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A. Introduction

The rapid increase in the number of globally active Internet users, together with an abundance of multimedial application options and interactivity make the Internet an ideal marketplace and advertising location. In contrast to marketing directed at a passive audience with classic mass communication technology, the Internet user must actively call up the information available in the Internet himself. Therefore, a company intending to use the Internet as a global marketplace must inform its potential customers where it can be reached in cyberspace. In order to make it easier for an Internet user to find a homepage on the Internet, it is essential to choose a short Internet address that is easy to memorize. The most suitable address are those containing the trademark, firm name or other designation of the company itself.

In contrast to traditional business, where geographical distances or different trade sectors mean that it is possible to use identical trademarks without conflicts arising, in the global village of the Internet a domain name can only be assigned once due to its function as an address. Consequently, several companies desiring to register their trademarks or firm names on the Internet as domain names were informed that their own marks, firms or other designations were already being used on the Internet by another company or private individual. It is reported that Rolls Royce, Deutsche Bank, Toyota and the computer hardware manufacturer, Apple, were forced to abstain from registering their marks or firms as domain names for the meantime. "Rolls-royc.de," "deutsche-bank.de," "toyota.de" and "epson.de" had already been registered as domain names by other companies or private individuals. In the US, the "Candyland" trademark, entered in the US trademark register by the US-based Hasbro company which sells toys throughout the world, was registered as a domain name by a provider of a pornographic website. \(^{(1)}\)

Marks that are used outside the Internet sphere without conflict arising suddenly cross swords in Cyberspace. The Deutsche Sportfernsehen and the Deutsch Slowenische Freundschaft disputed over the domain name "dsf.de." \(^{(2)}\) The domain name "heidelberg.de" is claimed by both a computer company providing a website containing information on the city of Heidelberg and by the city of Heidelberg itself. \(^{(3)}\)

For trademark owners, the question is whether to accept the laws of a "digital Klondike," the principle of first-come, first-served, or whether and on what legal basis the desired domain name can be secured for one's own company.

The objective of the following article is to shed some light on the trademark law issues in connection with domain names. In order to facilitate legal analysis and evaluation, the technical and organizational principles of the domain name system are first outlined, followed by a summary of the proposed changes to the actual system proposed in the final report of the International Ad Hoc Committee.

The second part undertakes a survey of trademark issues connected with the registration and use of domain names. Taking the example of possible conflict situations, the question will be examined as to the legal measures that the owner of trademark rights has at his disposal under German trademark and competition law in order to enforce such rights in cyberspace.
The concluding remarks, based on the above-mentioned findings and discussion, present a number of necessary amendments to the existing domain name system for consideration.

B. Internet Domain Name Structure, Registration and Dispute Policy

I. Internet Domain Name Structure

The Internet is a network of thousands of independent networks, each network consisting of several million "host" computers. If communication between two computers is required, they must be able to identify one another. Therefore, Internet users desiring to establish a connection to another computer connected to the Internet require a fixed address in order to establish the connection with such computer and to access the services it provides. For the purpose of clear and unequivocal identification on a global basis on the Internet, each and every computer connected to the Internet has a numerical IP (Internet Protocol) address, such as the numbers 129.187.10.25. It rapidly became evident that, while the use of numerical addresses is an appropriate means of communication for computers, people prefer names to numbers. Thus a system was developed that assigns names to the computers connected to the Internet, in addition to IP addresses. The so-called "domain name system" (DNS) evolved, a global, unequivocal and logical naming system assigning to each and every computer connected to the Internet a hierarchically structured name.

Each individual domain name consists of several levels (domain levels), which are separated by full stops. For instance, in the name mercedes.com, daimler-benz is the second-level domain which can be chosen freely by the user. The abbreviation .com designates the top-level domain, which is an administrative unit with the purpose of dividing the name space into different categories and delegating it to different registration locations.

Under the current assignment system there are seven generic top-level domain names (TLDs). The TLDs .gov (now only agencies of the US Federal government), .mil (US military), and .int (for organizations established by international treaties) are reserved for US institutions. The other TLDs, .com (for commercial), .edu (for educational), .net (for computers of network providers), .org (miscellaneous organization), are available to all Internet users throughout the world. These are supplemented by the so-called two letter country code TLDs that are based on ISO-Norm 3166 (e.g., .de for Germany, .fr for France) and are processed by national registration offices. Whereas trademark law permits the use of the same mark by different companies, provided they do not operate in competing business fields and/or in the same geographic areas, due to its function as an address on the Internet a domain name can only be assigned once under one and the same TLD.

As a result, numerous companies have been prevented from using their trademark or business designation as a domain name if the mark was already registered in the .com or country code TLD. Therefore, in order to enable more companies to register their own marks as domain names, in future additional TLDs shall be created.

According to the final report presented by the International Ad Hoc Committee on February 14 of this year, of which representatives of WIPO, the International Trademark Association (INTA) and the International Telecommunications Union (INTU) are members, seven additional generic TLDs (gTLDs) shall be created in addition to the existing ones. The newly defined gTLDs read as follows:

- .firm for businesses or firms;
The new gTLDs will not be country-related and will be processed through any of a number of registrars which will be located in many countries worldwide.

II. Significance of Domain Names for Locating a Company on the World Wide Web

It is not sufficient to enter the domain name alone into a computer in order to locate the website of a certain company. In order to locate an Internet site precisely, the computer must be informed of the format and directory in which the data file can be found. In the World Wide Web, which has become a quasi-standard for the presentation of information on the Internet, the precise description of a document takes place via an addressing schedule called Unified Resource Locator (URL). The URL specifies the exact format in which the desired information shall be called up and where, i.e., in which directory it can be found within the World Wide Web. A typical URL might read: http://www.mercedes.de.

If the Internet user only enters the protocol and the domain name, taking our example merely "http://www.mercedes.de," then the Mercedes-Benz homepage will appear on the screen. Since URLs are generally structured according to the same schedule, it is easy to derive the URL address from the domain name and thus to address directly the homepage of a company or other institution on the World Wide Web. If a company succeeded in registering its own trademark or company name as its domain name, potential customers must merely enter the company name or trademark into their WWW browser, supplemented by http://www, and can call up the homepage of the relevant company. It is no longer necessary to conduct a protracted and frequently unsatisfactory search via the search engines available free of charge on the Internet in order to find the company. The value of a mnemonic Internet address has therefore been compared with the popular alpha-numeric "1-800" telephone numbers in the US. Here companies, relying on their attractiveness in advertising and enhancement of their company image, attempt to obtain their own trademark, commercial designation or a generic designation as a combination of letters (e.g., 1-800-CAR-RENT), so as to encourage potential customers to make contact.

III. Domain Name Registration Process and Dispute Policy

Although the Internet does not have a supervisory organizational, financial or operational administrative body responsible for the entire "net of networks," certain administrative tasks must be carried out on a centralized basis. One of the most important organizational tasks requiring global coordination is the administration of IP addresses and domain names. The Internet Assigned Numbers Authority (IANA) was entrusted with the task of assigning and coordinating unequivocal addresses (IP addresses) and domain names on the Internet by the Internet Society (ISOC) and the US Federal Network Council. IANA delegated the practical administration of assignment and registration of domain names to so-called Network Information Centers (NICs). In this context, the assignment and registration of domain names
below the generic TLDs is coordinated throughout the world by InterNIC, entrusted with this task in 1993 under an agreement concluded between the US government (represented by the National Science Foundation) and the companies General Atomic, AT&T and Network Solutions Inc. According to the agreement, the responsibility for the administration of the registration procedure currently lies with the private company Network Solutions, Inc. (NSI).

In Germany uniform assignment of domain names is ensured by the cooperative, "Deutsches Network Information Center" (IV-DENIC). The members of this cooperative are 40 German Internet service providers and, as an advisory member, the German Interessen Gemeinschaft Internet e.V. (DIGI).

1. Domain Name Registration and Dispute Policy in the U.S.

Originally, assignment of domain names was carried out free of charge, according to the first-come, first-served principle. As long as the domain name did not have more than 24 letters and did not contain signs other than letters, numbers and hyphens, companies and private individuals were able to register any conceivable domain name without legitimation being necessary. Conflicts between domain names and trademark rights were not investigated. There was no obligation to use a registered domain name.

Gradually, numerous companies realized the economic value of domain names but discovered that their trademarks or firm names had already been registered by other companies or private individuals as domain names. Hence the first-come, first-served principle resulted in a number of trademark law disputes. When claims were filed against NSI for being an accessory to trademark infringement in the litigation between Knowledgenet, Inc. v. D.L. Boone, NSI decided to amend its assignment practice. Effective November 23, 1995, NSI implemented its so-called "Domain Name Dispute Policy" guidelines (hereinafter: "Dispute Policy Guidelines"), specifying in detail the registration requirements and the procedure to be implemented in case of trademark conflicts. The Dispute Policy Guidelines were amended for the first time on September 9, 1996. All registrants are bound to the provisions of the Dispute Policy Guidelines, in the current and future versions (Sec. 1, Dispute Policy Guidelines). In the Guidelines, NSI notes expressly that it has neither the resources nor the legal obligation to evaluate whether or not a domain name infringes the rights of a third party. In principle, nobody is prevented from registering a domain name identical or similar to another's trademark. However, according to the Dispute Policy Guidelines every registrant declares his or her intention to use the domain name regularly in the Internet and assures that he or she does not pursue an unlawful purpose by registering the domain name. In case of trademark law disputes, the applicant agrees to indemnify and hold harmless the organizations involved in the assignment procedure (Sec. 3).

