

ABUSIVE DOMAIN NAME REGISTRATIONS

09 June 2014

Ahead of the release of a new wave of .uk domain names on 10 June 2014, we provide an overview of the potential developments for the UK internet registry Nominet in the coming year and also look at some of the highlight Nominet decisions relating to the abusive registration of .uk domain names in the last 12 months.

Domain names form an integral part of a brand identity. By the end of April 2014, 10.5 million .uk domain names were registered with the UK domain name registry, Nominet. This compares to just over 3.2 million registered UK companies and around 400,000 UK trade marks in force.

Given the amount of registrations, and the fact that a vacant domain name can be registered without any examination, it is inevitable that some domain names take unfair advantage of a third party's IP rights. Such registrations are known as an 'abusive registration'. Complaints about abusive registrations are commonly resolved by Nominet through their Dispute Resolution Service (DRS).

The year ahead - key developments

The next 12 months are likely to be busier than the last for Nominet, in the wake of the **.uk** extension being launched.

- From 10 June 2014, registrants will be able to purchase shorter, simpler domain names which only have the '**.uk**' suffix rather than the existing two-level **.co.uk**, **.org.uk**, **.me.uk**, **.net.uk**, **.ltd.uk** or **.plc.uk** extensions.
- Nominet will offer the shortened equivalents of existing domain names to their existing customers, who will have five years to take up the option (to allow them to manage any change to coincide with a routine change in signage).

- Where two companies have both registered the same domain name, which only differ by having a different suffix (e.g. **.co.uk** and **.org.uk**), the **.uk** will be offered to the **.co.uk** registrant. Where there is no current two-level registration, **.uk** domains will be available to all on a first come, first served basis.
- Two-level domain names registered after 8am on 10 June 2014 do not benefit from the automatic right to register the **.uk** equivalent. The automatic right to register a **.uk** moves with a two-level domain name, so those looking to register a **.uk** where the **.co.uk** is owned by a third party would need to obtain ownership of the **.co.uk**, either by negotiating a purchase, or bringing a domain name complaint. It seems likely that the introduction of new domains will lead to an upsurge in complaints through the [DRS Policy](#).

Brand owners will also be watching for any developments in a test case which was brought by Cartier International AG against Nominet. The case addresses an all too common problem: A domain name complaint would not succeed in respect of websites selling counterfeit goods using domain names which do not incorporate a trade mark (instead being made up of generic terms such as "watches" and "cheap").

In this situation, Nominet encourages brand owners to take action against the registrant, or take the matter up with the hosting registrar. However, registrant contact details may be phony and if a site is taken down by one host, the registrant can move the site to another host very quickly.

Cartier is seeking an order requiring Nominet to de-tag and lock the domain names concerned, to stop the domain names from being used. According to Nominet a finding against Nominet would, if successful, "have the effect of forcing domain registries such as Nominet to automatically suspend web addresses based on a private company's belief that the associated websites infringe its IP". One can see why this outcome would be attractive to brand owners, because it would require Nominet to take action in respect of the content of a websites, rather than just domain names.

Key Nominet decisions in the last 12 months

According to Nominet, there were 277 reported decisions between 1 March 2013 and 5 March 2014, including six appeals.

- Complaints came from many business sectors including the automotive, banking and finance and entertainment industries. As may be expected, the retail sector was the

source of the majority of complaints.

- Approximately half of complaints which resulted in a full expert decision were based on a registered trade mark. The majority of the other complaints were based on an unregistered trade mark (i.e. rights in passing off).
- Of complaints which were determined in a full expert decision, around 70% resulted in a transfer of the domain to the complainant.

