

# New methods to protect trade marks in cyber space

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The internet as we know it has undergone a remarkable change in the past year as a result of the Internet Corporation for Assigned Names and Numbers (ICANN's) introduction of over a thousand new generic top level domain names (gTLDs).



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These changes have led to new methods of protecting trade marks in cyber space. The terms 'new gTLDs', 'trade mark clearinghouse', 'MVS', and 'sunrise periods' have become the new buzz words. But what does it all mean and how does it affect the way we protect trade marks in cyber space? This article attempts to shed some light on the new methods of protecting and enforcing trade marks after the launch of the new gTLDs.

The easiest way to define a gTLD is as the suffix of a domain name, which appears after the dot and which does not correspond to a country code (such as .co.za). The gTLDs that internet users are most familiar with are .com, .org, .biz, .edu etc. ICANN's new gTLD programme is responsible for introducing an estimated 1,300 new gTLDs to the internet.

The purpose of the programme is to enhance competition, innovation and consumer choice. We have already seen the launch of .technology, .vacations, .international, .capetown, .joburg, .durban and many more. The obvious concern for many trade mark proprietors is that the greater the number of new gTLDs, the greater the opportunity for cyber-squatting and third parties taking advantage of their trade marks.

## Verified trade marks

The trademark clearing house (TMCH) is a centralised database that consists of verified trade marks and which is connected to all new gTLDs. A proprietor of a registered trade mark, a court validated mark or a mark protected by a statute or treaty may apply to record its trade mark with the TMCH. The proprietor of a trade mark application or common law trade mark will not be able to record its trade mark with the TMCH. A TMCH recordal offers two benefits, namely the sunrise service and the watch service.

The sunrise service entitles a proprietor to register a recorded trade mark as a domain name during the sunrise period of any of the new gTLDs. The sunrise period is usually a 90 day period, during which only trade mark proprietors with recorded trade marks can apply to register their trade marks as a domain name in the new gTLDs. Therefore, trade mark proprietors are given the preferential right to register their trade marks in the new gTLD.

The TMCH also offers a watch service, which means, if a third party attempts to register a recorded trade mark in any of the new gTLDs, the TMCH will notify the third party of the trade mark proprietor's rights in that particular trade mark as a method of deterring the third party from proceeding with the registration.

If, despite such notification, the third party proceeds with registering the trade mark, the TMCH will notify the trade mark proprietor of the registration. It is important to note that a recordal with the TMCH will not prevent third parties from registering recorded trade marks. However, a trade mark proprietor will be notified of such registration as soon as it occurs, so that it can take action against the unauthorised registrant, if necessary.

## **Three new gTLDs**

The ZA Central Registry (ZACR), formerly known as Uniforum SA, previously administered only .co.za domain names. However, on 1 July 2014, it also launched three new gTLDs, namely, .cape town, .durban, and .joburg. The ZACR is also set to launch .africa in the near future. The ZACR has created the Mark Validation System (MVS), a database similar to the TMCH, that consists of verified trade marks and which is connected only to the gTLDs administered by the ZACR, namely, .capetown, .durban, .joburg and .africa (the ZACR gTLDs).

As with the TMCH, a proprietor of a registered trade mark, court validated mark or a mark protected by a statute or treaty can apply to record its trade mark with the MVS. However, the MVS also allows for the recordal of common law trade marks and company or trust names.

Similar to the TMCH, the MVS also offers the same sunrise and watch services in respect of all recorded trade marks. However, these services only apply to the ZACR gTLDs, namely .capetown, .durban, .joburg and .africa. Since a TMCH recordal applies to all new gTLDs, if a trade mark is recorded with the TMCH, it is not necessary to record the trade mark with MVS. However, if there are competing claims during the sunrise period, the MVS will award the domain name to the highest priority application, which is an African trade mark registration.

Trade mark proprietors, whose business is limited to South Africa or Africa, may find it more beneficial to record marks with the MVS as opposed to the TMCH, which is more expensive. However, the benefits of a MVS recordal are limited to .capetown, .durban, .joburg and .africa. If a trade mark proprietor has an international presence or is interested in any of the other new gTLDs, a recordal with the TMCH is best suited. To obtain optimum benefits of both the TMCH and MVS, trade mark proprietors are encouraged to base their TMCH recordal on an African trade mark registration.

## **Third parties**

The TMCH and MVS are mechanisms aimed at providing trade mark proprietors with a preferential right to secure their trade marks in the new gTLDs. However, as mentioned above, a TMCH or MVS recordal will not prevent third parties from registering domain names incorporating recorded trade marks. The question that then arises, is how does a trade mark proprietor enforce its rights against a third party who has registered a domain name incorporating its trade mark in one of the new gTLDs?

ICANN's Uniform Dispute Resolution Policy has been extended to all new gTLDs. This means that a trade mark proprietor can file a domain name complaint against a third party who has registered a domain name in any of the new gTLDs, in terms of the UDRP. In order to successfully file a domain complaint based on the UDRP, the complainant must demonstrate:

- its rights in a mark, which is identical or similar to the domain name;
- that the domain name registrant lacks rights or legitimate interests in the name; and
- that the registrant has registered and uses the name in bad faith. If the complaint is successful, the domain name in question is transferred to the complainant.

The Uniform Rapid Suspension System is a new mechanism that has been introduced by ICANN and is aimed at the clearest cases of trade mark abuse. The URS was designed by ICANN to be a faster and cheaper alternative to the UDRP and is specifically aimed at combating cybersquatting and other forms of trade mark infringement by domain name registrants across all the new gTLDs.

**The complainant of a URS complaint must show that:**

- the domain name is the same as a registered trade mark, court validated mark or mark protected by statute or treaty;
- the registrant has not legitimate rights or interest in the domain name; and
- the registrant has registered and uses the name in bad faith.

Therefore, the requirements are similar to that of the UDRP complaint; however the burden of proof is higher as the complainant is required to adduce clear and convincing evidence. The only remedy that is available to a complainant under the URS procedure is the suspension of the domain name until its date of expiration. After expiration the domain name will again become available for registration.

The URS procedure is relatively new and its effectiveness is yet to be seen. The procedure has been criticised because the requirements are onerous for a limited reward. The burden of proof is much higher than required in a UDRP and the only remedy available is the suspension of the domain name.

## **Suspension of domain name**

After the suspension of the domain name, nothing stops a third party from registering the domain name. The procedure may be useful to trade mark proprietors who want the third party to stop using the domain name relatively quickly, but who is not interested in taking transfer of the domain name.

With ICANN rolling out an estimated 1,300 new gTLDs, protecting trade marks on the internet is bound to become an expensive exercise. Trade mark proprietors are encouraged to devise a cyberspace protection and enforcement strategy. Such strategy needs to:

- identify the new gTLDs, which will best enhance their business;
- identify the principal trade marks which need to be recorded with the TMCH or MVS; and
- identify, which enforcement procedure will best suit their needs.

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