

# SOME COMMENTS ON THE RELATIONSHIP BETWEEN TRADEMARK LAW AND DOMAIN NAMES WITHIN THE .NO DOMAIN



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## 1. Introduction

A domain name is a unique address identifying the IP address of a computer on the Internet. The domain name also has an important function as a distinguishing mark. Because the domain name consists of combinations of numbers and letters or words or expressions, the domain name may reflect the business the domain name holder conducts by incorporating the domain name holder's trademark or business name, or it may show which types of goods or services the holder offers, or other affiliation.

Allocation of domain names within the top-level domain .no is governed by the private-law provision of the *Domain Name Policy for .no*<sup>3</sup>. The general provisions of Act No. 8 of 26 March 2010 regarding the protection of trademarks (the Norwegian Trademarks Act ) are also applicable to the use of a domain name as a distinctive sign. This is made clear in preparatory works to the Trademarks Act, Proposition to the Odelsting (Ot.prp.) no. 98 (2008-2009) p. 24. In this article, I will take a closer look at the relationship between the trademark law and domain names within the .no domain as well as conflicts between trademark owners and the domain name holders.

Anyone who registers a domain name within the .no domain is responsible for ensuring that the registration is not in conflict with the rights of third parties to trademarks, business names or other name rights. The domain name must not be in conflict with the policy for the .no domain or Norwegian law or pass itself off as relating to government administration or exercise of public powers, cf. clauses 15 and 17 of the domain name policy.

Norid is the registry for the .no domain. The allocation of domain names takes place according to the domain name policy and the principle "prior tempore, potior jure" ("first in time, superior in right"). Norid does not investigate whether the registration is in conflict with Norwegian law or with other parties' rights. The applicant must sign a declaration form in which the applicant represents that the registration does not infringe the rights of a third party<sup>4</sup>. The applicant also consents to be bound by decisions from the Alternative Dispute Resolution (ADR) Committee<sup>5</sup>. The ADR Committee hears complaints about registration and use of .no domain names as well as complaints about Norid's decisions.

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<sup>2</sup> The article was published in the journal Nordiskt Immateriellt Rättsskydd, NIR 6/2010, <http://www.nir.nu/>

<sup>3</sup> The domain name policy is available at <http://www.norid.no/navnepolitikk.html>

<sup>4</sup> See Clause 15 of the domain name policy at <http://www.norid.no/navnepolitikk.en.html#link15>.

Although Norid does not verify whether the applicant has the right to register a domain name, cybersquatting or warehousing of domain names has not represented a major problem in Norway. The domain name policy is relatively restrictive. To be able to register a domain name, the holder must have an organization number in the Central Coordinating Register for Legal Entities<sup>6</sup> and each organization number may have a maximum of 20 domain names. In the spring of 2010 Norid started a consultation process regarding changes in the policy for the .no domain, with a proposal that private individuals should also be able to register domain names. The work has not been concluded, but any changes in the domain name policy are expected to be in place in the spring of 2011.

The ADR committee was established in 2003, and since 2004 only a handful of domain name disputes have been heard by Norwegian courts of law<sup>7</sup>. These disputes have mainly been between trademark owners and holders of domain names. A large number of the complaints heard by the ADR committee also apply to trademark rights.

## **2. General comments on the relationship between trademarks and domain names**

There are several differences between domain names and trademarks. A significant difference is that several holders of rights may have the right to use the same trademark. The trademark is a distinctive sign for specific groups of goods and services, and other holders of rights may register an identical trademark for other types of goods and services.<sup>8</sup> Another difference is that in principle the holder owns the trademark rights for an indefinite period. Trademark registration can be renewed every 10th year an unlimited number of times. The right to a registered trademark may lapse if it is not used, but the owner does not lose the trademark as long as the registration fee has been paid and no objections to the registration are submitted. In addition, the protection is geographically limited to the countries in which the trademark has been registered or the area in which the trademark has become established by use.

As mentioned, a domain name is a unique address for a computer in the network. The address is actually four series of figures, for example 145.97.39.155. This is called an IP address. Because it is easier for most people to remember a word, the IP address is translated into a word by a DNS server<sup>9</sup>. Each domain name is unique because it corresponds to only one particular address. The domain name can be used all over the world, and it will always refer to the same Internet page.

It is perhaps most practical to compare a domain name with a telephone number. The domain name holder, or the domain name subscriber, receives only a right to use the domain name, in line with a telephone number. A telephone number may be withdrawn in relation to the

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<sup>5</sup> More information about the ADR Committee, its terms of reference and composition is available at Norid's website; see <http://www.norid.no/domenekonflikter/domeneklagenemnda/index.en.html>.

