

Domains & Domain Names 2020

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Published by

Law Business Research Ltd
Meridian House, 34-35 Farringdon Street
London, EC4A 4HL, UK

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First published 2014
Seventh edition
ISBN 978-1-83862-327-2

Printed and distributed by
Encompass Print Solutions
Tel: 0844 2480 112



Domains & Domain Names

2020

Contributing editor**Flip Petillion****Petillion**

Lexology Getting The Deal Through is delighted to publish the seventh edition of *Domains & Domain Names*, which is available in print and online at www.lexology.com/gtdt.

Lexology Getting The Deal Through provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique Lexology Getting The Deal Through format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on Switzerland and Ukraine.

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Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

Lexology Getting The Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We also extend special thanks to the contributing editor, Flip Petillion of Petillion, for his continued assistance with this volume.



London
March 2020

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This article was first published in April 2020
For further information please contact editorial@gettingthedealthrough.com

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REGISTRATION AND USE OF DOMAINS AT CCTLD REGISTRY

Registry

- 1 | Which entity is responsible for registration of domain names in the country code top-level domain (ccTLD)?

The registry for the ccTLDs .ch (for Switzerland) and .li (for Liechtenstein) is handled by SWITCH, a foundation created under Swiss law. SWITCH has been entrusted with this task since the internet was first used in Switzerland and Liechtenstein. It manages all domain names ending in .ch and .li in the global domain name system. SWITCH provides the services on behalf of the Swiss Confederation (Federal Office of Communications) and the Principality of Liechtenstein (Office for Communications).

SWITCH's resale partners, known as registrars, are responsible for selling domain names to customers. In January 2015, SWITCH stopped selling domain names and Switzerland now uses a system with registries and registrars (with a separation between them). A list of registrars approved by SWITCH can be found at www.nic.ch/registrars/.

Moreover, the administration of the newly crafted gTLD .swiss is administered by the Swiss Confederation through the Federal Office of Communications (OFCOM), but reselling also occurs through approved registrars. A list of approved registrars can be found at www.dot.swiss. The gTLD .swiss is a specific 'Swissness' domain name aimed at promoting the 'Switzerland brand', and is only granted to legal entities with an established connection to Switzerland.

Method

- 2 | How are domain names registered?

Domain names can only be registered through a registrar acknowledged by SWITCH. SWITCH does not accept registration requests. The registration agreement is always concluded between the registrant and the registrar.

The Swiss Federal Act on Telecommunications provides the statutory basis for the Ordinance on Internet Domains (OID), which came into effect in November 2014, and provides the basis for SWITCH and their competence to delegate the marketing and reselling of domain names to registrars (article 9 and 17 et seq. OID). The administration of domains has been explicitly carved out from the Ordinance on Address Elements in the Telecommunications Sector. However, Annex 2.13 of the Ordinance of OFCOM on Telecommunications Services and Address Elements provides technical rules on the allocation and administration of second-level domain names under the ccTLD .ch. In addition, SWITCH has published general terms and conditions for the registration and administration of the ccTLDs .ch and .li. The OID and the general terms and conditions of SWITCH provide that domain names must consist of three to 63 alphanumeric signs (including the umlaut and accents). The registration is governed under the principle of first come, first served.

Nevertheless, registration of domain names may not infringe private rights of other third parties and the statutory laws applicable to them remain reserved (article 47 paragraph 2, OID). Article 14 letter c of the OID and section 4.2 of the general terms and conditions of SWITCH provide for a non-mandatory alternative dispute resolution procedure.

Duration

- 3 | For how long is registration effective?

This depends on the conditions granted by the chosen registrar. Under the conditions of most registrars, registration is effective for 12 months. If a domain name is not renewed after this term, it is usually subject to a redemption grace period of 30 days before becoming publicly available again.

Cost

- 4 | What is the cost of registration?

The cost of registration varies depending on the chosen registrar. The cost is usually from 15 Swiss francs (for the ccTLD .ch) to 120 Swiss francs (for the gTLD .swiss), and the prices are the same for yearly renewals.