For the first time, the Dispute Policy Guidelines contain provisions enabling the owner of a registered US or foreign trademark to base a kind of opposition procedure on an infringement of its mark vis-à-vis NSI, if the domain name is identical to the trademark. If the date of activation of the domain name by the registrant is after the date of the first use of the trademark, and if the registrant cannot rely on a registered trademark, then the disputed domain name is placed on "hold status" by NSI and may not be used by anybody until final clarification of the trademark conflict has taken place in court (Sec. 6c(3)). Contrary to the opposition procedure under Sec. 42, German Trademark Act, examination by NSI is limited to formal requirements of registration of the marks and to determination of the point in time when use commenced. It does not extend to the issue of whether the domain name is used for identical goods and services to those for which the mark is registered, or whether the use of the domain name entails a risk of confusion. As a result, the owner of a registered trademark can prevent a domain name being used until the dispute has been resolved in court, even if it has no right of prevention under trademark law provisions.
This system of protection, the effects of which correspond to proceedings for a preliminary injunction, is highly questionable and should be taken into consideration before registration of a .com domain. On the basis of the Dispute Policy Guidelines, a domain owner who is unable to rely on his own trademark is forced to claim interlocutory protection in a US court against decisions of NSI, even if use of the domain name does not constitute a trademark infringement, in order to prevent the domain name being blocked temporarily by NSI. The regulation has been subject to severe criticism and has already given rise to a number of disputes in the US.\(^{(20)}\)

2. How Domain Names are Assigned in Germany

DE-NIC, like Internic, rests on the premise that domain names will be allocated on a first come, first served basis, without investigating a possible collision with existing trademark rights.\(^{(21)}\) Applicants are entitled to register various domain names which do not have to be derived from the name of the company or individual and are not hindered from registering generic terms.\(^{(22)}\)

Previously, registration was carried out without any reference to the intended use and without an obligation to use the domain name. Since February 1, 1997, it is no longer possible to reserve domains. According to the "Guidelines for application for a German Internet-Domain-Name,"\(^{(23)}\) the organization filing the application "is responsible in selecting the domain name for observing name rights." The registrant assures that rights of third parties are not infringed consciously by his or her application and agrees to resolve any conflicts that may arise with registered or protected names. The declaration does not contain a liability exemption clause to the benefit of DE-NIC and IV-DENIC. The Guidelines merely state that IV-DENIC cannot be made liable for "conflicts with respect to names."

In addition, an opposition procedure corresponding to the assignment guidelines of InterNIC does not currently exist. IV-DENIC merely reserves the right not to grant a domain name in cases of conflict.

IV. Final Report of the International Ad Hoc Committee

The limited possibility of using one's own trademark or firm name as a domain name under the current domain name system and the phenomenon of domain grabbing mentioned above have engendered considerable unrest among trademark owners and proprietors of commercial designations. On October 22, 1996, the Internet Society announced the establishment of an International Ad Hoc Committee (IAHC) entrusted with the task of developing solutions to and amendments of the existing domain name system.\(^{(24)}\) Members of the Committee include representatives of the Internet organizations ISOC, IANA, IAB,\(^{(25)}\) of WIPO, the International Telecommunications Union and the International Trademark Association (INTA). On February 4, 1997, the Committee released its final report on the planned amendments. According to the new system proposed, administration of the newly introduced TLDs\(^{(26)}\) shall no longer be carried out centrally, but by a number of new registries throughout the world. The original plan to limit the number of new registries to 28 throughout the world was recently dropped after consistent universal criticism by the Internet community, so that now anyone satisfying the qualification requirements may become a registrar.\(^{(27)}\)

The IAHC plan further includes the establishment of a non-regulatory policy framework in the form of a Memorandum of Understanding (MoU) which both the public and private sectors are invited to sign.\(^{(28)}\) The MoU implements the final report of the International Ad Hoc Committee by creating a self-governing structure for the registration of second-level domain names under the new gTLDs. The self-governing structure includes a Policy Advisory Body (PAB),\(^{(29)}\) a Policy Oversight Committee (POC)\(^{(30)}\) and a Council of Registrars (CORE).\(^{(31)}\)
Both the gTLD-MoU and the final report of IAHC provide for a system of settling disputes, including on-line mediation and expedited on-line arbitration with respect to intellectual property disputes involving Internet domain names registered under the CORE-gTLDs. According to Art. 8 of the gTLD-MoU, registrars shall include in their application forms for the assignment of SLDs a provision by which the applicant agrees that any dispute arising out of or relating to the application be submitted to on-line mediation in accordance with the WIPO mediation rules. If the controversy has not been settled pursuant to the mediation within 30 days of commencement of the mediation or if either party fails to participate in the mediation, the dispute shall, unless the applicant declines mandatory submission to arbitration, be referred to on-line arbitration in accordance with WIPO expedited arbitration rules. In the context of on-line mediation and the expedited on-line arbitration, national or regional law will be applicable, based on the choice-of-law provisions in the existing WIPO rules.

The gTLD-Mou further creates an administrative domain name challenge system for dealing with conflicts between intellectual property rights which are internationally recognized. This system involves the implementation of a stated policy by Administrative Domain Name Challenge Panels (ACPs). According to Sec. 2 of the gTLD-MoU, a policy shall be implemented that a SLD which is identical or closely similar to an alphanumeric string that is deemed to be internationally known, and for which intellectual property rights exist, may be held or used only by, or with the authorization of, the owner of such demonstrable intellectual property rights. However, it must be made clear that the establishment of ACPs does not result in the creation, either de facto or de jure, of an international law of trademarks and nor does the ACP constitute an international court or tribunal which supersedes the jurisdiction or authority of national or regional courts. In particular, the ACPs are not competent to interpret national or international treaty law concerning intellectual property rights. Rather they will interpret and implement a policy of the new registration system. The ACP would only have the authority to determine if a SLD is held in violation of the policy.

C. Legal Issues

The following section is devoted to the question to which extent the legal issues emerging in connection with domain names can be resolved on the basis of existing trademark and competition law. In Parts I and II, the question whether, and on what legal basis, companies can prevent use of their trademarks or commercial designations as domain names is discussed. Parts III-V deal with the protection of names being used as domain names (III), followed by considerations on solutions to international conflicts (IV) and on the legal categorization of domain names (V). Finally, proposals for possible reforms of the existing domain name system are put forward in Part VI.

I. Protection of Trademarks and Commercial Designations Against Use of Identical Domain Names

This part focuses on conflict situations arising when a trademark or commercial designation is used in an identical manner as a domain name by someone other than the legal owner of the mark of designation. A unique characteristic of such a situation is that the trademark owner is precluded from registering its own trademark as a domain name under the same TLD. The discussion is oriented to possible conflicting factual constellations, followed by a discussion of conflict situations in which the domain name and the trademark are merely similar and where there is no obstruction of the registration procedure.

1. Protection of Trademarks and Commercial Designations Against Use as Domain Names by Competitors

a) Domain Owner Cannot Rely on Its Own Trademark Right
A fundamental conflict between a trademark and a domain name arises where the claimant is the owner of a trademark or of a commercial designation that is used as a domain name by a competitor, without such competitor being able to rely on its own trademark right.

An example for such a conflict is the *Comp Examiner Inc. v. Juris Inc.* case pending at the District Court of California.[36] Comp Examiner Agency Inc. offers legal software and other services for the legal profession and had registered the domain name juris.com. After Comp Examiner had constructed a website under that domain name and had started offering its services via the Internet, an injunction suit was filed against it by Juris Inc., a company that owns the "Juris" registered trademark and is active in the same field.[37]

aa) Protection Under Trademark Law

(1) Use in Course of Trade

A claim to trademark protection on the basis of the German Trademark Act requires first of all that use of the disputed mark takes place in the course of trade and not only in the private sphere (Secs. 14(2), 15(2), German Trademark Act). Consequently, there is no scope at all for applying trademark law if a private individual registers a domain name in order to use it on a website devoted exclusively to private purposes. If the domain owner is a company that employs the website for sales or advertising purposes, then there can be no doubt that the domain name is used in the course of trade.

(2) Domain Name Use as a Trademark

Under the former Trademark Act and the regulation laid down in Sec. 16, Act Against Unfair Competition, protection of a trademark or commercial designation was limited to protection against use as a trademark. These rules were amended fundamentally by the new Trademark Act which entered into force on January 1, 1995. In particular, the new Trademark Act altered the scope and limits of prohibitive trademark rights anchored in Secs. 14 et seq. and 20 et seq. of the Act. It is disputed whether Secs. 14 and 15 of the new Trademark Act grant claims against acts of use that do not constitute use in a trademark sense.

In the literature, despite the lack of an express reference in the Act, some authors still uphold the criterion of use in a trademark sense" with reference to the fact that, for example, Art. 5(1) and (2), EC Trademark Directive, and Art. 9(1), Community Trademark Regulation, prohibit the use of a mark. In the meantime, however, the large majority of authors rejects the requirement of use in a trademark sense as a criterion for establishing trademark infringement, referring to the wording of the provision, the changing objectives of trademark protection as laid down in the new Trademark Act, and an interpretation of the Act in conformance with the EC Directive. The German Federal Supreme Court has not yet voiced an opinion on this issue, so that generally speaking, one must assume that the legal issue is still undecided.

This issue cannot be debated in further detail within the context of this article. In order to prevent essential legal issues in relation to the use of domain names from being prematurely neglected due to the uncertain legal situation, the subsequent analysis proceeds from the assumption that under the new Trademark Act, in conformance with the previous legal situation, claims to injunctive relief under trademark law are still subject to the criterion of use in a trademark or service mark sense.

