)



Transfer by decision
(6 Cases) → In 3 cases the panel's decision are not implemented by app to a court.

Total proceedings : 3978 Cases
(29 June 2001)
ICANN's UDRP

Total proceedings : 12 Cases
(29 Jun 2001)
JPNIC's JPDRP

2. Background of the Legislation
(6) Recent reports of disputes
b) Judicial Cases in Japan

- JACCS case (Toyama District Court ruling on Dec. 6, 2000)
- J-PHONE case (Tokyo District Court ruling on Apr. 24, 2001)

In each case, the courts admitted the causes of action by the plaintiffs based on Article 2 (1)(ii) of the Unfair Competition Prevention Law and required the defendants to stop using their domain names.

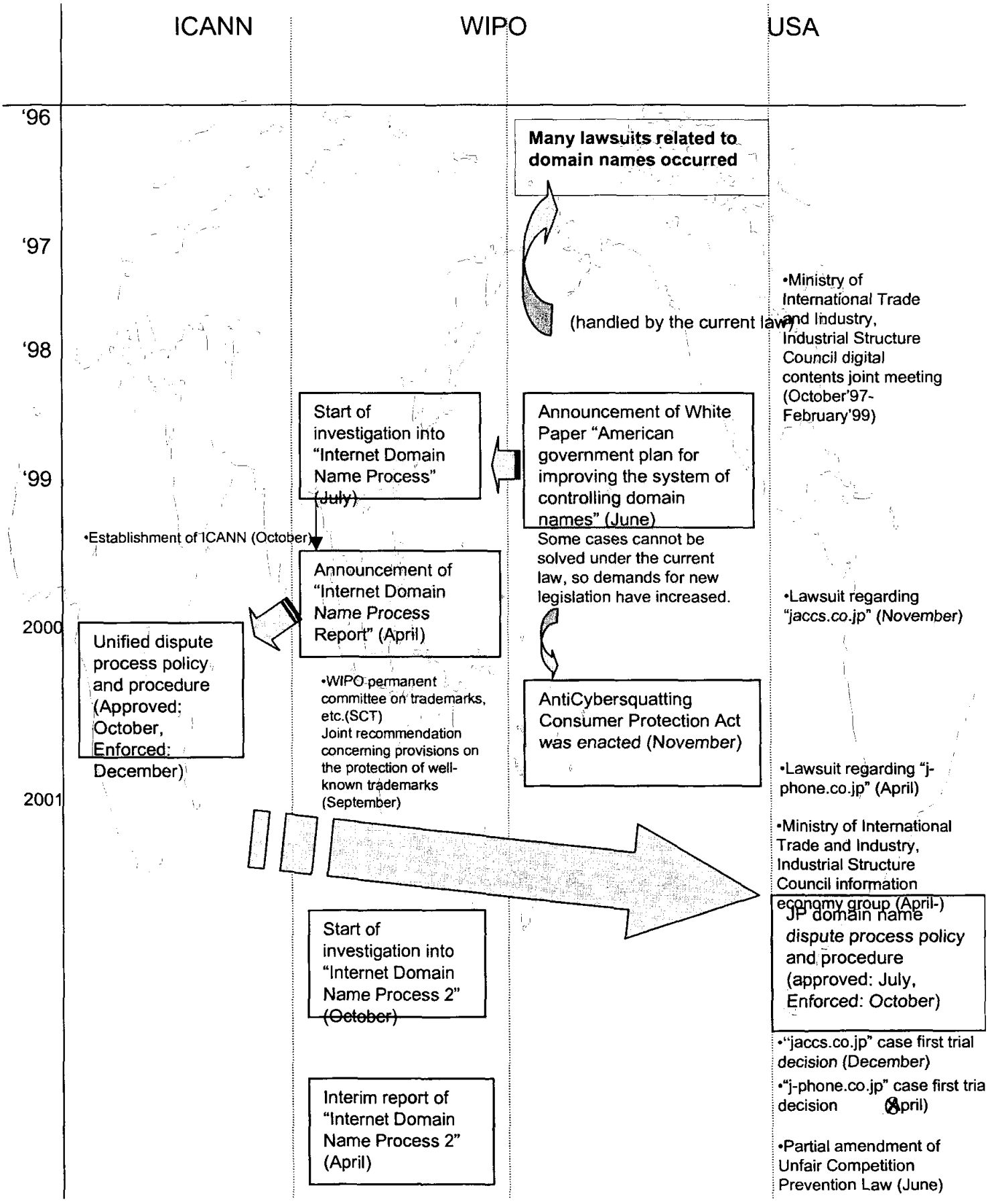
2. Background of the Legislation (7) Limitations of existing laws in Japan

- The Unfair Competition Prevention Law is limited in the sense that marks are protected only from domain names that are actually being used as an indication of goods or business, and identical or similar to the marks.

- That is, relief is not available for, for example, actions where a domain name that is identical or similar to another person's mark has been registered in bad faith, but not used in commerce.

- In addition, the Trademark Law is limited in that, among other things, it only protects registered trademarks.

Efforts to establish dispute processing rules(international



3. Outline of the Legislation
(1) Additional acts of unfair competition

- ❖ the following kind of behaviour has been added to the Law as a type of "unfair competition actions." (addition of article 2 (1) (xii))

- the act of acquiring or possessing a right to use, or using a domain name which is identical or similar to another person's indication of goods or other indication ("indication of goods or other indication" means, in this provision, a name connected with a person's business, trade name, trademark, mark, or any other indication used for the identification of goods or services) with the intent to acquire an unfair benefit or to cause injury to another person.