Transfer

- 5 | Are registered domain names transferable? If so, how? Can the use of a domain name be licensed?

A domain name holder must enter into a binding agreement with a registrar granting him or her the right and access to a specific domain name. Thus, from a contractual perspective, the assignment of this domain name to a third party requires the registrar to be informed and have given their consent. In common registrar practice, domain names may be transferred to a third party by using an authorisation code, which is provided by the current registrar of the domain name concerned. However, assignment requests in connection with a dispute relating to a specific domain are not executed without a valid court decision ordering this assignment (and usually the domain name remains blocked until the dispute is resolved).

In addition, the use of a domain name can also be licensed. In a licence agreement, a domain name holder would typically grant a third party access to the website associated with the domain name's IP address and the right to use and create a website for its own purposes.

ccTLD versus gTLD registration

- 6 | What are the differences, if any, with registration in the ccTLD as compared with a generic top-level domain (gTLD)?

Under the Swiss system of registries and registrars, the registration agreement is always concluded between the registrant and the

registrar. This also applies for the new gTLD domain name .swiss, which is administered by the Swiss Confederation, but offered and re-sold through registrars. Other gTLDs, for example .biz, .com, .info, .net and .org, are generally administered on an international level by ICANN and the registration procedure is delegated to registrars under strict accreditation guidelines applicable to registrars (see www.icann.org/registrars/accreditation.htm).

As regards the ccTLDs .ch and .li, registrants do not need to fulfil specific eligibility requirements nor be a Swiss citizen or have domicile in Switzerland to register such a domain name. One cannot assume that a Swiss company is the underlying owner of a website with a .ch or .li ccTLD. The majority of the registrar's terms and conditions do not require an official representative in Switzerland to register a .ch or .li ccTLD.

As regards the new gTLD .swiss, this domain is only available to legal entities, and the eligibility requirements demand that applicants have a proven and established connection to Switzerland. This connection can be demonstrated through domicile (or at least administrative domicile) in Switzerland and a registration in the Swiss commercial register. Generic additional second-level domains combined with .swiss, such as tourist.swiss, finetools.swiss, armyknife.swiss or flug.swiss (meaning flight.swiss in English), are specially protected and may only be used for the benefit of the community concerned. Applicants must provide proof of this benefit when applying for such a naming mandate (see further information on www.dot.swiss/en/facts/).

Records in the WHOIS register may contain the registrant's information or may not. Currently, the enactment of the European General Data Protection Regulation (GDPR) and the revision of the Swiss Federal Data Protection Act (FADP), which will be aligned with the strictness of the GDPR, has caused some controversy concerning whether it is legitimate to disclose the registrants' data in the WHOIS register to the entire global internet community. This has led many registrars to hide their registrants' data from the WHOIS register and, thus, the WHOIS register would only indicate the name of the registrar (instead of the registrant). With regard to the ccTLDs .ch and .li, currently almost all registrants' data is available in the Swiss WHOIS register for the registry SWITCH (see www.nic.ch/de/whois/). Whether this will remain unchanged in the course of the enactment of the new and stricter FADP, it is not yet certain.

Registrants' privacy

- 7** | Is the registrant's contact information freely available?
Can the registrant use a privacy service to hide its contact information?

Many registrars have started to hide their registrants' data from the WHOIS register because of data protection concerns. In Switzerland, registrants have the opportunity to use privacy services to hide their contact information through a provider called Switchplus Ltd. It offers registrants the opportunity to publish the name of a representative in the WHOIS database without the contact details of the registrant. The service is increasingly used and also provides the advantage of less identity theft and unsolicited advertisement emails received to the detriment of registrars (see more information at www.switchplus.ch/en/products/privacy).

PRE-LITIGATION ACTIONS

Disclosure of registrants' private details

- 8** | If a registrant's contact information is hidden, under what circumstances will it be disclosed? What processes are available to lift a registrant's privacy shield?