First, it is important to determine when the use of a domain name shall be understood as an act of use in the sense of Secs. 14 and 15, Trademark Act. Essentially, two possible forms of use of domain names must be distinguished.
Use of Domain Name as Internet Address: A particularly problematic issue regarding use as a trademark is the use of a domain name on the Internet merely as an address for locating an accessible homepage, but where the domain name is not visually emphasized as a trademark or service mark in or outside the Internet the Internet sphere. The domain name is just printed in small print on letterheads, business cards or in advertisements, with the essential purpose of enabling contact to be established on the Internet. In this respect, use of the domain name is comparable with the use of a telephone number or address, which does not generally amount to use in a trademark sense. Yet on the other hand, during this kind of use domain names are not only means of locating their users but also of identifying them. In contrast to the random sequence of digits in a telephone number, domain names are not random constellations of letters, but are chosen consciously by their users so that they relate back to the user's own company or commercial designation, or constitute another short and easily remembered term. Hence, domain names fulfill a two-fold function. They are addresses and marks at the same time.

It is possible to derive certain guidelines for the legal classification of such "hybrid relationships" from the case law on trademark protection of telephone call signs. In a decision handed down by the German Federal Supreme Court on December 18, 1985, a manufacturer of office materials had first used the designation "Kores" as part of a company name, and subsequently as the call sign for its telex number. Within the scope of application of Sec. 16, Act Against Unfair Competition, the court had to decide whether the use of the telephone call sign "Kora d" by the company's competitor was likely to cause confusion with the pre-existing part of the company name "Kores." Without devoting its attention to the legal classification of telephone call signs, the Federal Supreme court held that the use of a confusingly similar telex call sign interferes with the pre-existing trademark rights of a third party if such use amounts to use in a trademark sense.

The Supreme Court emphasized that in the majority of cases telex call signs are related to commercial designations and are used and understood in the course of trade as being an abbreviated designation of the relevant company. In addition, the Court referred to the fact that telex call signs appear during telex transmissions and in official telex directories. Moreover, they are employed in general trade where it is common practice to print the telex number and telex call sign on business writing paper. Hence, one may draw the conclusion that a telex call sign using a firm's catchword may also be viewed as a reference to the company in the manner of a trademark.

If the telex call signs examined by the Supreme Court are compared with domain names, there is no doubt that the use of a domain name, even where it is not visually emphasized, may be understood as use as a trademark. Without distinguishing between a manner of use as a catchword and use without visual emphasis, the Court found it sufficient that such call signs appeared constantly, and, as a rule, related to the commercial designation of the company. This applies to domain names as well. Like telex call signs, domain names are derived from a company's trademark, firm or other commercial designation. They automatically appear on the computer screen when a page is accessed on the World Wide Web and, subsequently, in the result lists of the search undertaken via corresponding Internet directories or search engines. In addition, they are used in general trade, where it is common practice to print Internet addresses on business writing paper. Finally, and also similar to telex, a print-out of individual Web pages means that the domain name or the URL appears right at the top of each page. Taking these aspects into consideration and taking into account that domain names, to a greater extent than telex call signs, are directly involved in a company's trademark strategies, it is likely that trade circles will regard domain names, even those that are not emphasized visually, as being a reference to the business or as a distinctive company sign.

Emphasis of Domain Name as a Catchword: If the mere use of a domain name as an address is viewed as use as a trademark, then the case is clear-cut where the domain name is emphasized as a catchword on the Internet on a homepage, or outside the Internet sphere on business letters, in advertisements, or, in the
US, on the goods themselves. In such cases the trademark function of the domain name comes to the fore so definitely that it may be assumed that in the trade the domain name will be regarded not just as a technical address, but also as a trademark-like reference to the company.

(3) Risk of Confusion

According to Sec. 14(2)(1), Trademark Act, the use of a sign that is identical with a trademark can be prohibited, if the goods and services offered under such a sign are identical with those for which the trademark is protected. In such cases protection of the trademark is absolute. Consequently, the use of an identical domain name can be prohibited directly by the trademark owner. In other cases, where the trademarks or goods and services are not identical or where the matter concerns protection of a commercial designation, Secs. 14(2)(2) and 15(2) of the Trademark Act apply. The pre-requisite for a claim to injunctive relief under trademark law in such cases is the existence of a risk of confusion with regard to the identity or similarity of the trademarks or commercial designations and with regard to the identity or similarity of the goods and services involved. In the factual situation examined here involving companies active in the same business and where the domain name and trademark are identical, there is a substantial risk of confusion. Internet users who attempt to establish contact with a company in the Internet by entering into their computers the URL derived from the company's trademark or commercial designation, and who thus land on the website of a competitor, will in many cases assume that there is an economic or administrative connection between the two companies, even if the identity of the competitor is clearly marked on the homepage.

(4) Use of Name or Address in Course of Trade

It is possible that Sec. 23(1), Trademark Act, will result in a limitation of the claim to injunctive relief under trademark law to which a trademark owner is fundamentally entitled. According to this provision, the owner of a trademark or commercial designation is not entitled to prohibit third parties from using his name or address, provided such use is not contrary to accepted principles of morality. In cases where the domain owner, as in the above example cannot rely on its own trademark right, as a rule this issue will not be decisive. In any case, the provision only permits use of one's own address in conformance with accepted principles of morality. This prerequisite will not be met where the matter concerns a domain name that is identical with a competitor's trademark and was registered with the intent of creating confusion or a hindrance.

bb) Protection Under Competition Law

In addition to the application of trademark law and principles, the general clause of Sec. 1, Act Against Unfair Competition, can also be applied to domain name disputes. In applying unfair competition law, the focus is on the blocking or obstructive effect that the registration of a domain name has on a trademark owner's ability to use his mark as a domain name in the specific TLD. Use of a domain name identical to the trademark or commercial designation of a competitor, with the aim of attaining competitive advantages at the competitor's expense, constitutes unfair conduct contrary to honest practices, in the sense of Sec. 1, Act Against Unfair Competition.

b) Domain Owner Can Rely on Its Own Trademark Right

The issue is more complex where a domain owner is able to rely on its own trademark right. It concerns not only cases of identical names but also situations where two companies are in fact entitled to use the same trademarks or designations in the trade, on the basis of a competitive balance or because the geographic scope of protection of the relevant trademark rights is restricted.
The first question to be asked in such cases is whether the fundamental principles of trademark law, such as the priority principle or the obligation to avoid a risk of confusion, can contribute at all to resolving such conflicts. Insofar as a solution were oriented to the principles set out in case law, as a rule the trademark owner or proprietor of the commercial designation having the most recent priority would be reasonably expected to reduce the risk of confusion by choosing a suffix, or to remove the risk of confusion altogether by selecting a mark that would not cause confusion. It is questionable whether assessment of such cases on the basis of the original priority would be just. The priority principle can only fulfill its function, namely to resolve conflicts between existing trademark rights, if the "prior right" is deemed to be the better right. Yet why should the person with the stronger advertising position outside the Internet sphere automatically win the skirmish for the "best address" in the Internet as well?

A preferable approach would be to qualify domain names as addresses in the sense of Sec. 23(1), Trademark Act, with the result that claims to injunctive relief could only be filed if the use of the domain name were contrary to acceptable principles of morality. It is true that application of this limitation appears to contradict the essential purpose of the provision, since domain names, other than ordinary addresses, are freely chosen and can therefore constitute a component part of a company's trademark strategies. However, the criterion of "accepted principles of morality" offers sufficient leeway in order to prevent abuse. The flexibility of the criterion of "use ... contrary to accepted principles of morality" might be more capable of taking into account the specific problems connected with the use of domain names.249

2. Protection of Trademarks and Commercial Designations Against Use as a Domain Name by a Company in a Different Sector of Business

Contrary to the situation in normal trade, on the Internet a trademark may collide with a domain name even though the respective owners are engaged in different sectors of the market. One example in this respect is the case currently pending at the District Court of Virginia, Roadrunner Computer Systems v. Network Solutions Inc.50

In 1994, Roadrunner Computer Systems decided to become active on the Internet and to register the domain name roadrunner.com, related to its own company name. When Warner Brothers discovered that the domain name roadrunner.com was occupied by Roadrunner Computer Systems, it turned to the NSI with reference to the "Roadrunner" trademark registered for its toys, e.g., stuffed animals and Halloween costumes. It was successful in that the domain name was taken away from the computer company and, pursuant to Sec. 6 of the domain name Dispute Policy Guidelines, was placed on "hold" pending resolution of the dispute in court. NSI maintained this decision even after Roadrunner Computer Systems had registered of the "Roadrunner" mark in Tunisia(!).51 Subsequently, the company filed suit requesting that NSI be obliged to re-instate the desired domain name.52

Under German law, in such a case injunctive claims would not arise under the Trademark Act or under the general clause of Sec. 1, Act Against Unfair Competition, nor would any claim exist on the basis of trademark protection under tort law pursuant to Sec. 823(1), German Civil Code. Claims pursuant to Secs. 14(2)(2) and 15(2), Trademark Act, based on the registered mark or commercial designation, would fail in view of the fact that in the relevant cases the domain name was not used for goods identical or similar to those for which the trademark is protected. The same applies to claims of proprietors of commercial designations founded upon Sec. 15(2), Trademark Act, since as a rule a risk of confusion will not exist owing to the different sectors of trade in which the companies are active.53

In claims based on Sec. 1, Act Against Unfair Competition, difficulties would arise regarding the requirement of acting for the purpose of competition. The extension of the formal scope of application of Sec. 1, Act Against Unfair Competition, undertaken by the German Federal Supreme Court in the Dimple case,54 can hardly be transferred to the situation described above, using the same argumentation. Even if
one proceeded from a broad interpretation of the term "competitive relationship" or sought a solution to the conflict on the basis of tort law under Sec. 823(1), Civil Code, it is not possible to find points of attachment for establishing a breach of honest practices or for unlawful interference in an established commercial enterprise. If, as in the above-mentioned case the domain name owner is able to rely on its own trademark right, then the matter is clear. In disputes over the "best addresses" on the Internet, companies from different sectors of the market are equal, so that the company which first registered its mark as a domain name has priority. The principle of first-come, first-served remains valid.

