

## Cover article: "Substantive Elements of a Dispute on the Internet Domain Name System"

by Daniel-Mihai Dragnea, Associate

This month's article provides for a synthesis of substantive elements of the three criteria to be met in a domain name dispute and is based on the consensus views of the World Intellectual Property Organization (WIPO) panelists, as expressed in the second overview of WIPO Selected Uniform Domain Name Dispute Resolution Policy and Rules Questions (the so-called WIPO Overview 2.0), released this year.

## Legislative Retrospective

Voicu & Filipescu is a full service law firm, covering all legal areas relevant to your company's activity. This issue of our monthly newsletter provides you with a brief description of some of the recent legal amendments in:

- Employment
- Public-Private Partnership



## + VF News

- 10 years anniversary event Voicu & Filipescu held on November 17, 2011, at Cesianu-Racovita Palace in Bucharest. We would like to thank all the participants for joining us, to clients and collaborators for their nice anniversary wishes and thoughts, to renowned violin player Alexandru Tomescu and classic guitar trio Zamfirescu for making the evening so enjoyable, as well as to event organizers IBP Conferences.
- Careers: Voicu & Filipescu is currently looking for experienced business lawyers, as well as for young law school graduates, interested in joining our team.
- Voicu & Filipescu is recommended by some of the most important legal guides for its activity in the practice areas of interest to your company. Our lawyers' practice has received strong international recognition in renowned publications such as Chambers and Partners, Legal500, PLC Which lawyer? and IFLR1000.

## **SUBSTANTIVE ELEMENTS OF A DISPUTE ON THE INTERNET DOMAIN NAME SYSTEM**

### **1 THE LEGAL FRAMEWORK**

- 1.1** The Uniform Domain Name Dispute Resolution Policy and Rules (UDRP), adopted by the Internet Corporation for Assigned Names and Numbers (ICANN) in 1999, respectively 2009, set forth the substantial and procedural terms and conditions concerning a dispute regarding allegations of abusive domain name registration and use (also known as “**cybersquatting**”). The UDRP applies to registrations in generic top-level domains (gTLDs), such as .com, .net and .org, and will apply to any new gTLDs introduced. UDRP has proven highly popular among trademark owners, more than 35.000 cases being processed under this Policy. More than half of these cases were solved by the World Intellectual Property Organization (WIPO) Arbitration and Mediation Center, which launched this year a second overview of WIPO Selected UDRP Questions (the so-called “WIPO Overview 2.0”).

This article provides for a synthesis of substantive elements of the three criteria to be met in a DNS dispute. The summary is based on the consensus views of the WIPO panelists, expressed in a comprehensive study (abovementioned) of certain commonly issues arisen in more than 20.000 cases up to date.

- 1.2** For a UDRP complaint to succeed, the complainant must establish that the following three cumulative criteria are met (paragraph 4(a) of the UDRP Policy):
- (i) The domain name registered by the respondent is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
  - (ii) The respondent has no rights or legitimate interests with respect to the domain name; and
  - (iii) The domain name has been registered and is being used in bad faith.

### **2 THE THREE SUBSTANTIVE ELEMENTS**

#### **2.1 First Element - Identity or Confusing Similarity**

If the complainant owns a trademark, then it generally satisfies the threshold requirement of having *trademark rights*. Also, a licensee of a trademark or a related company such as a subsidiary or parent to the registered holder of a trademark is considered to have rights in a

trademark under the UDRP.

Panels have generally agreed that the test of identity or confusing similarity involves a *direct comparison* between the trademark and the alphanumeric string of the domain name at issue, in order to assess likelihood of Internet-user confusion - the relevant trademark would generally *need to be recognizable* as such within the domain name.

In specific cases, some panels have assessed the risk that *Internet users may actually believe* there to be a real connection between the domain name and the complainant and/or its goods and services.