<sup>6</sup> For more information about the Central Coordinating Register for Legal Entities and the other registers managed by the Brønnøysund Register Centre, see <http://www.brreg.no>.

<sup>7</sup> Norid has a list of court proceedings related to domain names on its website, see <http://www.norid.no/domenekonflikter/rettssaker/> (in Norwegian)

<sup>8</sup> If the trademark is *well known*, however, the trademark right may apply to all goods and services; cf. Section 4, second paragraph of the Trademarks Act.

<sup>9</sup> Further information about DNS and IP numbers is available from Wikipedia: see [http://en.wikipedia.org/wiki/Domain\\_Name\\_System](http://en.wikipedia.org/wiki/Domain_Name_System)

national numbering system. The extent to which Norid can withdraw a domain name is set out in Clause 12 of the domain name policy. For example, Norid may withdraw a domain name if the registration was based on incorrect information, if the domain name holder is no longer registered in Norway's Central Coordinating Register for Legal Entities, if the contact person responsible for the holder of the domain name cannot be reached, or in the event of default in payment of registration fees or annual fees. Lack of a signed declaration form is also regarded as incorrect information. The domain name holder's right of use to the domain name is made clear in Clause 14.2 of the domain name policy:

"Registration of a domain name confers only a right of use. This does not provide greater or other rights to the name than the applicant had previously. Registration does not entail any restriction on rights others may have to the name". (Translated from Norwegian)

As the domain name policy states, the registration of a domain name does not confer any greater rights to the name than the applicant had previously. The registration does not extinguish any rights to an identical trademark, business name, or similar. However, the domain name may also be established as a trademark by use, or registered as a trademark or business name; see Section 3.

Both trademarks and domain names are assets which can be transferred freely. In a decision given by the Supreme Court in 2009 in a case regarding confiscation under the Criminal Procedure Act, HR-2009-01692-U, the Supreme Court stated that the holder of a registered domain name has an exclusive right of use to an asset which may have financial value and that a domain name is therefore an "object" that may be seized:

"In other words, the holder of a registered domain name has an exclusive right of use to an asset which may have financial value. The fact that the registration itself does not have any significance for rights that are already established, for example to a trademark, does not change this.

The similarity between domain names and other assets such as trademarks supports the argument that domain names can be seized." (Translated from Norwegian)

There are thus both similarities and differences between trademarks and domain names. It is worth noting that, like trademarks, domain names are assets, and that the general provisions of the Trademarks Act apply to the use of domain names as a distinctive sign.

### **3. Domain names may be registered and used both as trademarks and as business names**

The function of the domain name as a distinctive sign is illustrated by a growing practice of registering the distinctive sign of the enterprise as a business name, trademark, and domain name when the enterprise is formed. An example is the Elkjøp chain of stores, where the business name is Elkjøp Norge AS, their secondary business identifier is Elkjøp, and they are holders of the trademarks ELKJØP and Elkjøp.no as well as the domain names elkjøp.no and elkjop.no.

Some enterprises also include the domain name as part of the company's trademark, for example, the combined trademark "Den originale fiskebilen FISKEBILEN.NO" (The original fish truck FISKEBILEN.NO), which is naturally also the holder of the domain name fiskebilen.no. Another example is the football club Vålerenga, where VÅLERENGA PÅ

NETT - VPN.NO (VÅLERENGA ONLINE VPN NO) is registered in the Central Coordinating Register for Legal Entities and they are the holder of the domain name vpn.no.

It is also possible to establish the domain name as a trademark by use. An example which has possibly become established by use in the Oslo area is RASFARE.NO, which also forms part of a sole proprietorship, RASFARE.NO Frode Olav Smith. The domain name RASFARE.NO has been marketed during several winters in the streets of Oslo, on streamers on buildings where there is a danger of snow or ice falling from the roof, or where roof snow is being cleared.

There are also several examples of telephone numbers registered as part of the business name, the trademark and the domain name, such as the directory enquiries service Opplysningen 1881 AS and Opplysningen AS, which are owners of the trademarks www.1881.no, 1881.no, and 1881 as well as the trademark application OPPLYSNINGEN 1881 and the domain name 1881.no.