Yet, even where a domain owner is not able to rely on its own trademark right, a suit filed by the trademark owner will not always be successful. It is true that registration of a domain name that is identical to the trademark of a company from another branch will entail an impairment of the trademark owner, because the trademark owner is obstructed from using its own mark as a domain name under the same TLD. However, this impairment does not necessarily ensue from dishonest motives but is rather a result of the existing domain name system in which one and the same domain name can only be assigned to one company, even where the branches of trade are different. Hence, in many cases the trademark owner will have no choice but to select another Internet address or to persuade the domain owner to let it have the registered domain name, possibly upon payment of a certain sum.

3. Protection of Marks and Commercial Designations With a Reputation in Germany Against Use as Domain Names

Frequently, well-known marks or commercial designations belonging to other companies are registered as domain names. On one hand these conflicts involve cases in which the use of the well-known trademark was deliberate and conscious so as to take advantage of the canalization effect of the Internet, as described above. On the other hand there are certain cases, as revealed by the following decision, in which the collision clearly did not result from abusive motives.

The IBM company wished to register the domain name *ibm.com*, but discovered that it had already been assigned to the "Integrated Bituminous Mining" company. The mining company had never used the "IBM" combination of letters in advertising or in the print media, but decided to register the abbreviation of its company name as a domain name because the complete name was unregistrable owing to the domain name limit of 24 letters.

In a legal evaluation a distinction must be made between use of the domain name as an address and emphasis of the domain name as a catchword.

a) Use of Domain Name as Internet Address

aa) Special Protection Under Secs. 14(2)(3) and 15(3), Trademark Act

Pursuant to Secs. 14(2)(3) and 15(3), Trademark Act, the owner of a trademark or commercial designation that has a reputation within Germany may prevent the use in the course of trade of a mark or commercial designation which is identical with or similar to its mark, even outside the area of similarity (of goods or services) and without a risk of confusion required, if such use takes unfair advantage of or is detrimental to the distinctive character or repute of the mark or commercial designation. This covers situations falling previously under the supplementary protection of trademarks under competition or tort law developed in German case law, such as exploitation of another's reputation (taking advantage of distinctive character and repute), impairment of repute and dilution of a trademark (impairment of distinctive character). This case law can provide a point of departure within the context of interpretation of the legislative provisions in accordance with EU Directives.
Evidently, it is questionable whether use of a domain name as an address results in a reduction (dilution) of the advertising force of a well-known trademark. In accordance with the case law handed down by the Supreme Court in the *Camel Tours* case, the provisions of the Trademark Act require a concrete threat to the advertising force of the mark with reputation, cursory affirmation of the impairment of a dominant position and advertising force will not suffice. Rather, it is necessary to take into consideration the relevant circumstances of each case with respect to the type and dimensions of the risk of impairment. Even if the appearance of the domain name in the URL input space of the Web Browser, at the top of a printed Web page or in letterheads awakens associations with the famous trademark, it is unlikely that such a fleeting association would constitute a legally relevant risk to the advertising value of the well-known trademark.

Similar difficulties will arise in granting special trademark protection against the exploitation of a mark's reputation. According to the case law handed down by the German Federal Supreme Court under Sec. 1, Act Against Unfair Competition, exploitation of another's reputation turns upon exploitation of the qualitative image or of an eye-catching or contrasting effect from which the good repute of the well-known trademark derives. It is unlikely that such requirements will exist where a domain name is used as an address. As discussed above, if the association with the well-known trademark ensues incidentally because the trademark function of the domain name remains in the background, then generally speaking such use will not amount to exploitation of the repute of the relevant trademark. Such use does not instrumentalize the eye-catching effect or qualitative image, i.e., the prestige, associated with the trademark. Rather, it plays on the expectation of directing the target group for well-known trademark products to one's own homepage. This form of "exploitation" of a well-known trademark as an address will more likely be actionable under principles of unfair competition than under the categories of exploitation of a trademark's repute.

Finally, it should be noted that there are cases in which the domain name is used by a company whose goods or services threaten to cast a negative image on the well-known trademark. One example is the *Candyland* case mentioned at the beginning of this article, in which a toy manufacturer's trademark was used as a domain name by a provider of a pornographic website. There is no doubt, similar to the disparagement of a mark in advertisements, that such use of a domain name can have a negative effect on the image of the relevant trademark owner. In this respect the issue is whether the principles developed in case law concerning the defamation of trademarks constitute a direct point of attachment, or whether the trademark owner's interest in protection in such cases would be better served by claims anchored in unfair competition and tort law.

**bb) Protection Under Competition Law and Tort Law**

Where there is no impairment of a trademark's distinctive character and advertising force, use of well-known trademarks as domain names may be prevented on the basis of either competition law or - where a competitive relationship does not exist - tort law. A person who registers a well-known trademark or commercial designation as a domain name without having an apparent legitimate interest commits an act contrary to honest practices in the sense of Sec. 1, Act Against Unfair Competition, or impairs the business activities of the trademark owner in an unlawful manner, because such owner is unable to use his own trademark in the specific TLD.

The courts will have more difficulty deciding cases in which the domain name is derived from the domain owner's own trademark or commercial designation or, as in the case cited, is related to the company's name. Although an economic impairment of the trademark owner does arise when the domain name is blocked at the relevant top-level domain, one cannot necessarily infer a breach of honest practices, provided that the domain owner was able to rely on a legitimate interest when choosing his domain name. Taking into account the surrounding circumstances of each individual case, a decision must be made as to
whether the choice of the domain name was made with honest intentions and whether the user of the
domain name may reasonably be expected to switch to a different domain name.

b) Emphasis of a Domain Name as a Catchword

The issue takes on new dimensions where a domain name functions not only as an address but is also
emphasized as a catchword in the print media and in advertisements. Because the trademark function and
not the address function of the domain name is instrumentalized here, depending on the circumstances of
the case it may fall within the ambit of special trademark protection. In this respect, however, the matter
no longer concerns specific questions of the use of domain names, but rather involves problems to be
resolved according to ordinary trademark law categories.

4. Protection of Trademarks and Commercial Designations Against Use as Domain Names by Private
Individuals

In contrast to the view of many Internet stakeholders, the idea that the Internet should be held separate
from any field of national law was clearly rejected by the German courts. Although there have been
differences in the reasoning, all courts have recognized that trademark owners have a legitimate interest
in preventing their trademarks or designations from being deliberately registered or reserved as domain
names for the purpose of later selling it to the trademark owner.

In most cases courts did not go into detail when granting preliminary injunctions. Relying on either Secs.
14 and 15 of the German Trademark Act or Sec. 1 of the Act Against Unfair Competition, courts agreed
that the mere reservation of a domain name in order to sell it back to some other party was sufficient to
meet the "commercial use" requirement.

In determining the likelihood of confusion within the meaning of Secs. 14 and 15, Trademark Act, courts
disregarded the fact that some of the defendants had not yet established an Internet website or operated in
completely different lines of business. Rather, the courts stressed that the plaintiff's mark was truly unique
and that Internet users trying to find the plaintiff's website by typing in a URL based on the plaintiff's
trademark were likely to believe that there was a relationship between the parties.

The District Court of Düsseldorf went even further. In the Epson case concerning cybersquatter Paul
Engelke, who had registered more than 100 domain names, the court found the defendant's mere
reservation of the domain name, epson.de, to be commercial use, citing clear evidence that the defendant
intended to resell the domain name. The court further held that even though there was no actual use of the
domain name as a trademark, because Engelke had not used the domain name for e-mail or a Web page,
there was a concrete threat that he would later do so. The court went on to say that to establish a
likelihood of confusion it was irrelevant what kind of products or services were offered on the website.
The products to be compared were the websites as such, regardless of the content of the website.

It is doubtful whether this argument is sound. It is a fundamental principle of trademark law that exactly
the same mark may be used by several merchants for different goods and services as long as there is no
confusion in the marketplace regarding the origin of such goods or services. If an Internet user types in
http://www.epson.de in order to be sent to the website of a computer hardware manufacturer, he will
easily recognize that he was at the wrong website if the accessed website is used to sell shoes or

Revising the trademark law by making it more primitive, such that one mark may be owned
by only one entity to fit the limitations of Internet technology, is not a workable solution. The inadequacy
of the argument is brought to full circle in the light of the IAHC proposal. The main reason for the
establishment of new TLDs was to entitle owners of identical trademarks in different lines of business to
advertise their goods or services via the Web under a domain name that corresponds to their trademarks. If the court's argument was sound, then even after establishing new TLDs, companies using identical marks outside the Internet would not be allowed to use their marks as domain names. They would still be stuck in the "one mark, many owners, one domain name" conundrum.\(^{(67)}\)

The only safety net against trademark piracy might therefore be found in supplementary trademark protection under tort or unfair competition law. Deliberate registration of another's trademark as a domain name, with the intention of preventing the trademark owner from using his mark as an Internet address, amounts to unlawful interference in the commercial activities of the trademark owner's business enterprise in the sense of Sec. 823(1), German Civil Code, intentional unlawful damage in the sense of Sec. 826, German Civil Code, or an act contrary to honest practices within the meaning of Sec. 1, Act Against Unfair Competition.\(^{(68)}\)

In contrast, it is difficult to prove an unlawful act in cases where the names are identical.\(^{(69)}\) Even where a company's interest in registering its company name as a domain name overrides the interest of a private individual in appearing on the Internet under his or her own domain name, this assessment will be difficult to arrive at under tort or unfair competition law. In the end, the conflict ensues from the existing domain name system which only allows one single domain name registration for private individuals and companies.\(^{(70)}\)

### II. Protection of Trademarks and Commercial Designations Against Use of Similar Domain Names

The previous section dealt with cases in which the trademark or commercial designation was used in an identical manner as a domain name by a third party. In the following section, cases are discussed in which the domain names used were merely similar to already existing trademarks belonging to another company.\(^{(71)}\)

Contrary to the situation where the domain name and trademark were identical - in which case application of the restriction anchored in Sec. 23(1), Trademark Act, failed in the face of the "honest practices" requirement if the domain owner was not able to rely on its own trademark right - as regards trademarks and domain names that are merely similar gives rise to the question whether the use of a domain name constitutes use of an address within the meaning of Sec. 23(1), Trademark Act. This means that claims to injunctive relief would only arise if the domain name were used in a manner contrary to accepted principles of morality. Applying Sec. 23(1), Trademark Act, to resolve this issue may be feasible in those cases in which the domain name is only used as an address, without being emphasized as a trademark or commercial designation at all. Since the trademark character of the domain name remains in the background and its function as an address is stressed, despite the above-mentioned differences vis-à-vis normal addresses it should probably be qualified as an address in the sense of Sec. 23(1), Trademark Act.