The majority of complaints involve straightforward applications of the Nominet DRS Policy to the facts. Nevertheless, it seems that in some areas the manner in which the policy is being applied is evolving to reflect developing trends in trade mark law. For example, many decisions rely on the concept of initial interest confusion (which was not recognised as actionable in English trade mark law until the *Och-Ziff Management v OCH Capital* case 2010), to establish an abusive registration. At least one other case appears to recognise the need to view the likelihood of confusion in context, following the view expressed by the Court of Appeal in *Specsavers v Asda* in 2012.

These developments perhaps aren't surprising given the DRS Policy is rooted in concepts derived from trade mark law. However, the question of whether a registration is an abusive registration under the DRS Policy is independent of whether a domain name would be an infringement of a trade mark, and is to be decided under the terms of the DRS Policy alone.

Procedure

The Nominet DRS Policy requires a complainant to prove that:

- it has rights in a name or mark which is identical or similar to the domain name, and that
- the domain name in the hands of the respondent is an abusive registration. A registration is abusive if the domain was registered or acquired in a manner which took unfair advantage of the complainant's rights, or has been used in such a manner.

Rights in respect of a name or mark

The majority of complaints received by Nominet are based upon rights in trade marks or passing off. However, the DRS Policy defines 'rights' more broadly as "rights enforceable by the Complainant, whether under English law or otherwise".

This case considered whether a complaint could be made on the basis of rights in their personal name. A website hosted at the domain criticised the complainant's husband's behaviour (the respondent was the husband's ex-wife). It is well established that if a complainant can show that they have traded under and established goodwill in their personal name it amounts to a right which is enforceable under English law, by virtue of the law of passing off.

However, in this case the complainant was unable to show that she had traded under her name. Instead she relied on the fact that the first part of her name was protected by Danish law as being particularly unusual, and that she had rights to object and seek redress for conduct which involved use of her name under the Data Protection Act 1998 and the Human Rights Act 1998. She also sought to rely on the earlier decision [tahirmohsan.co.uk](#) which found that a complainant could have rights in a personal and uncommon name.

The [tahirmohsan.co.uk](#) decision was decided under a previous version of the [DRS](#) Policy and did not require the complainant to have a right enforceable in law to make a complaint. Under the current policy, the expert in [hvidbro-mitchell.co.uk](#) found the complainant did not have a right which was enforceable by law. He was not persuaded that the complainant has such enforceable rights under Danish law, the Data Protection Act 1998 or Human Rights Act 1998.

However, the complainant appealed and the expert panel found that because the complainant had the right to object and seek redress for conduct which involved use of her name under the Data Protection Act and the Human Rights Act (the panel did not decide whether the complainant had rights under Danish law) she had enforceable rights in her name.

In reaching the conclusion that an individual had enforceable rights in their name, the panel relied on two cases. The first was a UK case (*The Information Commissioner v The FSA and Edem*) which held that the names of FSA officials were personal data and pursuant to the Data Protection Act could be withheld in response to a Freedom of Information request. The second was a European Court of Human Rights decision (*Garnaga v Ukraine*) which found that it was a violation of Article 8 (the right to respect for a person's private life) to restrict a person's ability to change the patronymic part of their name.

The panel viewed the requirement for the complainant to have an enforceable right as a low threshold and that "the objective behind the first hurdle is simply to demonstrate a bona fide basis for making the complaint". It recognised that in reaching its decision the

panel was "accepting that all individuals have relevant rights in respect of their names sufficient to found a complaint under the Policy, providing they can also show that the name in question is identical or similar to the domain name concerned".

This decision is a significant shift in policy and expands the scope for individual complainants to seek redress for use of their name under the Nominet DRS Policy. The implications of this decision on the assessment of unfair advantage are set out below.

beststart.org.uk

Nevertheless, the complainant must still be able to establish that it has some rights in the name itself, as beststart.org.uk demonstrated.

The complainant was a local council responsible for funding the Best Start Federation (a federation of maintained schools). The council had contracted with the respondent to register the domain name. In July 2013, the council suspended the federation's delegated budget (which allowed the federation to deal with financial and staffing matters) and sought to have the domain name transferred to the council.