A domain name which contains a *common or obvious misspelling of a trademark* normally will be found to be confusingly similar to such trademark, where the misspelled trademark remains the dominant or principal component of the domain name (e.g. *humanna.com v. humana.com*).

The *content of a website* - whether it is similar to or different from the business of a trademark holder - is not considered in the threshold assessment of risk of confusing similarity, but such content may be regarded as highly relevant to assessment of intent to create confusion.

A domain name consisting of a *trademark and a negative or pejorative term* (such as *[trademark]sucks.com*) would be considered confusingly similar to the complainant's trademark. Inclusion of a subsidiary word to the dominant feature of a mark at issue creates a particular risk of confusion among Internet users.

Concerning the connection between the *date of registration* of a domain name and the date the complainant acquires trademark rights, this is not an aspect to prevent a finding of identity or confusing similarity. In other words, while the UDRP makes no specific reference to the date of acquiring trademark rights, the confusing similarity could exist irrespective the two dates of registration. However, in such circumstances the burden to prove that the domain name was registered in bad faith (see the comments on the third element) may become very difficult.

Concerning *personal names*, those which have been registered as trademarks are generally protected under the UDRP. The proof of use of the person's name as a distinctive identifier of goods or services offered under that name would normally be required. Merely having a famous name (such as a businessperson who does not actually use his or her name as an identifier for the business engaged in, or a religious leader), would not necessarily be sufficient to show unregistered trademark rights.

## 2.2 Second Element – Rights and Legitimate Interests

Paragraph 4(c) of the Policy identifies three means (but non-exclusive) through which a

respondent may establish rights or legitimate interests in the domain name: (i) using the domain name in connection with a bona fide offering of goods or services, (ii) the registrant being commonly known by the disputed domain name, and (iii) legitimate non-commercial or fair use.

While the overall *burden of proof* rests with the complainant, panels have recognized that this could result in the often impossible task of proving a negative. Hence, where a Complainant makes an initial prima facie case that the Respondent lacks rights or legitimate interests in a disputed domain name, the burden of production on this element generally passes to the Respondent.

Concerning the registration of a domain name consisting in a *dictionary word or phrase* (which may be generic with respect to certain goods or services), panels have recognized that mere registration may not of itself confer rights or legitimate interests in that domain name. The panels take some factors into consideration in assessing whether there may be rights or legitimate interests, such as: (i) the status and fame of the trademark, (ii) whether the respondent has registered other domain names containing dictionary words or phrases, and (iii) whether the domain name is used in connection with a purpose relating to its generic or descriptive meaning (e.g. , a respondent may well have a right to a domain name "apple" if he uses it for a genuine site for apples but not if the site is aimed at selling computers or MP3 players, for example, or an inappropriate other purpose).

*A reseller or distributor* can be making a *bona fide* offering of goods and services and thus have a legitimate interest in the domain name, under specific conditions: (i) the actual offering of goods and services at issue, (ii) the use of the site to sell only the trademarked goods, and (iii) the site's accurately and prominently disclosing the registrant's relationship with the trademark holder.

### 2.3 Third element – Registration and Use in Bad Faith

Paragraph 4(b) of the Policy sets forth four situations under which the registration and use of a domain name is deemed to be in bad faith, but does not limit a finding of bad faith to only these situations: **(i)** registration of the domain name primarily for the purpose of selling, renting, or transferring to the owner of the trademark, or **(ii)** registration in order to prevent the owner of the trademark from reflecting the mark in a corresponding domain name (but provided there is a pattern of such conduct); or **(iii)** registration primarily for the purpose of disrupting the business of a competitor; or **(iv)** registration for attracting visitors to the registrant's site for commercial gain by creating a likelihood of confusion with complainant's trademark.