Otherwise, in view of these special characteristics of domain names, one should at least consider the standards according to which the risk of confusion should be assessed in such cases.\(^{(72)}\) In contrast to the situation in normal trade and commerce where trademark owners may take advantage of a broad spectrum of design options for their marks, in selecting a domain name under the assignment regulations currently in force, companies are severely restricted (maximum of 24 letters, no signs other than letters and hyphens). Furthermore, in view of the address function of domain names, there is an increased desire in trade and commerce to register short and catchy domain names. These specific aspects must be taken into account in assessing the risk of confusion. If domain names were subject to the same strict standards as are usually applied when assessing the visual and acoustic risk of confusion, then the small stock of suitable and easily remembered names on the Internet would be narrowed down considerably.\(^{(73)}\) If
domain names are not placed within the ambit of the limitation anchored in Sec. 23(1), Trademark Act, with respect to addresses, and if use of a domain name were only actionable under trademark law if it were contrary to accepted principles of morality, then trademark owners will be forced to accept overlapping names, or at least a stronger degree of similarity than is otherwise the case under trademark law. (74)

III. Protection of a Name Against Use as a Domain Name

The first German decision devoted to the issue of domain names concerned protection of a name against use as a domain name. (75) In proceedings for a preliminary injunction at the Mannheim District Court, the city of Heidelberg sought to enjoin a computer company from using the domain name "heidelberg.de," under which name it made available free of charge on the Internet a database containing information on the Rhein-Neckar region.

The district court held that the right of the city of Heidelberg to its name deriving from Sec. 12, German Civil Code, had been violated. The court assumed that there was a danger that Internet users would associate the domain name heidelberg.de with the city of Heidelberg. Such users would expect to obtain under the Internet address heidelberg.de not only information on but information from the city of Heidelberg. Thus the use of the domain name heidelberg.de by the computer company was likely to cause confusion in classifying the name. This holding supported a finding of unauthorized use of the name which violated interests of the city of Heidelberg that were deemed worthy of protection. (76) The findings of the court correspond with the previous case law handed down on protection of names.

How would the district court have decided if the website had not contained information on the Rhein-Neckar region and the city of Heidelberg, but only on the computer company itself? The argumentation put forward by the district court indicates that confusion was affirmed primarily because the information provided on the homepage related to the city of Heidelberg. How would the court have decided in the more typical case in which the information provided on the website has absolutely no relation to the bearer of the relevant name?

According to the principles for the protection of names developed in case law, not every unauthorized reference to another person’s or entity’s name constitutes abuse. If the type of reference excludes any assumption that consumers will attribute the goods or services offered to the person or entity named, then the user of the name has not appropriated the representative value of the person named for his goods or services. Therefore, the judges at the Supreme Court did not view unauthorized use of a name as a violation of Sec. 12, German Civil Code, if the name was merely mentioned in advertisements. (77)

On the other hand, protection of a name does not only apply where the use of a name means that certain goods, achievements or institutions are considered to be those of the person named. It will suffice if a false impression is created that the person bearing the name had consented to its use, e.g., on the basis of permission granted or under a licensing agreement. (78)

Proceeding from the above-mentioned principles, it is not possible to classify each and every use of another person's or entity's name as a domain name as unauthorized use in the sense of Sec. 12, German Civil Code, simply because the domain owner is not entitled to use the name. Protection of a name is dependent upon some kind of incorrect attribution of the name. It remains for the courts to assess when the use of another person's or entity's name as a domain name creates the impression of a connection with the person or entity bearing such name and when the general public will merely assume that the similarity is coincidental. In the case of well-known names, in particular names of towns or cities, as a rule coincidental identity cannot be assumed if the information available under the domain name does not
indicate relations existing between the domain name and the bearer of the name. In this context the monopoly position attained by the domain owner by registering the name will create the impression that permission was granted to use the name. If, on the other hand, the issue involves a relatively unknown or infrequently used name, then one may assume that the impression of a connection between the domain owner and the trademark owner would only arise in exceptional cases.

IV. International Conflicts

Conflicts involving foreign countries are particularly problematic due to the cross-border functions of the Internet. The following fictional example will outline the problem.

A software company in the US registers the name "Space-Net" as a trademark for its products. In Germany, a company active in the same branch also registers the "Space-Net" mark. Until now, the commercial activities of both companies have been restricted to their respective national territories. The US company then registers "space-net.com" as its domain name and uses it for a website advertising the computer software it manufactures. However, distribution of the programs remains limited to the domestic US market.

Can the German company prevent the US company from using the domain name space-net since the company would also appear on the Internet in Germany under that domain name? What are the legal consequences if the US company decides to distribute its software directly via the Internet to foreign Internet users?

The first question to be decided by a German court in this context concerns international jurisdiction. Subject to the application of international treaties, the question whether or not a German court has international jurisdiction is determined according to the rules on local jurisdiction and hence turns on the existence of local jurisdiction within Germany. In view of the fact that, as a rule, in disputes of this nature the infringing party does not have a registered office, a branch office, its domicile or property within Germany (Secs. 12, 13, 17, 20, 21, 23, Code of Civil Procedure), international jurisdiction depends upon whether the defendants actions amounted to a tortious act in the jurisdiction of the forum court (Sec. 32, Code of Civil Procedure). This requires at least part of the act to have been committed within the forum.

Certain points of attachment as to the prerequisites under which the use of a domain name constitutes an tort establishing international and local jurisdiction of a German court can be inferred from the case law handed down by the Supreme Court on international jurisdiction in connection with cross-border distribution of press items. In the case of torts committed in relation to items in the press, jurisdiction only exists where the newspaper or magazine is distributed in the course of regular trade or according to its purpose and not just coincidentally. This limitation aims to exclude cases in which the press items accidentally arrive in an area in which the publisher or editor did not intend or calculate that dissemination might take place.

Similar considerations may apply in evaluating acts of distribution via the Internet. Even where the cross-border effect of the Internet is apparent to a company, a tort upon which jurisdiction may be founded within the meaning of Sec. 32, Code of Civil Procedure, may only be assumed where the domain name appears in accordance with its purpose, and not just for technical reasons, in a field in which the company is active in accordance with its financial objectives. An assumption to the contrary would lead to a totally unreasonable result in that a company active on a purely national or regional basis would be subject to suit in the courts of all those countries reached by the Internet, simply because the domain name it uses can be received in all these countries. Therefore, returning to the above example, if the US
company continues to limit its commercial activities to the territory of the US, then there is no tort justifying the jurisdiction of a German court in the sense of Sec. 32, Code of Civil Procedure.

If the action were filed in a court having international jurisdiction (in our example a US court located at the place where the defendant has its registered office), and if German law were applicable according to the principle of the country of protection" (Schutzlandprinzip), then on the basis of substantative law such acts of use would not give rise to claims to injunctive relief either. Claims under competition law will fail in such cases in view of the fact that competitive trade does not take place within the territory of Germany where the commercial activities of the company remain restricted to domestic consumers, despite the website being accessible throughout the world. This corresponds to the principle that, as a rule, unfair competition takes place only where a conflict arises regarding the competitive interests of the parties involved, since the interest in preventing unfair competition is only affected at the intersection of a conflict between competitive interests. The same applies with respect to claims under trademark law. The fact that a domain name identical or similar to another's trademark can be perceived within the territory of Germany does not automatically support a finding of use of the trademark or commercial designation if the goods or services offered by the owner are not available on the German market. According to German law, in a conflict of interest under trademark or competition law, a conflict will only come into question if the foreign company uses the domain name in a manner indicating that it intends to expand its commercial activities onto the German market.

However, the case is different where a foreign company uses the Internet in order to embark on commercial activities in Germany. A company that extends its commercial activities to foreign markets via the Internet must reasonably expect to be sued for trademark infringement under the national law of such location at the venue the offense was committed. In such cases international jurisdiction according to Sec. 32, Code of Civil Procedure, and evaluation of the case according to the provisions of German law will not be questioned.

In such a situation difficulties may arise regarding the scope of an injunction order. It appears doubtful whether a national court would have authority to prohibit use of a domain name on the basis of injunctive claims founded on trademark or competition law. An injunction against the continued use of the domain name as an Internet address would mean that the name could no longer be used anywhere in the world as an Internet address, even though there was no infringement of the trademark in the other states in which the Internet can be accessed. Such an injunction would overstep the jurisdiction of a national court. Therefore, a German court will not be able to issue an unlimited prohibition on using the domain name, but will merely be able to enjoin the domain owner from offering to German Internet users the goods and services proffered at the website. Such an injunction could be enforced by the domain owner blocking access to the website for German consumers (e.g., by rendering access dependent upon a password being entered) or by a corresponding reference on the homepage, stating clearly that commercial activities do not take place in Germany and that the goods and services offered cannot be acquired by German Internet users.

