Switzerland: Inactive domain names may infringe Intellectual Property rights under Swiss law

Domain names with the ".ch(" (Swiss) extension are governed by specific rules which provide that requests, submitted to the WIPO Arbitration and Mediation Center, to cancel or transfer a domain name shall be granted if the registration or use of the domain name constitutes a clear infringement of a right in a distinctive sign which the claimant owns under the laws of Switzerland.

This article aims to briefly analyze inactive domain names (i.e. the passive holding of a domain name) from the perspectives of both Swiss trademark and unfair competition laws.
(Article by Thomas Widmer, LALIVE, Geneva, Switzerland)

The Netherlands: EU Court of Justice: Genuine use of CTMs – Where?

On 19 December 2012, the Court of Justice of the European Union ("CJEU") handed down its long–anticipated judgment in the *ONEL/OMEL* case (*Case C 2149/1, 19 December 2012* between the Dutch companies Leno Merken B.V. and Hagelkruis Beheer B.V. The main issue in this case is whether the use of a Community trademark ("CTM") in just one EU Member State is sufficient to maintain the rights in the CTM registration where such registration is challenged on the basis of non–use.
(Article by Fleur Folmer, NautaDutilh N.V., Amsterdam, The Netherlands)

United Kingdom: AIPPI UK Group meeting in London, chaired by Professor Sir Robin Jacob, debates proposed UK legislation to extend term of copyright protection for industrially exploited designs

Copyright protection in the UK for industrially exploited artistic designs is limited to 25 years. Proposed legislation will extend the protection to life of the author plus 70 years. It is argued that, at present, UK law is in conflict with the copyright Term Directive (which harmonised the term of copyright protection to life of the author plus 70 years) as highlighted by the judgment of the Court of Justice of the European Union in the *Flos v Semeraro* case (C-168/08). In a well attended meeting in London, the arguments for and against this proposal were discussed at length.
(Article by Annabelle Maddison, Bristows, London, United Kingdom)

United States of America: Elimination of the U.S. Inter-Partes Review "Dead Zone"

A technical amendment to the America Invents Act will soon eliminate a nine month period during which Inter–Partes Review has been unavailable against patents presently issuing in the United States.
(Article by Kelly G. Hyndman, Sughrue Mion PLLC, Washington, United States of America)

Feedback

Any comments you have as members are invited and welcomed. Please let us have your input on this e-News or on anything relating to AIPPI by e-mail to enews@aippi.org.

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Inactive domain names may infringe Intellectual Property rights under Swiss law

Thomas Widmer, LALIVE, Geneva, Switzerland

Trademark law Under Swiss law, the owner of a trademark has the exclusive right to use it in relation to the goods and/or services for which it has been registered. The owner is entitled to prohibit third parties to use, *inter alia*, similar signs intended for similar goods or services if it results in a likelihood of confusion in the public.

Apart from the particular case of "well-known" trademarks, the so-called principle of specialty thus applies, and domain name disputes are no exception (WIPO decisions n° DCH2012-0023; DCH2010-0035; DCH2009-0014; DCH2008-0002).

As a consequence, the mere registration of an inactive domain name (i.e. the passive holding of a domain name) does not constitute a trademark breach since there is no use of a trademark in relation to any goods or services, and thus, no possible likelihood of confusion (Alberini/Guillet, *L'incidence du contenu du site Internet dans les litiges en matière de noms de domaine, in* sic! 2012, 305, 313).

Nevertheless, according to a decision issued by a WIPO expert on 16 September 2012, one may infer from the mere registration of a domain name its "imminent" activation in the sense of art. 55 § 1 lit. a of the Swiss Trademark Act, which reads that "an imminent infringement of trademark rights may be prohibited" (DCH2012-0021). The transfer of the inactive disputed domain name was ordered on this basis.

Similar reasoning was previously adopted by other WIPO experts who considered that (i) it seemed "unlikely" that the disputed domain name would not be used in the future for commercial purposes (DCH2010-0013), and that (ii) the passive holding of a domain name amounted to a potential breach in prejudice to the complainant, who deserved protection (DCH2005-0021).

This being said, the author's view is that, absent clear evidence that an inactive domain name will be imminently activated, and that such activation will cause a risk of confusion with a trademark validly registered in Switzerland, the existence of a "*clear infringement*" Swiss trademark law – meaning that doubt must benefit the respondent (DCH2012-0008; DCH2007-0006; DCH2005-0018) – should be denied (see also R. Weber, *E-Commerce und Recht*, 2010, p. 137).

Unfair competition law

Pursuant to art. 2 of the Swiss Unfair Competition Act, conduct that is deceptive or otherwise violates the rules of good faith, and which affects relations between competitors or between suppliers and customers, is illegal.

Unfair competition includes trying to take advantage of a mark's recognition or to obstruct another's business (DCH2008-0002; DCH2007-0018; DCH2007-0006). Regarding the former, it is difficult to imagine how the mere holding of an inactive domain name can take advantage of a mark's recognition. As to the latter, namely the obstruction of another's business, a WIPO expert dismissed in 2006 a request to transfer an inactive domain name but held that domain names have the purpose of enabling access to websites. As a result, if the respondent continued to hold on to an inactive domain name while the claimant meanwhile strengthened its reputation, the respondent's credibility as to his motives would decrease. Such behavior could eventually constitute an active disruption of the complainant's business interests and activities, thus amounting to unfair conduct under Swiss law (DCH2006-0007).

The question arises as to how the passive holding of a domain name may be considered as an attempt to *"obstruct"* or *"actively disrupt"* one's business, and affects competition.

The author believes that there may be a difference between inactive domain names which are *identical* to a registered trademark and those which are only *similar* to a registered trademark: while the first category can effectively obstruct the commercial development of a competitor in preventing the latter from offering goods or services or advertising via a domain name which reflects its own trademark, this is not the case in the second category. '

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