Usually, the representative indicated in the WHOIS register will be contacted (a cease-and-desist letter can be addressed to him or her with the request to deactivate or block a domain name and to forward the request to the registrant or to reveal the identity of the registrant). Whether disclosure of the registrant's data takes place depends on the policies of each registrar. Some registrars reserve the right in their terms and conditions to disclose the data of registrants if they are compelled to disclose it by a court, state attorney or other similar public authority. One can also try to contact a registrant directly through his or her anonymised email address available in the WHOIS register.

Domain name dispute resolution providers, such as the World Intellectual Property Organization (WIPO), allow for a 'doe' complaint, which is a complaint that may be submitted against an unknown respondent, which can be amended substantively or procedurally after the complainant has received verification of the identity of the registrant. The complainant also has the option to retract its complaint if it appears that the registrant has rights or a legitimate interest in the domain name and did not act in bad faith. The WIPO also offers to administer such dispute resolution procedures for the .ch and .li ccTLDs administered by SWITCH (see www.nic.ch/terms/disputes/provider/).

Third-party notification

- 9** | Are third parties (such as trademark holders) notified of a domain name registration or attempt to register a domain name? If so, how? If not, how can third parties receive notice?

The registry does not notify any party of a domain name registration or an attempt to register a domain name.

Notice to the registrant

- 10** | Is there a need to notify the domain name registrant before launching a complaint or initiating court proceedings?

There is no statutory obligation to notify the domain name registrant before launching a complaint or initiating court proceedings against him or her.

However, it is customary to initiate domain name-related disputes with a cease-and-desist letter to give counterparties a chance to correct their behaviour and to limit future procedural risks. Many cases can be and are settled in a more cost-efficient manner in the pre-litigation stage. Once court proceedings are initiated, rights owners must bear court costs (if they yield the case or have withdrawn the claim) and pay compensation to the domain name holder (if their claim was not justified and they yielded). Furthermore, according to article 108 of the Swiss Civil Procedure Code, a claimant must bear all costs that were unnecessarily caused. This provision can be applied to the detriment of a claimant if proceedings were instigated that were known to be futile or were not thoroughly examined before launching the lawsuit.

Provisional measures

- 11** | What provisional measures are available to prevent a domain name being transferred or cancelled during proceedings?

A court may, upon request, order a preliminary injunction under which SWITCH is ordered to block a domain name. This usually means that the domain name cannot be assigned to a third party and the holder cannot

effect any technical or administrative changes in their holder account (including changing the link to the website or the mail server functions as the name server is deactivated).

12 | Can domain names be seized? If so, under what conditions?

Yes, domain names can be seized just like other assets can be seized. Seizure in the language of domain names usually means that they are blocked by the registry. Seizure is also possible through other paths than preliminary injunctions in infringement proceedings; for example, through (1) a seizure of assets based on article 271 of the Swiss Federal Act on Debt Enforcement and Bankruptcy if the claimant can demonstrate that the domain name owner (being a debtor) envisages disposing of assets to avoid fulfilling his or her obligations to the claimant, or (2) filing a criminal complaint and having a state attorney ordering this seizure for the duration of criminal investigations and the further criminal proceedings.

TRANSFER OR CANCELLATION

Procedure

13 | What is the typical format for a cancellation or transfer action in court litigation (domains registered in either a ccTLD or a gTLD) and through ADR (ccTLD only)?

There is no compulsory alternative dispute resolution procedure with regard to the ccTLDs .ch and .li, and gTLDs.

Article 14 of the OID provides that SWITCH offers an alternative dispute resolution procedure (ADR proceedings) for the ccTLDs .ch and .li, which has been in force since 1 March 2014 (see www.nic.ch/de/terms/disputes/rules_v1). SWITCH has tasked the World Intellectual Property Organization (WIPO) Arbitration and Mediation Center to conduct these ADR proceedings (see www.arbiter.wipo.int/domains). The proceedings are self-regulatory and binding to all .ch and .li ccTLDs, meaning they must respect the final outcome of ADR proceedings if they did not participate in them (see section 4.2 of SWITCH's general terms and conditions, available at www.switch.ch/about/disclaimer/gtc (28 February 2020)). The WIPO Arbitration and Mediation Center also provides ADR proceedings for other gTLDs.