V. Intellectual Property Rights in Domain Names

The case constellations discussed so far concerned the extent to which registration and use of domain names constitutes an infringement of trademark rights belonging to another person or entity. The legal qualification of domain names was insignificant in solving these cases, because the trademark owner was able to take action against infringements on the basis of his pre-existing trademark rights. Yet the legal qualification becomes crucial where a company registers a domain name which does not correspond to an existing trademark or commercial designation but which is fictitious or freely invented. Such cases are relatively common. It is true that the majority of companies are interested in registering the trademarks
they use outside the Internet sphere as domain names within the Internet. Yet a number of companies has
decided not to become active in cyberspace under their company names but to register previously unused
designations as their domain names.\(^{(89)}\)

Conflicts arising between this type of domain name and other domain names, or with existing trademarks
outside the Internet sphere, and where the relevant domain name has not been registered as a
trademark,\(^{(90)}\) can only be resolved if the domain names have been classified in the legal sense.\(^{(91)}\) In
solving this problem, orientation can be derived from the case law handed down on the protection of
telephone call signs and telegram addresses. In assessing the question of the legal effect of a telegram
address, German case law has not been unswerving. The Supreme Court of the German Reich held that a
telegram address constituted a special designation in the sense of Sec. 16(1), Act Against Unfair
Competition, and was therefore protected as of the date on which it was first used.\(^{(92)}\) However, regarding
protection against use as a name or firm, the German Federal Supreme Court proceeded from the
assumption that such addresses fell under distinctive signs of a business enterprise in the sense of Sec.
16(3), Act Against Unfair Competition, and that their protection, therefore, depended on secondary
meaning.\(^{(93)}\) In its reasoning the Federal Supreme Court stated that the fact a telegram address constituted
a designation corresponding to the company's name was not sufficient in order to attract protection if the
abbreviated telegramme address was not known in trade circles. To grant protection upon first-time use
without the requirement of secondary meaning having been met would result in an intolerable burden on
trade.\(^{(94)}\)

The above principles also apply to domain names. The matter is clear where generic designations,
professional designations or descriptive indications are used as domain names. Such designations are
dependent on secondary meaning in order to acquire a distinctive character.

However, even where the domain names do possess a distinctive character, they will not automatically
attract protection as special designations of a business establishment in the sense of Sec. 5(2), Trademark
Act, as of the date on which they are used for the first time. Technically speaking, it is true that in
addition to their function as addresses, domain names do serve to identify a company with respect to the
type of name and firm involved. Yet this fact alone is not sufficient in order to grant trademark protection
to domain names against any kind of use beyond the Internet sphere. Where a designation is used
exclusively as a domain name to offer information on the Internet under the corresponding address, but
not for use as a company designation in general business, it is unlikely that a trademark right establishing
priority and having worldwide validity will be obtained.

The decision may be different where prevention of the use of an identical or similar domain name is
sought. The Supreme Court left undecided the question whether a telegram address is protected against
exclusive use as a telegram address, even without secondary meaning.\(^{(95)}\) For domain names, the answer
may be affirmative if the name is likely to act as a reference to a certain company.

**VI. Outlook**

The focus of this article was to pinpoint the burning issues in trademark and competition law in relation to
the use of domain names. Despite the fact that numerous solutions could only be outlined in the current
context, it is evident that the majority of cases occurring in practice can be resolved by applying existing
laws. The most pressing issue to be resolved by amending the domain name system and not by legislative
means is the fact that from a plurality of owners of identical trademarks only one is able to use a domain
name that reflects his trademark. Due to the fact that until now commercial organizations only chose to
register their domain names under the .com domain or under one of the existing country code domains,
under the system currently in force numerous companies were unable to use their trademark or
commercial designation as a domain name, although the relevant domain owner was a firm active in a
different branch and a risk of confusion was very unlikely. In view of this situation, the introduction of
new TLDs announced in the final report of the IAHC must be welcomed.

What remains to be seen is whether the addition of more gTLDs, as some argue, will result in a
significantly increased policing burden on trademark owners, and whether such a burden is offset by the
existence of the on-line administrative domain name challenge panels or the other protection built into the
application process.\(96\)

However, although the broadening of the domain name system by creating new international TLDs might
be a viable solution for registrations on an international level, one cannot expect the amendments to ease
the domain bottleneck at the national level as well.

According to previous experience with the system, a company active on a national or regional basis will
continue to prefer the national address space to a registration within the new gTLDs. Therefore, it is
necessary to sub-divide the national name-space within the .de TLD. A first step in this direction would
be the establishment of different subdomains for companies and non-commercial associations. In a further
step these could be supplemented by branch-specific and geographic subdomains.

Although the intended reforms might help in minimizing some of the trademark issues, it still cannot be
assumed that in the near future most of the conflict situations between trademarks and domain names will
fade into insignificance. If the commercialization of the Internet continues at the current pace, the "law of
domain names" as a specific sector of trademark law will play a important role in future legal practice.

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Group, 40 U.S.P.Q. 2d 1479.

2. District Court of Munich, January 9, 1997 4 HKO 14792/96.

3. Munich District Court, 1996 CR 353, with comment by Hoeren, 1996 ZUM 705 with comment by
Flechsig.

4. Assignment of domain names under the above-mentioned domains is carried out by national
registration offices. In a number of countries the geographic TLDs have been sub-divided. In Australia,
for example, educational institutions were registered under the TLD edu.au and commercial
organizations under com.au; in France, the TLD .fr was also sub-divided. Owners of registered
trademarks may register their marks under trm.fr, state institutions register their domain names under
gouv.fr. Special sub-domains were reserved for certain sectors of commerce and professions (Members of
the Chambre de Commerce et d'Industrie obtain their registrations under cci.fr). The registration policy pursued by companies reveals differing strategies. Whereas Siemens has registered different domain names for its homepage in various countries (e.g., Siemens Australia Ltd. = siemens.com.au, Siemens AG Germany = siemens.de and Siemens USA = siemens.com), Sony operates throughout the world under two domain names, namely sony.co.jp in Japan and sony.com in the US); cf. Sutherlin Dueker, 9 Harvard Law Journal of Law and Techn., No. 2, at 482, 495; for registry policies worldwide, see 1997 Managing Intellectual Property 37.

5. The report was available on the Internet at http://www.iahc.org.

6. In an effort to balance rights of domain name and trademark owners, IAHC also proposed a number of changes in the way domain names are registered, and included several dispute resolution mechanisms; on the new procedures for domain name disputes, see infra, B.III.3.

7. The abbreviation http://www (Hypertext Transfer Protocol) in front of the colon denotes the Internet protocol or software to be used and indicates to the computer that the data file is in hypertext format and hence a World Wide Web file.

8. The search engines create databases storing the entire data contained in the World Wide Web and making it available for queries. After the catchword or name sought has been entered the Internet user receives a hypertext list showing the URLs of all documents in which the catchword or name sought is contained somewhere. Due to the fact that a search taking the context into account is only possible to a certain extent, a search frequently yields redundant or useless addresses.


10. ISOC is the most high-powered authority for the promotion of international Internet development. It has over 6,000 members throughout the world including 130 companies, a number of Internet access providers, universities, software producers and international organizations such as the World Bank and the IMF. German members include the Deutsche Telekom and the Deutsches Forschungsnetz; for further details, see http://www.isoc.org/.

11. The US Federal Networking Council is a body established by the US government; it has the task of assisting the further development and coordination of the Internet; see http://far.mit.edu/dii/surveys/fnc.htm.


13. Additional information on the responsibilities and statutes of the Association are available at http://www.digi.de/.


15. Reported in Kelly & Kumor, supra note 14, at 481 and in Kur, supra note 14, at 271.


17. Was available on the Internet at http://rs.internic.net/domain-info/internic-domain-6.html.


20. If the registrant is able to present evidence of his ownership of a trademark or is able to prove to NSI that the domain name was used by the registrant prior to registration or use of the relevant trademark, within a period of 30 days, the registrant is permitted to continue using the contested domain name until a decision to the contrary by a US court or court of arbitration has been received by NSI (Sec. 6b). Yet the trademark registration must have taken place before the domain owner was informed by the trademark owner of the impending conflict situation (Sec. 6c). The case is different where the complainant seeks to rely on other rights than a registered mark. In this case the non registered trademark owner must tolerate the use of his marks or commercial designation by a third party until he has obtained a court judgment prohibiting such use. The same principle applies if the domain name and conflicting trademark or commercial designation are similar to one another.

21. At present DENIC charges a DM180 registration fee and a DM100 maintenance fee.

22. For example, lawyers have registered urheberrecht.de (=copyright.de), markenrecht.de (=trademark-law.de) and anwalt.de (=attorney.de); a beer brewery has registered bier.de; a travel agency, reise.de; so far most job titles and names of industries or trades have been registered as domain names by individual entities.


25. On the responsibilities of ISOC and IANA see supra section B.III; the IAB is the Internet Architecture Board, an ISOC gremium with responsibility for technical standards in the Internet.

26. See supra part B.I.
27. Details for this new arrangement have not yet been worked into a formal proposal; for the qualification criteria, see Chapter 4.2.1 of the IAHC proposal.

28. The gTLD-MoU was signed in a ceremony in Geneva on May 1, 1997, and deposited with the Secretary-General of the International Telecommunication Union (ITU). To date more than 80 organizations have signed the MoU. The process is guided by the International Bureau of WIPO. A WIPO consultative meeting on trademarks and Internet domain names was held from May 26-30, 1997. A working document TND/MC/I3 with detailed information on the resolution procedure of intellectual property disputes within the context of the Memorandum of Understanding is available at http://wipo.org.

29. The PAB is made up of signatories to the gTLD-MoU and includes relevant governmental organizations, non-governmental organizations, industries, and Internet operation organizations.