3. Outline of the Legislation
(2) Definition of domain name

- A domain name is defined as follows, corresponding to an IP address on the Internet. (addition of article 2 (7))

  -In this law, a domain name means letters, numbers, signs, other codes or a combination thereof, corresponding to the numbers, signs, letters or a combination thereof allocated for a use to identify individual computers on the Internet.

4. Future Considerations
(1) ADR and lawsuits

- The 3 cases of the decisions by the Japan Intellectual Property Arbitration Center are appealed to a court.

- The characteristic of the ADR system is that the process is carried out promptly, easily and cheaply.

- If there were the same legal rule as the ADR rule, the outcome would be the same whether using ADR or the courts, so the ADR decision would be respected.

4. Future Considerations
(2) Second WIPO Internet Domain Name Process

- The ICANN's UDRP is limited to the abusive registration of domain names in violation of trademark rights.

- The identification of other areas of abusive registrations led to a request to WIPO to undertaken a further international process.

-International Nonproprietary Names for pharmaceutical substances (INNs)

-Names of International Intergovernmental Organizations

-Personal names

-Geographical Indications, Indication of Source and Geographical Terms

-Trade Names

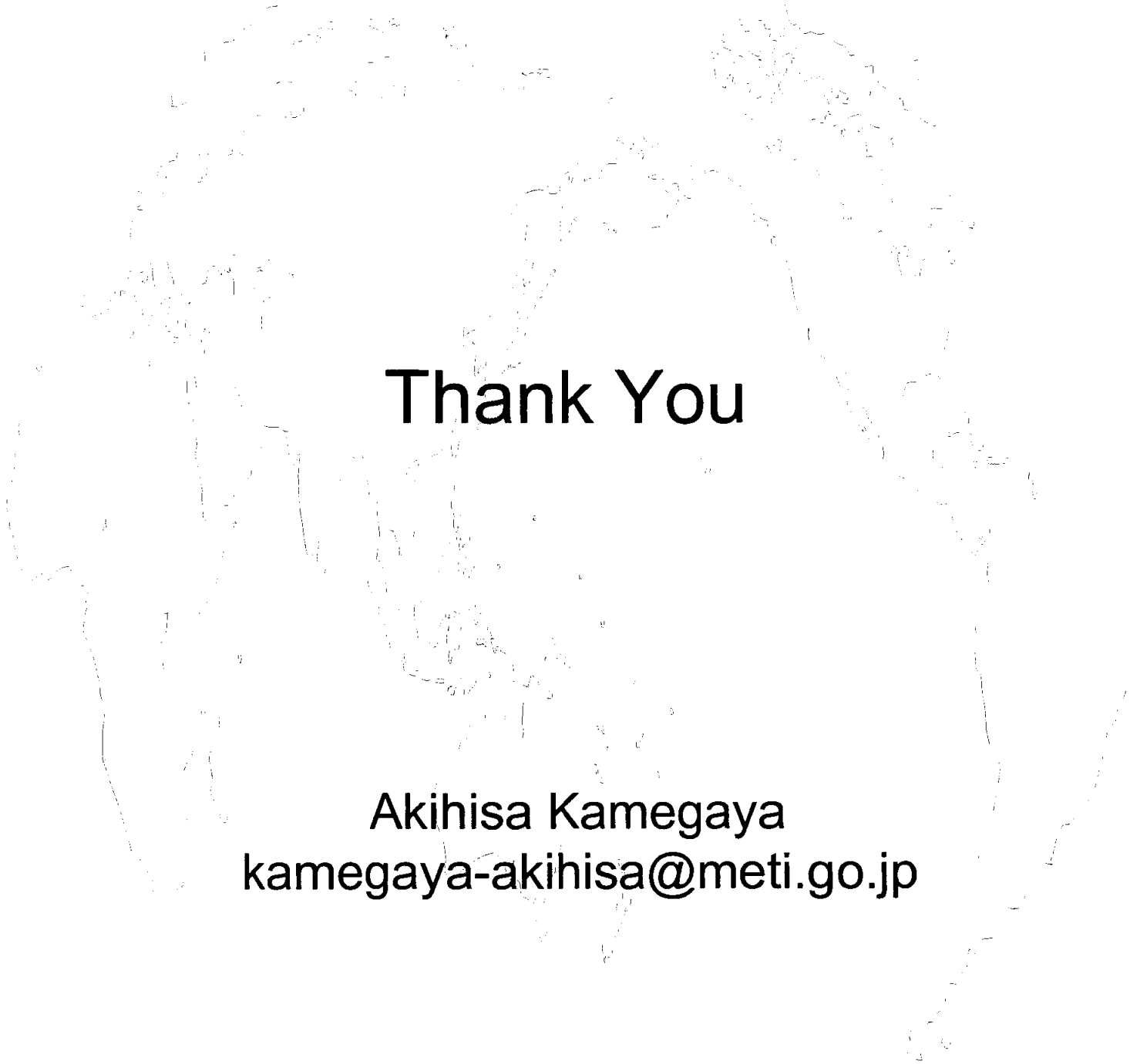
4. Future Considerations
(3) New domain name system

- Introduction of the general-use domain name system in Japan
- Extension of gTLD by ICANN
- Introduction of multi-language domain names

4. Future Considerations
(4) Protection of marks on the Internet

- "Proposed joint recommendation concerning the protection of marks, and other industrial property rights in signs on the Internet" is adopted by the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) of WIPO.

- The provisions are intended to be applied in the context of determing whether use of a sign on the Internet constitutes the infringement of a mark or other industrial property right in the sign, or whether such use constitutes an act of unfair competition.



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