



myerson

Myerson **Business**

Our guide to Domain Name Disputes

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Welcome

For many businesses their website is an essential part of their brand and customer experience. It is, therefore, very important to be aware of what domain name rights you have, especially if this is closely linked to your organisation's brand. A domain name is the part of a URL that is unique to a particular website (for example myerson.co.uk). Domain names are capable of being registered with an accredited registrar and they can also be registered as trademarks. Conflicts can arise where different parties have competing interests in the same domain name.

Why Myerson?

At Myerson, our expert domain name dispute solicitors are here to listen and help you. We have years of experience in dealing with complex domain name cases. Dealing with domain name disputes can be technical and are dealt with by specialist Courts or by specialist organisations such as the Internet Corporation for Assigned Names and Numbers (ICANN), the World Intellectual Property Organisation (WIPO) and Nominet.

Myerson are a member of the Intellectual Property Lawyers Association (IPLA) which is an association of law firms with an established IP department. Our membership provides both us and our clients with access to a wealth of knowledge and expertise relating to intellectual property.

We are proud to be ranked as '**Top Tier**' in the prestigious international directory **The Legal 500** and commended by The Times '**Best Law Firms 2023**'. So, you can be certain that you will receive the highest quality legal advice and that we can advise you on complex copyright issues.



Domain Name Disputes

What is the relationship between trademarks and domain names?

As a domain name is often used to identify the source of information on a website, in effect, a domain name can be used as a trade name or trademark.

Therefore, domain names can be capable of being registered as trademarks. Domain names may also infringe prior trademarks or common-law rights of others. This can be a particular problem for global domain names as they may potentially infringe trademarks which have local scope in a particular country.

If you are interested in exploring whether you can register your domain name as a trademark, we would always suggest you seek the assistance of a Trademark Attorney who can advise on the registration process. We have excellent relationships with a number of Trademark Attorneys who we would be happy to refer you to.

What is the relationship between trademarks and passing off claims?

You can still protect your domain name even if it is not a registered trademark. This is through the common law action of passing off. The underlying principle behind this action is that “a man is not to sell his goods under the pretence that they are the goods of another man”. In order to succeed in a claim for passing off, a claimant must prove:

- Its products and services have goodwill attached to them i.e. they have a particular image and reputation attached to them which enable the public to easily recognise those particular goods or services;
- That as a result of the defendant registering and maintaining the domain name, this amounts to a false representation that the defendant is associated or connected with the claimant; and



- That the defendant's registration and continued possession of the domain name will result in the erosion of the exclusive goodwill owned by the claimant which is likely to cause substantial damage to that goodwill.

Commonly, if there is a registered trademark, claims are brought against the infringer for both trademark infringement and passing off. This is particularly so if there may be a challenge to the validity of the registered trademark.

How can domain name disputes be resolved?

There is no complete directory of business domain names. Internet users wishing to locate a particular business or organisation must either guess its domain name, or search for it using a search engine. A domain name which includes a company's trademark or trading name should ensure that the company's website is easy to find.

When the domain name server system was established, it was not predicted that domain names would have any value. However, as the internet became more commercial and widely used, companies began to realise the value of domain names and began suing each other for the right to use a particular domain name. The major area of conflict that has developed is between trademark (and other intellectual property) rights holders and registrants of domain names. Conflict arises when:

- Someone deliberately registers a domain name which another party needs or would like and then seeks either to sell it to that party or use it in order to damage the other party (this is known as cybersquatting); or
- Different parties have competing legitimate interests in the same domain name; or
- Large companies have used their legal and financial resources to prevent legitimate domain name holders from registering valuable domain names.

Domain name disputes can be resolved either through the Courts or by specialist organisations such as the Internet Corporation for Assigned Names and Numbers (ICANN), the World Intellectual Property Organisation (WIPO) or Nominet. Most domain name disputes now are resolved using the Uniform Domain Name Dispute Resolution Policy (UDRP).



The UDRP essentially requires that domain name owners formally arbitrate a dispute where a trademark owner raises a domain name dispute. There are a number of arbitration groups which act as neutral arbitrators in domain name disputes. The relevant arbitrator depends on where the domain name has been registered. For example, Nominet deals with UK domain name disputes.

The Courts can deal with domain name disputes where a domain name has been registered as a trademark. High value claims are brought in the High Court, specifically in the Intellectual Property List of the Business and Property Courts. Lower value claims are brought in the specialist Intellectual Property Enterprise Court (IPEC) where capped costs operate. IPEC also has its own small claims track which deals with cases which are worth less than £10,000.

If infringement proceedings are contemplated, a claimant should first write a letter of claim to the potential defendant(s). This letter of claim should put the defendant(s) on notice of a claim and give the defendant(s) a reasonable amount of time (normally between 14 and 28 days) to respond to the claim(s) made against them. The letter of claim must sufficiently identify the relevant domain name(s) and trademark(s) to enable the defendant(s) to evaluate them and formulate a view on infringement. All parties involved in infringement claims relating to domain names and trademarks are expected to act reasonably in exchanging information and evidence prior to court proceedings being issued. Some disputes cannot be resolved without court proceedings being issued.

To issue court proceedings, specific court documents will need to be drafted. These are usually a claim form and particulars of claim. There will also be a court fee payable to issue court proceedings which depends on the value of the claim and the relief sought. We always recommend that these documents are drafted by a barrister with assistance from a solicitor in order to ensure they comply with the Court rules. These documents will identify the parties, state the cause(s) of action and the remedies sought.

The defendant(s) will then be given an opportunity to file and serve a defence to the claim (normally within 28 days of the Court proceedings being issued but extensions of time can be agreed).

After that, the Court is likely to order the parties to take the following steps to prepare the case for trial: disclosure of documents, witness statements and experts reports. It is our experience however that most cases involving domain names and trademarks settle without the need for there to be a trial.



What remedies are available in domain name and trademark/passing off disputes?

There are several remedies available for claimants when a domain name and trademark/passing off claim is successful. These are as follows:

- Ownership of the domain name to be transferred from the defendant to the claimant;
- An injunction preventing the defendant from registering or maintaining or offering for sale any domain name containing the claimant's trademark or any similar variation;
- Delivery up of all stationary, documents and any other forms of marketing or advertising material in the defendant's possession which makes reference to the domain name;
- Damages for the harm caused to the claimant's business or an account of profits which means the defendant pays to the claimant a proportion of the profits it made as a result of the infringement; and
- Recovery of costs incurred in bringing the claim.

How are domain names valued?

A domain name may be valued by reference to:

- The cost of obtaining a domain name from a registrar;
- The amount of income or other economic benefit the holder of the domain name receives from the use of the domain name; and/or
- The amount of income or other economic benefit a third party could derive from a domain name.

Most domain names are not unique and therefore tend to be valued using the first of the three methods above. However, any domain name linked to a trademark will be valuable to the holder of the trademark as will any generic domain names which allows someone to exploit the name commercially. In such a case, the last of the three methods above will be used to value the domain name.

There are a number of specialist companies who can provide valuations for domain names. As the internet becomes more important, the value of domain names will only carry on increasing and there will be a rise in domain names being bought and sold.



You're in safe hands!

If you would like further information about how we can help you with **Domain Name Disputes**, or if you have any questions, please don't hesitate to contact a member of our **Commercial Litigation Team** today.

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