The expert found that any goodwill in the name BEST START belonged to the governing body of the federation and not the council. The council therefore tried to argue that it had a legal right of access to all school, employee and pupil data (some of which, for example was held within the email system) and to exercise control of the access to that data. It also submitted that since it suspended the school's delegated budget, it assumed the power to deal with all IT issues, including the contractual arrangements.

Like the complainant in [hvidbro-mitchell.co.uk](#) the council also sought to rely on the Data Protection Act, arguing that the federation may be in breach of the provisions of the Act because it did not have ultimate control of security of personal data stored in the email system associated with the domain name. However, unlike the appeal panel in [hvidbro-mitchell.co.uk](#) the expert found that the council had no enforceable rights in respect of the domain name.

While the hurdle for establishing enforceable rights may be low, a complainant must have rights in a name or mark which is identical or similar to the domain name, and not simply a right to personal data which may be stored on a domain or rights in relation to the use or control of that personal data.

Unfair advantage

Gripe/criticism sites

According to the DRS Policy some circumstances may not be an abusive registration even though the domain name contains the complainant's mark. For instance, where the respondent is making legitimate non-commercial or fair use of the domain name, which may include sites operated solely in tribute to or in criticism of a person or business.

In assessing whether the respondent's use of the domain name `hvidbro-mitchell.co.uk` to criticise the complainant's partner took unfair advantage of the complainant's name, the panel referred to the March 2013 appeal decision concerning `nortonpesket.co.uk`.

nortonpesket.co.uk

This case related to a website used to criticise a firm of solicitors. The panel concluded that the domain name was an abusive registration and should be transferred since it did not make fair use of the domain name.

Nominet experts do not consider whether the complaints or grievances being aired on gripe/criticism sites are legitimate. More important is whether the public are able to discern from the domain name that the domain is being used as a site for complaints or grievances, and in this instance the only difference between the domain name and the complainant's trading name was the omission of a single letter, so there was nothing about the domain name to demarcate it as being used for gripes.

As stated by the panel in `hvidbro-mitchell.co.uk`: **"the use of a Domain Name which is identical... to link to a gripe site... without any modifiers indicating the nature of the Website, is an appropriation of the Complainant's name which is likely to be unfair unless exceptional circumstances exist"**.

Interestingly, the DRS Policy (which deals with .uk disputes) can be contrasted on this point with the Uniform Domain Dispute Resolution Policy (UDRP) (which deals with .com and other top-level domain (TLD) disputes). In a UDRP decision concerning `nortonpeskett.com`) which related to an almost identical criticism site operated by the same respondent, the WIPO panel did not order a transfer.

Website content and disclaimers

It has been DRS Policy for some time that disclaimers, even if prominent on a homepage, may be insufficient to prevent an abusive registration - see for instance the 2002 decision

concerning vodafoneretail.co.uk.

If a domain name appears to be associated with a brand owner, and only upon visiting a website related to that domain name does it become clear that there is no official connection, it is then too late: the domain name has caused "initial interest confusion" through taking unfair advantage of the complainant's rights.

In catspares.co.uk, the complainant argued that either the respondent "must have been conscious of the risk of confusion and inserted the disclaimer in an ineffective attempt to eradicate it" or the respondent was attempting to compound any deception by "locating the disclaimer at an inconspicuous point near the bottom of the home page". As the expert noted, "The Respondent, it seems, is damned if it includes a disclaimer and damned if it doesn't".

Website design and an assessment of confusion

A couple of cases with a shared set of facts show how important the design of the website can be to an assessment of confusion. In marksandspencer-ppi-reclaim.co.uk (D00012592) the expert found that the registration **was not** abusive, whereas in barclaycard-ppi-reclaim.co.uk (D00012328) the expert found that the respondent's use of the domain **was** an abusive registration.