30. The POC ensures that gTLDs are administered and operated in a public and open manner which balances the commercial interests of the registrars with the public policy interests of the Internet domain name-space.

31. CORE will be established as a non-profit association, subject to Swiss law. In particular it provides for an Executive Committee to be elected by the CORE membership.

32. To inform the trademark owners about applications for domain names, all SLD applications will be submitted for publication on a publicly accessible site, and be subject to a voluntary 60-day pre-assignment waiting period with permanent identification of those applicants who chose to utilize the 60-day period.

33. The criteria under which the ACP will decide whether an alphanumeric string is deemed to be internationally known have been further specified by the Interim Policy Oversight Committee (the successor of the IAHC) in the "Substantive guidelines concerning administrative domain name challenge panels." The guidelines are available on the Internet at http://www.iahc.org.

34. ACPs would consist of 1-3 experts who are conversant in the fields of intellectual property and Internet domain names. Challenges will be heard on-line whenever possible. Challenges that are initiated within 60 days of the registration of the domain name in question would be on a "fast track," and would be concluded within 30 days of the initiation of the challenge.

35. Preclusion in this context means that the trademark owner is prevented from reserving the domain name that is constructed by adding .de or .com to the company name. However, it should be made clear that it remains possible to register as a domain name the trademark with another TLD or by using the trademark in connection with further indications.


37. The court issued a preliminary injunction against use of a domain name by Comp Examiner Agency. However, Comp Examiner was permitted to leave its new Internet address at the URL http://juris.com for a 90-day transitional period; see also reference to the Kaplan Education Center v. Princeto case in Kur, supra note 14, at 270; Burk, supra note 14, at 18-19; as well as Kelly & Kumor, supra note 14, at 482.
38. In the case where registration of a number of domain names is undertaken with commercial intentions from the outset (domain grabbing), one may argue that the purely private sphere has been left and one may hence assume commercial dealings in the trade; see infra part B.I.4.


41. The domain name not only designates a certain computer, but also the legal person behind it who appears on the Internet under that name; see Kur, "Namens- und Kennzeichenschutz im Cyberspace," 1996 CR 590, 591.

42. Federal Supreme Court, 1986 GRUR 475 - Fernschreibkennung; on the issue of use as a trademark see also Hamburg Court of Appeal, 1983 GRUR 191.

43. This argument was recently confirmed by a decision of the District Court of Düsseldorf on April 4, 1997 (34 O 191/96). The court had to decide a conflict between the famous computer hardware manufacturer, Epson Deutschland GmbH, and the cybersquatter, Paul Engelke, who had reserved more than 100 trademarks of well-known companies. The court rejected the argument that domain names were only used as addresses and not in a trademark sense and came to the conclusion that even though the defendant had not used the domain name, epson.de, the mere reservation of the domain name was to be regarded as infringement of the plaintiff's trademark and could be prohibited through preventive prohibitory action. On use of domain names in the trademark sense, see Kur, supra note 40, at 591; see also supra, at C.I.4.

44. In the US there have been cases in which the manufacturer's http address was affixed to underwear garments or T-shirts. Barger, "Cybermarks: A proposed hierarchical modeling system of registration and Internet architecture for domain names," 29 John Marshall Law Review 623 (1996).

45. On the issue of use as a trademark in respect of emphasis on the digits "4711" as a catchword on the basis of widespread notoriety, see Federal Supreme Court, 1990 GRUR 711, 713.

46. The District Court of Düsseldorf (34 191/96, April 4, 1997), deciding whether the use of the domain name, epson.de, by a private person would cause risk of confusion, went even further. The court pointed out that to establish confusion it was irrelevant what kind of products or services were offered on the website, but that the products or services to be compared were the websites as such; for criticism of this argument, see supra C IV.

47. As held in Actmedia Inc. v. Active Media International, 1996 WL 466527 (N.D.Ill.), where a preliminary injunction dated July 17, 1996 enjoined the company Active Media International from using the domain name, actmedia.com which was identical to the trademark ActMedia of the ActMedia company active in the same branch of trade. The court held that the use of the domain name actmedia.com was likely to cause Internet users to believe that a commercial connection existed between the two companies.

48. Referring to cases in which two companies having commercial designations likely to be confused, that are not formed from personal names, have tolerated their mutual co-existence for a certain period of time
and which have therefore attained competitive possession in good faith; see Teplitzky in "Großkommentar UWG," point 413, Sec. 16; Baumbach & Hefemehl, point 84, Sec. 16, Act Against Unfair Competition.

49. Reservations regarding the application of Sec. 23(1), Trademark Act, are voiced by Poeck, "Internet-Kennzeichen und Domains," in Schwarz (ed.), "Recht im Internet," Chap. 4-2.2, at 17.

50. U.S. District Court for the Eastern District of Virginia (Civil Docket No. 96-413-A), cited in Oppedahl, "Analysis and Suggestions Regarding Domain Name Dispute Policy."

51. Roadrunner Computer's efforts to obtain trademark registration in Tunisia in a summary procedure (the trademark registration only takes two days there) were based on Sec. 6(2) in conjunction with Sec. 5 of the Dispute Policy Guidelines dated November 23, 1995. According to these provisions, the domain owner was entitled to continue using the domain name if he was able to present to NSI proof of a trademark registration, within a period of 30 days (Sec. 6c). According to the revised version dated September 9, 1996, this option only exists if the trademark registration took place before the domain owner was informed by NSI or a third party of the opposition to the domain name filed at NSI. In Roadrunner's suit against Network Solutions, the trademark registration effected summarily in Tunisia was not successful owing to the fact that the relevant term of 30 days for a defense of trademark registration had already expired, Roadrunner Computer Systems, Inc. v. Network Solutions, Inc., 96-CIV-413-A (E.D.Va., filed March 26, 1996).

52. A similar case is pending before the Federal District Court of California between the electronics company Fry's Electronics and the automatic vending machine firm Frenchy Frys. Fry's Electronics discovered that the domain name it wished to use, frys.com, was already being used by Frenchy Frys. The electronics company was not able to obtain an identical registration under the same TLD and subsequently filed a suit against Frenchy Frys requesting an injunction, U.S. District Court of California, Fry's Electronics, Inc. v. Octave Systems, Civil Docket No. C95-2525, cited in Barger, supra note 43, at 633. Brunel & Liang, see supra note 14.

53. On special protection of well-known trademarks or commercial designations, see infra, I.3.


55. One example is the dispute between the computer manufacturer Philip Giacalone and the stuffed toys manufacturer Ty, Inc. Giacalone had registered the domain name ty.com for his website with the designation "Tech Yard," and offered his services directly on the Internet. After Ty, Inc. gave notice of its registered mark "ty" to NSI, the domain name was placed on "hold" by NSI. Giacalone filed suit against Ty, Inc. and NSI; in preliminary proceedings, NSI was ordered to re-instate the domain name for Giacalone, U.S. District Court N.D. California, May 30, 1996, Giacalone v. Network Solutions, Inc. et al, Civil Docket No. 96-20434. Another example is cited by Sutherlin Dueker, "Trademark Law Lost in Cyberspace: Trademark Protection for Internet Addresses," 9 Harvard Journal of Law and Technology, No. 2, at 484, 494 (1996). In this case the Atlantic Richfield Company had always used its entire company name in commercial transactions. When the company set up a website in the Internet under the domain name arco.com it was sued by Arco Publishing, a firm active in a different branch of trade. Atlantic Richfield contested that registration of the entire company name would not have been possible due to the limitation of domain names to 24 letters.

57. Due to the fact the provisions are anchored in European law, it only is possible to a certain extent to apply national legal concepts and principles. However, according to general opinion this does not mean that they cannot be consulted as a source of information; see Piper, supra note 55, at 430; Sack, supra note 55, at 81; see also Federal Supreme Court, 27 IIC 878 (1996) - Oxygenol II.


60. In its decision dated October 3, 1996, the U.S. District Court for the Northern District of Illinois in contrast assumed a violation of Sec. 43(c) of the new Anti-Dilution Act, simply because the owner of a well-known mark was prevented from using his trademark on the Internet by registration of an identical domain name. Additional, a risk of dilution was seen to exist in the fact that the domain name appeared on a multitude of printed Web pages, Intermatic v. Toeppen, 41 USPQ 2d 1123.

61. See Federal Supreme Court, 1990 GRUR 711 - Telefonnummer 4711; Sack, supra note 55, at 96; and Piper, supra note 55, at 434, with further references.

62. There is still scope for subsidiary application of Sec. 1, Act Against Unfair Competition, and Sec. 823, German Civil Code, even after introduction of special trademark protection under Secs. 14(2)(3) and 15(3), Trademark Act; see Krings, supra note 58, at 624 et seq.

63. Without giving detailed reasoning, the court held that use of the candyland.com domain name was capable of diluting the value of the "Candyland" trademark, and issued an injunction enjoining Internet Entertainment from using candyland.com as its domain name. The court allowed Internet Entertainment to refer to its new Internet address under the URL <http://candyland.com> for a transitional 90-day period, but did not permit creation of a hyperlink to the reference address, Hasbro Inc. v. Internet Entertainment Group Ltd., U.S. District Court, W.D. Wash., February 9, 1996, 40 USPQ 2d 1479.

64. See the examples in case law concerning the use of the "Mars" trademark, Federal Supreme Court, 1994 GRUR 808 - Markenverunglimpfung I or of the "Nivea" cosmetics trademark for condoms, Federal Supreme Court, 1995 GRUR 57 - Markenverunglimpfung II.

65. It is conceivable that the trademark owner would register his mark under a different TLD, e.g., ibm.de or ibm.fr. However, this does not constitute a viable alternative since the aim of permitting potential Internet customers to derive their Internet address from their own company trademarks, and hence simplify location of the company's website, would not be achieved.