Naturally, the requirement for distinctiveness must also be fulfilled for domain names for which an application for trademark registration has been filed. It should be noted that the Norwegian Patent Office is unlikely to place any emphasis on the components www. or .no as distinctive elements. The Danish trademark law is practised in the same way; see *Varemærkeret* by Knud Wallberg p. 177.<sup>10</sup>

It is also worth noting that even if an enterprise registers a business name or a trademark containing a domain name, this does not confer any right to the domain name. For example, the enterprise may lose a registered domain name if the rules of the domain name policy are not fulfilled. If several enterprises hold rights to the same name, such as "fiskebilen" (9 enterprises containing the name FISKEBILEN are registered in the Central Coordinating Register for Legal Entities), it may also be difficult to get the domain name back if another holder of rights has registered it in the meantime.

#### **4. Conflicts between trademark owners and domain names decided under the Trademarks Act**

Complaints about domain name registrations from trademark owners brought before the ADR Committee are resolved in accordance with the domain name policy for the .no domain. Practice shows that disputes between trademark owners and domain name holders brought before the ordinary courts of law are decided under the Trademarks Act or under the Marketing Control Act and the requirement for good business practice.

When the dispute is decided under the Trademarks Act, the question is whether the use of the domain name infringes the trademark right as it is governed by Section 4 of the Trademarks Act regarding the content of the trademark right.

Firstly, the domain name must have been used *in the course of trade* before it can be maintained that the trademark right has been infringed. At present, private individuals may not register domain names in Norway. To be able to register a .no domain name, the applicant must have an organization number in the Central Coordinating Register for Legal Entities. The reason why is that it should be easy for the registry to keep track of and be able to contact

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<sup>10</sup> Knud Wallberg, *Varemærkeret* [Trademark Law], 4th edition 2008, Jurist- og Økonomforbundets Forlag.

the holder of the domain name. This also means that companies outside Norway cannot register .no domains without creating a company in Norway or entering into an agreement with a Norwegian company acting as the owner with respect to Norid.

So far, the extent to which the use of a domain name is in the course of trade has not been a key issue. In the cases which have come to light so far, the requirement has been fulfilled. Domain names may well be registered to generate advertising income or traffic to a website where different goods or services are offered, or to sell the domain name.

Secondly, the domain name must have been *used as a distinctive sign* before it can be maintained that the trademark rights have been infringed. As formulated by the European Court of Justice, the name must be used as part of the holder's own communication in the course of trade in order for infringement of the trademark right to take place. This is stated in the Google Adwords decisions<sup>11</sup> applying to trademarks used as search terms.

If the domain name is registered only in the registry, and not taken into use through either the DNS service or an email service, on the basis of Norwegian case law it is clear that the requirement for use has not been fulfilled. This is stated explicitly inter alia in the Ladbrokes.no decision, 05-142671TVI-AHER/2, and the Ellevilledager.no case, 06-136792TVI-OTIR/08.

The latter case applied to sales promotions at the department store Steen & Strøm Magasin in Oslo, which is called "*Elleville dager*" since the 1980s. Gradually, the "*Elleville dager*" promotion is being used in several other locations in the country as a result of the owners' expansion to a total of 26 shopping centres in Norway. Another company owned by the respondent, Utne, then registered the domain name Ellevilledager.no. The district court stated in the judgment:

"Utne has registered the domain name «ellevilledager.no», but has so far not taken it into use. The domain name has therefore not had any function as a distinctive sign of goods or services for Utne, cf. the Trademarks Act Section 4 first subsection first sentence. In such a situation, bringing an action for declaration concerning expected use in violation of the Trademarks Act is conceivable, but as the case is set out here, it is the registration itself which is contested. Because the registration in itself, regardless, cannot be considered as constituting breach of a possible trademark right, the court found it unnecessary to determine whether Steen & Strøm had acquired a trademark right to «elleville dager» through establishment by use." (Translated from Norwegian)

In essence, Section 4 of the Trademarks Act of 1961, to which reference is made in the judgment, together with Section 6 is continued in Section 4 of the Trademarks Act of 2010. Oslo District Court concluded that the registration of Ellevilledager.no conflicted with good business practice, cf. Section 1 of the Marketing Control Act of 1972 (now Section 25 of the Marketing Control Act of 2009).