1. barclaycard-ppi-reclaim.co.uk

The homepage was in Barclaycard colouring and featured the Barclaycard logo. There was a small disclaimer, but the site appeared to have been designed to look like a Barclaycard site. This stood in the face of the respondent's suggestion that he was making legitimate fair use of the domain name, and contributed to the conclusion that the registrant's registration of the domain name was abusive.

2. marksandspencer-ppi-reclaim.co.uk

Whereas, by the time the marksandspencer-ppi-reclaim.co.uk decision was made, the same respondent had deleted the M&S logo, changed the site colouring and added a prominent disclaimer, and the determining expert was persuaded that the use of the domain name was not abusive.

This decision also took account of the wider context. The expert concluded that users would not be confused into thinking the complainant owned the domain name and was offering PPI reclaim services.

Apart from the website not featuring a logo or colour scheme which had contributed to the likelihood of confusion in `barclaycard-ppi-reclaim.co.uk`, the expert considered that internet users would most likely view the domain name in the results page of a search engine which would contain a brief description of the website, rather than typing in the domain name directly. If the complainant did offer a PPI reclaim service, internet users would typically **"expect to find a page dealing with how to make a compensation claim as a sub-page from the main website... rather than being found on a completely separate site"** and it was therefore unlikely that they would be confused into thinking there was some connection between the complainant and respondent.

In reaching this conclusion, the expert noted that **"It [was] important to take account of the fact that internet users are increasingly knowledgeable about the internet and how to use it"**. The expert's approach to assessing confusion appears to reflect a recent trend in trade mark law towards contextual analysis, as seen in *Asda v Specsavers*. One wonders whether the same conclusion would have been reached if the complainant was not such a well-known brand.

Incorrect registrations

In `eyecareoptical.co.uk` the respondent, a director of the complainant company, acquired the domain name in his own name, for the purposes of hosting a new website for the company. The complainant became aware that the domain name was not registered to the company and the respondent refused to voluntarily transfer it.

The DRS Policy states that where a domain name has been registered as a result of a relationship between the complainant and the respondent, and has been used and paid for by the complainant, that is evidence of an abusive registration. However, in this case the respondent had paid for the domain name (and later renewed it) from his own funds.

The expert found that "the real question is to go back to the words of the definition of Abusive Registration and ask whether the Respondent, in acquiring or failing to agree to transfer the Domain Name to the Complainant company is acting in a way which 'has taken unfair advantage of or has been unfairly detrimental to the Complainant's rights'". The expert found that by refusing to transfer the domain to the company, to which he owed fiduciary obligations as a director, it was an abusive registration of the domain name

by the respondent.

By contrast, there is a line of UDRP decisions which suggest that for a UDRP complaint to succeed, a domain name must be both registered **and** used in bad faith. The effect of this can be that provided a domain name was initially registered in good faith, a complainant may not be able to recover the domain name, even if later used in bad faith.

Pattern of registrations

Demonstrating that the respondent is engaged in a pattern of registrations which correspond to well-known names or trade marks in which the respondent has no rights, can be evidence of an abuse registration of a domain name that forms part of that pattern. In a decision concerning robotwars.co.uk, the respondent registered the domain name in 2006, shortly after the complainant had deliberately allowed its registration of the domain name to lapse.

The respondent had registered ten other domain names around the same time including fcukonline.co.uk, scotlandtoday.co.uk, and ntlbroadband.co.uk. He tried to argue when assessing whether he was 'engaged in a pattern of registrations', the expert should only take into account domain names which were still registered in his name, and not those which had subsequently been sold.

This was rejected by the expert, who stated that **"the relevant time for assessing the situation is the time when the domain name is registered... and whether or not, at that time, it formed part of any relevant pattern of registrations. It is irrelevant that some or all of the relevant domain names have subsequently been sold"**.