66. See District Court of Frankfurt, January 7, 1997 (2-06 O 711/96), granting a preliminary injunction against a domain-grabber using the citroen.de domain name; for further cases in which trademark owners were granted preliminary injunctions against "cybersquatters," see District Court of Munich, January 15, 1997 (1HKO 3146/96), for the domain name juris.de; District Court of Cologne, April 23, 1997 (315 O 282/97), for the domain name sharp.de; District Court of Frankfurt, April 2, 1997 (2-06 O 193/97), for the domain name reuters.de; District Court of Frankfurt, April 4, 1997 (2/06 O 194/97), for the domain name honda.de. In the US, the District Court of Illinois in Intermatic Inc. v. Toeppen, 947 F.Supp., 1227, 40 U.S.P.Q. 2d 1412 (N.D. Ill. 1966)) found that cyber-squatter Toeppen's conduct violated the Illinois anti-dilution law; in the case Panavision International, L.P. v. Toeppen, 945
F.Supp. 1296, 1300 (C.D. Cal. 1996), the court found that "Panavision" was "famous" and ordered that the panavision.co domain name be given over to the trademark owner.

67. See Brunel & Liang, "Trademark Troubles with Internet Domain Names and Commercial Online Service Screen Names: Roadrunning into the Frying Pan," 8 The Journal of Proprietary Rights, No.9, at 5.

68. In numerous cases, the domain owner acts unlawfully just by registering a large number of domain names and by offering to sell these names to the owners of the corresponding trademarks. Graefe refers to this practice, 1996 MA No. 3; Kur, supra note 14, at 273.

69. The dispute between Apple Computers v. Mark Newton is such a case. Newton had registered newton.com in 1994 as a domain name. Apple Computers owns the registered trademark "Newton" and filed an action for an injunction. NSI placed the domain name on "hold" until the dispute is decided in court.

70. It would be easy to avoid such collisions if different TLDs were introduced for private persons and companies; on proposals for the amendment of the domain name system, see infra part V.

71. There have been some cases in the US. For example, the computer company, Zero Micro Software, based in Texas registered the domain name micros0ft.com (microsoft with a zero instead of the second "o"). The domain name has been placed on "hold" by NSI until a final court decision has been handed down.

72. On this issue, see Kur, supra note 40, at 593.

73. Id.

74. The same argument is employed by the German Federal Supreme Court with respect to the limited creative possibilities regarding telephone call signs, 1986 GRUR 475.

75. Mannheim District Court, 1996 CR 353 with comment by Hoeren, 1996 ZUM 705 with comment by Flechsig; see Kur, supra note 40, at 593.

76. The same reasoning was followed by the District Court of Lüneburg (3 O 336/96 - Celle, January 29, 1997), which held that the city of Celle had the right to prevent a group of Internet providers from offering the domain name to commercial entities for creating websites at http://www.celle.de; the opposite opinion was put forward by the District Court of Cologne (December 17, 1996, 3 O 477/96 - kerpen; 3 O 478/96 - Hürth; 3 O 507/96 - Pulheim), which decided that the names of the cities of Kerpen, Pulheim and Hürt are not infringed by an Internet provider who used kerpen.de, hürth.de und pulheim.de as domain names on the Internet.

77. The mention of a name was assumed in the Caterina Valente case in which the singer's name was mentioned in an advertisement for products to clean and affix false teeth, Federal Supreme Court, 1959 GRUR 430; see also Federal Supreme Court, 1964 GRUR 38 - Dortmund grüßt mit Hansa-Bier; Federal Supreme Court, 1981 GRUR 846 - Rennsportgemeinschaft; Federal Supreme Court, 1984 GRUR 684 - Mordoro; Federal Supreme Court 1993 GRUR 151 - Universitätsblem; Karlsruhe Court of Appeals, 17 IIC 804 (1986) - University Seal; for a detailed discussion of the entire issue see Knaak, "Der Schutz von Name, Firma und Geschäftsbezeichnung," in "Festschrift zum hundertjährigen Bestehen der Deutschen Vereinigung für gewerblichen Rechtsschutz und Urheberrecht und ihrer Zeitschrift" 971, 977

78. Federal Supreme Court, 1959 GRUR 430 - Caterina Valente; Federal Supreme Court, 1960 GRUR 285 - Promonta; Federal Supreme Court, 1993 GRUR 151, 153 - Universitätseblem; see also Knaak, supra note 76, at 979, 980.

79. In the contracting states of the European Convention on Jurisdiction and Enforcement of Judgements in Civil and Commercial Matters the local jurisdiction of the tort is broadened by international jurisdiction pursuant to Art. 5(3) of the Convention.

80. At the same time, trademark infringement is a tort in the sense of Sec. 32, Code of Civil Procedure. This provision is not restricted to torts pursuant to Secs. 823 et seq., German Civil Code.


82. On international jurisdiction regarding distribution of journals, Federal Supreme Court, 1971 GRUR 153 - Tampax; on local jurisdiction regarding infringement of personality rights by press products, see Federal Supreme Court, 1977 WRP 487.

83. Similar arguments were employed by the District Court of New York when refusing jurisdiction in a case concerning not the registration of domain names, but the use of a company designation on a website in the Internet. Richard King, manager of a jazz club called "Blue Note" in Columbia, Missouri, set up a website on the Internet with the designation "The Blue Note." Bensusan Restaurant Corp., which operates a jazz club with the same name in New York and other cities, sued King for trademark infringement before the New York District Court, on the basis of its own mark. The court refused jurisdiction ("personal jurisdiction"), holding that the defendant had not committed a tort in New York. The court referred to the fact that Internet users were able to obtain information on the jazz club from the website, but that they had no possibility of obtaining entrance tickets to such club directly via the Internet. The mere fact that Internet users were able to obtain information on the jazz club in New York was not equated with advertising or sale of the services offered in New York. Even if one assumed that Internet users were deceived as to relations between the jazz club in Missouri and the New York club, the infringement would not have taken place in New York but in Missouri; U.S. District Court New York, September 9, 1996, 40 USPQ 2d 1519.

84. On questions of conflict of laws regarding multi-state advertising, see Schricker, "Großkommentar UWG," introductions, F 191 and F 204.

85. The material circumstances establishing international and local jurisdiction of German courts and the application of German law as well as a claim to injunctive relief are the same in this respect; see Federal Supreme Court, 1971 GRUR 153 - Tampax, Federal Supreme Court, 1955 GRUR 150 - Farina.


87. On this issue which is typical for the Internet, see Playboy Enterprises, concerning the on-line magazine "Playmen" published in Italy on the Internet. At an earlier point in time the US publisher of the "Playboy" magazine had obtained an injunction against distribution of the printed "Playmen" magazine,
since it constituted a trademark infringement and an act of unfair competition. The question was whether the availability of the magazine in the Internet constituted a violation of the injunction order. The court held that on-line distribution of the magazine in the US by the Italian publisher violated the injunction. Owing to the fact that complete closure of the website would have gone beyond the jurisdiction of the court, the judges ordered the defendant company to prevent subscription to the magazine by US customers (by assigning a password) and to design the website in a manner so that it was obvious to such customers that they were excluded from subscription, Playboy Enterprises Inc. v. Chuckleberry Publishing Inc., 39 USPQ 2d 1846, (S.D. N.Y. July 19, 1996.)

88. If the domain name reflects a company's trademark or commercial designation used outside the Internet context, then this fact alone ensures priority to the domain owner.

89. In the meantime it is common practice to register as domain names generic designations, professional designations and descriptive indications, all of which are not registrable as trademarks and do not attract protection as commercial designations. A number of law firms are active on the Internet not under the names of their founding partners but under domain names such as lexmundi.org or transpatent.de, anwalt.de. Domain names such as urheberrecht.de, markenrecht.de and lawyer.de have already been registered but are not yet in use. In the US, Proctor and Gamble caused a stir when it registered over 200 domain names including generic designations such as badbreath.com, cough.com, dandruff.com and diarrhea.com. Kraft Foods Corp. registered 150 domain names, mostly product designations; see Barger, supra note 43. On the question whether the monopolization of generic designations and descriptive indications is permissible under German law of unfair competition aspects, the Frankfurt Court of Appeals, 1997 CR 271 - with comment by Bettinger, held that the use of the domain name, wirtschaft online.de, by the editor of Handelsblatt did not amount to unfair competition against the Frankfurter Allgemeine Zeitung, see Kur, 1996 CR 325, 328.

90. A number of domain owners decided to register their domain names as trademarks as well. The US Patent and Trademark Office announced its opinion on registration of domain names on the Internet. The opinion, containing detailed information on class divisions, on the question of use and on examination of eligibility for protection can be accessed under http://www.uspto.gov/web/offices/tac/domain/.

91. Whether it is desirable and feasible to recognize sui generis intellectual property rights in Internet domain names was also discussed at the Consultative Meeting on Trademarks and Internet Domain Names from May 26-30, 1997, see Memorandum document; WIPO Document TDN/CM/I/2 that was circulated prior to the meeting.

92. 102 RGZ 84 for "Eka-Werk."

93. On telegram addresses, 1955 GRUR 481, 484 - Hamburger Kinderstube; 1975 GRUR 87 - Meisterbrand; Düsseldorf Court of Appeal, 1953 GRUR 529 - Dimas; on telephone IDs, Federal Supreme Court, 1986 GRUR 475 (legal classification remained undecided); in the literature, see Baumbach & Hefermehl, "Wettbewerbsrecht," point 146, Sec. 16 (17th ed.); on protection of a taxi telephone number, see Federal Supreme Court decision, 1953 GRUR 290.

94. Stated expressly by the Federal Supreme Court, 1955 GRUR 481, 484 - Hamburger Kinderstube.

95. Federal Supreme Court, 1955 GRUR 481.