In a case from 2004 regarding Google.no, 03-009203TVI-OTIR/02, Oslo District Court also concluded that it was difficult to maintain that an offer or sale of a domain name itself represented a trademark infringement. The same interpretation applies in Danish case law and legal theory. Mads Bryde Andersen writes in IT-retten p. 517<sup>12</sup> that:

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<sup>11</sup> Judgment by the European Court of Justice in the joined cases C-236/08 and C-238/08

<sup>12</sup> Mads Bryde Andersen, IT-retten [Information Technology Law], 2nd edition 2005, Gads Forlag (in Danish)

"If a domain name server (DNS) alone has been set up for a domain name which is identical or confusingly similar to a trademark right, but no established functional Web or email addresses, it follows from case law up to the present that this registration does not in itself imply use of trademarks or distinctive business marks." (Translated from Danish)

It is however possible to contest pure registration of a domain name if it can be substantiated that the domain name has been registered only to sell the domain name to the trademark owner. This is evident from the Ladbrokes decision from the Asker and Bærum District Court from 2006<sup>13</sup> and Oversikt over norsk varemerkerett p. 245<sup>14</sup> where Birger Stuevold Lassen and Are Stenvik write that:

"There can be no doubt that the owner of a known trademark can take action against outright abuse, such as where a domain name is registered exclusively with the aim of selling the domain name to the mark owner, and by virtue of general principles of law require the holder of the registration to delete it." (Translated from Norwegian)

This was written before the ADR Committee was established, and today most such disputes are resolved by the ADR Committee rather than the ordinary courts of law.

Thirdly, the requirement for the *risk of confusion* must be fulfilled. In relation to *similarity of marks*, it must be possible to assume that, in comparison of a trademark and a domain name, the court disregards the elements *www.* and *.no*, in the same way as in the evaluation of distinctiveness; see Clause 3.

The *Volvoimport.no* case, Rt 2004 p.1474, is an example of use of a distinctive sign which gave the impression that there was a connection between the domain name holder and the trademark. The holder of the domain name was an independent Volvo importer from authorized dealers in Sweden. In relation to the risk of confusion and to whether the use of the domain name could be founded on the doctrine of exhaustion of rights, the Supreme Court stated that:

"As mentioned, I consider « volvo » to be the dominant part of the domain name. « Import » describes the business trademark owner himself conducts. Furthermore, I assume that it is not a widespread practice for Volvo dealers to use « volvo » as part of their domain name or as a secondary distinctive sign, and that the equivalent is not common among dealers selling other vehicle brands. I then agree with Volvo Personbiler Norge AS that the use of « volvo » in the domain name creates a strong expectation in the public that there is an affiliation or at least a business connection between Hoppestad and the Volvo Group.

It is true that it is explicitly stated in Hoppestad's website that he is an independent importer. But it is only when one has entered the website that one becomes aware of this. Then – as the respondent has strongly emphasized – an exploitation of goodwill has already taken place." (Translated from Norwegian)

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<sup>13</sup> Ladbrokes.no decision 05-142671TVI-AHER/2

<sup>14</sup> Birger Stuevold Lassen and Are Stenvik, *Oversikt over norske varemerkerett* [Survey of Norwegian Trademark Law], Department of Private Law, University of Oslo, Stensilserie no. 163, 2nd edition 2003, Volume I

An order for the deletion of the domain name volvoimport.no was issued.

The condition of *risk of confusion* also applies in relation to *similarity in the type of products*. In the Ladbrokes.no case from 2006, Asker and Bærum District Court concluded that if the domain name, as the domain name holder had explained to the court, was to be used as an information site for sale of systems intended for doctors, the risk of confusing similarity with the betting company Ladbrokes Ltd would be minimal.

In the Google.no case from 2004, 03-009203TVI-OTIR/02, Oslo District Court concluded that the requirement for the risk of confusion was fulfilled even though there was no similarity in the type of product between sunglasses (which the domain name holder sold on google.no) and search engine services. The court stated further that:

"The court finds, even if it is with some reservations, that the circumstance that sales take place through an "Internet store", must be sufficient for the situation to be subject to Section 6 first subsection second sentence. This provision clearly assumes that the boundaries for confusing similarity are relatively broad, so that the firm in question is assured potential future expansion. In this case, future activities over the Internet may be relevant." (Translated from Norwegian)

Case law is somewhat divergent in relation to where the boundary should be drawn for confusing similarity between products. In the Google.no decision, the court goes to some length to ensure trademark owners possible future expansion to another type of business on the Internet.

## **5. Action to prevent new trademark infringements from domain name holders**

In Section 59 regarding action to prevent new trademark infringements, the Trademarks Act of 2010 has introduced a new wording in relation to Section 40 of the Trademarks Act of 1961 (which it continues). The second paragraph makes it clear that "*other action*" covers deletion or transfer of domain names:

"The court may also decide on other action to prevent new trademark infringements, including that the infringing party shall take steps to delete or assign to the injured party any domain names used in contravention of trademark law." (Translated from Norwegian)

The purpose of the provision in Section 59 is thus to prevent new trademark infringements, and a claim must be made regarding the relevant action. Norid deletes or transfers domain names when there is a final and legally enforceable judgment for this. Even before this clarification was made, Norid had transferred and deleted domain names in accordance with final and legally enforceable judgments as "*other action*" under Section 40 of the Trademarks Act of 1961.