However, this did not necessarily mean that the respondent was involved in such a pattern of registrations. Firstly, unlike FCUK and NTL, the expert did not think that Robot Wars would have been a well-known trade mark in 2006. Secondly the expert noted that many of the domain names the respondent had registered at the time were either generic names, or included a well-known trade mark followed by a generic descriptor. The domain did not form part of this pattern.

Blocking registrations

A registration can also be abusive if it was registered as a blocking registration against a name in which the complainant had rights. The complainant alleged that the respondent's registration of robotwars.co.uk was an example of such activity. However, the complainant

had deliberately failed to renew its registration and admitted that at the time it no longer wanted the domain. The expert found this **"made it very difficult"** for the complainant to prove that the respondent had registered the domain name to block the complainant from having it, or for the purposes of selling it back to them.

Knowledge of complainant's rights

The expert in robotwars.co.uk also considered whether the respondent's registration could be held to be abusive in circumstances where he had no knowledge of the complainant or its prior rights to an identical mark. He reviewed the cases and guidance on the issue and concluded that because the first limb of the policy (3.a.i) deals with the manner of the initial registration by the respondent it required **"some level of subjective knowledge or intent"** and that as a result the complainant would have to **"demonstrate, on the balance of probabilities, that a respondent at least had knowledge or awareness of the complainant"**.

In contrast, the expert noted that the second limb of the policy (3.a.ii) **"concentrates more on the effects of the subsequent use of the Domain Name"**. As a result, he thought that in relation to a claim based on the second limb, **"it would be going too far to say that [an abusive registration] can never be made out in the absence of a respondent's knowledge of a complainant or its Rights"**. What is required is that the manner of use of the domain must be unfair, either by taking unfair advantage of, or being unfairly detrimental to, the complainant's rights.

In conclusion, the expert found that the complainant had failed to establish that the respondent's registration was abusive in what was a 'finely balanced' case. It appears to have been persuasive that the complainant had initially given up the domain name, and after six years of uninterrupted use, the respondent promptly removed any links to competitors of the claimant from the website as soon as he was made aware of the complaint.

Delay in bringing a complaint

While the claimant's delay in making a complaint appears to have been a factor in the above, it will not usually be a reason for dismissing a complaint. For example, in dailies.co.uk the respondent had registered the domain name in 1999 and, other than a couple of approaches seeking transfer of the domain name, the complainant had not done anything until it filed the complaint in September 2013.

The expert noted that question was whether the delay had a prejudicial effect upon either Party's case and that "[o]n the one hand, the DRS Policy does not oblige complainants to act upon a cause for complaint within a specific time. On the other, a respondent might argue that a long period of silence supports the view that it is entitled to infer the Complainant's acquiescence or disinclination to challenge a registration". He concluded that in this case the delay did not alter the respondent's position sufficiently to prevent the complainant from bringing a complaint.

However, complainants should still act promptly when they become aware of a potentially abusive registration and ensure matters are brought to a conclusion. In kerridgetraining.co.uk the complainant had contacted the respondent in 2009 about their registration of a number of domain names including the domain kerridgetraining.co.uk.

At the time, the respondent agreed to transfer some of the domain names, although the domain name kerridgetraining.co.uk was not one of them. The complainant did not say that this was unacceptable. From June 2009 to 2013, the respondent heard nothing further from the complainant.

The panel found that in the circumstances the respondent was justified in believing that the complainant no longer took issue with its use of the domain. The complainant was unable to provide any explanation other than saying that the delay was due to 'naturally competing priorities in protecting a large portfolio of intellectual property'. This was not persuasive and the respondent's use of the domain was not found to be an abusive registration.

The year ahead is likely to see more cases where delay is a factor, as brand owners seek to obtain historic **.co.uk** registrations, in order to make corresponding **.uk** applications.

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Author(s)

Michael C Carter

Principal Associate - [Birmingham](#)

 Email

michael.carter@gowlingwlg.com

 Phone

+44 (0)121 393 0115

 vCard

Michael C Carter