Under the paragraph 2 of UDRP, the registrant will not knowingly use the domain name in violation of any applicable laws or regulations. It is the sole responsibility of the registrant to

determine whether the domain name registration infringes or violates someone else's rights. When a domain name is registered by the respondent *before* the complainant's trademark registered rights, the first is not a registration in bad faith, because the registrant had no knowledge about the complainant's then non-existent rights. However, in certain situations, when it is clear that the aim of the registration was to take advantage of the confusion between the domain name and any potential complainant rights, bad faith can be found (e.g., in connection with a widely anticipated product or service launch).

Concerning the *passing holding of a domain name*, not being actively used by the holder, while the holder took no active steps to sell the domain name, some factors could determine the existence of bad faith. Examples of what may be cumulative circumstances found to be indicative of bad faith include the complainant having a well-known trademark, no response to the complaint having been filed, and the registrant's concealment of its identity.

A *pattern of conduct* can involve multiple UDRP cases with similar fact situations or a single case where the respondent has registered multiple domain names which are similar to trademarks. However the registration of two domain names in the same case is not generally sufficient to show a pattern. Evidence of offers to sell the domain name are generally admissible under the UDRP, and is often used to show bad faith.

## employment - legislative retrospective

### **Value of Luncheon Vouchers and Childcare Vouchers**

The Order of the Minister of Labor, Family and Social Protection no. 2.205/2011 regarding the establishment of the indexed nominal value of a luncheon voucher for the second semester of 2010, was published in the Official Gazette of Romania, Part I, no. 697 as of October 1, 2011.

For the second semester of 2011, as of October, the nominal value of a luncheon voucher is of RON 9.

In addition, as of October this year, the monthly amount granted in the form of childcare vouchers is of RON 370.

The amount was established according to the provisions of the Methodological norms of application of the provisions of Law no. 193/2006 regarding the granting of gift vouchers and of childcare vouchers, approved by the Government's Decision no. 1.317/2006.

The amount was indexed through the Order of the Minister of Labor, Family and Social Protection no. 2.204/2011 regarding the establishment of the monthly indexed amount granted in the form of childcare vouchers for the second semester of 2011, published in the Official Gazette of Romania, Part I, no. 697 as of October 1, 2011.

The conclusion is that both the value of the childcare vouchers and the value of the luncheon vouchers will not be increased in the following 6 months.

## public - private partnership • legislative retrospective

Law no. 178/2010 concerning the Public – Private Partnership (the “PPP Law”) has been recently amended, by means of the Government Emergency Ordinance no. 86/2011 published in the Official Gazette of Romania no. 729 of October 17, 2011. Changes of the utmost impact mainly refer to: (i) removing the restrictions regarding the organizational form and the participation form (individual or group) for private partners to take part of the selection procedure; (ii) public – private partnership can be achieved by means of three types of contracts: works contracts, good contracts and services contracts; (iii) if the selection of the private investor was made by means of open tender, it is compulsory to publish an announcement regarding the agreement awarding; (iv) for additional works or services than the ones settled in the original agreement, the public authority can award a PPP agreement by means of negotiation without prior publication of a participation announcement, but this will not be possible if the cumulative value of the additional agreements is higher than 50% of the original agreement's value; (v) to initiate any PPP project it is mandatory to obtain an approval issued by review and selection commission concerning sustainability and feasibility of PPP projects within the Central Unit for Public – Private Partnership Coordination (“ the UCCPPP”); (vi) no PPP agreement shall be initiated, signed and performed if the public authority takes risks leading to classification of the project as public spending.

For more information about the above, please contact:

Daniel Voicu: [daniel.voicu@vf.ro](mailto:daniel.voicu@vf.ro)  
Mugur Filipescu: [mugur.filipescu@vf.ro](mailto:mugur.filipescu@vf.ro)

26-28 Stirbei Voda Street  
Union International Center II  
5<sup>th</sup> floor, 010113 Bucharest  
ROMANIA  
Tel: +40 21 314 0200  
Fax: +40 21 314 0290  
[www.vf.ro](http://www.vf.ro)