## **6. Some closing remarks regarding decisions from the ADR Committee**

The ADR Committee is intended as a rapid and low-cost alternative to the courts. For the ADR Committee, a dispute resolution process takes about one and a half months and the complaint fee is NOK 3,340 (4 times the court fee). As a trial arrangement, the complaint fee

incurred by the complainant is reimbursed if the complaint is upheld. Norid has decided that this trial arrangement is to remain in effect until further notice<sup>15</sup>.

The ADR Committee decides complaints in accordance with the domain name policy for the .no domain, Appendix H<sup>16</sup>. The complainant must provide evidence that the complainant holds rights to a name or mark identical to or confusingly similar to the domain name, and that the domain name holder's registration or use of the domain name was undertaken in bad faith, cf. Appendix H Clause 1.2. This requirement corresponds to the requirement for *bad faith* in the Uniform Domain Name Dispute Resolution Policy (UDRP) on which WIPO bases its decisions, including those concerning complaints about .com registrations.

The complaint is to be decided within 15 days from the date on which the ADR Committee received the case. The ADR Committee shall only decide simple cases, and has authorization to refuse cases which are so complex or doubtful, or if such inadequate information is provided, that the case is not suitable for consideration and decision by the ADR Committee, cf. Appendix H Clause 1.3. The decision of the ADR Committee is final and no further complaint may be made about it, but the parties may subsequently submit the dispute to the courts of law. The ADR Committee also offers mediation between the parties. Both parties must want mediation in the case, or the case will go directly to ordinary dispute resolution by the ADR Committee.

To some extent, the ADR Committee can be compared with Næringslivets Konkurransutvalg (the industry and trade committee on unfair competition), which considers disputes between enterprises regarding the application of the Marketing Control Act Chapter 6, sections 25-31. Both have proceedings based on written representation and neither of them can award compensation or legal costs. The decisions of the ADR Committee are however binding in the sense that Norid deletes or transfers domain names in accordance with the decisions, while the industry and trade committee on unfair competition renders opinions. The procedure of the ADR Committee is somewhat faster and cheaper, and each party is allowed only one written submission to the ADR Committee.

The domain name policy, on which the ADR Committee bases its decisions, does not fully correspond to the requirements of trademark law, although some of the considerations are similar. In principle, whether the domain name is in use or only registered has no significance even if the complainant is a trademark owner. The ADR Committee's assessment of the requirement for confusing similarity under the domain name policy also appears to be somewhat less stringent than the corresponding assessment under trademark law. Where the trademark and the registered domain name are identical, the ADR Committee's practice shows that the requirement for confusing similarity is regarded as fulfilled. The risk of confusion is rarely a key issue because it is very often owners of identical trademarks or business names who complain. The ADR Committee disregards the element .no in its assessment of confusing similarity and regards 'aa' and 'a' as equivalent to the Norwegian letter 'å' and 'o' as equivalent to 'ø'; it has also regarded Norwegian and English words as equivalent in certain decisions, such as DOK-2008-39 redsnow.no.

In relation to complaints from trademark owners, the trademark's geographical protection and the question about whether the trademark is established in use in several areas are aspects

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<sup>15</sup> See <http://www.norid.no/nytt/gebyr-tilbake.en.html>

<sup>16</sup> <http://www.norid.no/regelverk/vedlegg-h.en.html>

creating challenges. Naturally, when the trademark is registered in Norway, the geographical extent of the complainant's right is clear. However, it is less clear when the complainant owns trademarks registered in other geographical areas which are also known in Norway in varying degrees. Some illustrative examples from the practice of the ADR Committee are DOK-2010-18 lycamobile.no, DOK-2008-61 gaydar.no and DOK-2008-55 gemalto.no.

All the decisions from the Domain ADR Committee are available in Norwegian on Norid's website<sup>17</sup> and from Lovdata (the legal information service in Norway) through their subscription service.

In conclusion, the ADR Committee in Norway appears to function, considering that very few disputes are brought before the ordinary courts of law, while a growing number of complaints are submitted to the ADR Committee. So far, the Committee has considered more than 250 complaints. This is not a large number considering that almost 500,000 domain names are registered within the .no domain. Cybersquatting and warehousing of domain names therefore do not represent a major problem in Norway today. A large proportion of the complaints to the ADR Committee concern trademark rights and the statistics so far show that about 65% of all complaints are upheld.

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<sup>17</sup> See <http://www.norid.no/domenekonflikter/klagearkiv/?ar=2010>