The scope of examination of ADR proceedings is relatively narrow. For gTLDs, the ADR proceedings are only available if the registrant has (1) registered a domain name that is identical or similar to a claimant's trademark, and (2) no legitimate interest of registering and using the domain name and had acted in bad faith. For the ccTLDs .ch and .li, the ADR proceedings are available if the registrant has registered a domain name that infringes any distinctive signs worth protecting of the claimant (such as a trademark, a name, a company name, a geographic indication or a sign protected under unfair competition law) in a clear and undisputable manner; a showing of bad faith registration is not required in these proceedings. The proceedings are usually closed with the decision, when an expert orders a domain name to be deleted or assigned to the claimant.

The ADR proceedings are not compulsory. They are also not considered arbitration proceedings as no arbitration clause is agreed between the parties and the decisions rendered are not binding (in the sense of a *res judicata* effect). Resorting to civil courts always remains possible. Consequently, rights to domain names can only be established and enforced in a definite, binding manner by the civil courts.

Types of procedure before civil courts

There are generally two types of procedures with regard to domain name disputes at the ordinary courts of law. Preliminary injunction proceedings and ordinary main proceedings.

If a matter is urgent (ie, not much time has elapsed since first knowledge of the infringement), a preliminary injunction may be applied for to secure the rights infringed. Preliminary injunctions cannot order definitive measures (such as deletion or assignment of a domain name), but a court can order a registry (such as SWITCH) to, for example, block a domain name in dispute.

A party may always assert the claim that a domain name registered infringes their rights in ordinary main proceedings. The outcome of these proceedings depends on the substance-matter assessment of the dispute (see below) and the proceedings are closed with an ordinary court decision where a domain name can be ordered to be deleted or assigned to the claimant. SWITCH is not in a position to assign domain names to another holder, but it can issue a transfer code to the winning claimant with which the claimant must seek the same registrar under which the defendant registered the domain name and ask for execution of the assignment. In general, the assignment of domain names is considered the more appropriate remedy by courts than a deletion. Deletion of domain names can sometimes be considered excessive (eg, the owner of a website addressed to an international audience could be obliged to add a disclaimer saying the website does not address or support Swiss customers, rather than ordered to delete the entire global website under the domain name). Furthermore, deletion of a domain name can cause new follow-up problems (after deletion, a re-registration by the same offender can occur after a lockdown period of 40 days).

Overview: the substance-matter assessment of domain name disputes before courts

Domain name disputes do not fit into one category. Different legal implications may give rise to different remedies. Roughly summarised, the following categories of domain name disputes can be discerned.

- Disputes between parties' distinctive signs (such as trademarks, names, company names and distinctive signs used in the market that may benefit from a protected position under unfair competition law).
- Disputes between domain name owners and third parties interfering with the owner's business by using similar signs.

The first category constitutes the majority of domain name disputes.

Domain names are a reserved address in the internet (a name associated with an IP address) and the same domain name cannot be used again. However, domain names do not constitute an absolute intellectual property right granting exclusive rights in the traditional sense. From the point of view of the internet users, a domain name designates the website available under the domain name and not the domain name itself. Therefore, according to established practice of the Swiss Federal Supreme Court (FSC), a domain name can also be used as a distinctive sign in the market (see the FSC, 9 June 2011, 4A_92/2011). It may, therefore, also conflict with trademarks, names, company names or other positions in the market under unfair competition law statutes. This is confirmed in article 47 paragraph 2 of the OID, according to which domain name disputes on the 'private rights of third parties' are to be conducted under 'provisions of private law' (which includes intellectual property law). In the first decision of the FSC on domain names available (FSC, 126 III 239 – *berneroberland.ch*), the court held that domain name registrations must respect existing intellectual property rights and principles of fair competition (see consideration 2.c).

Swiss case law has taken some time to establish conclusive rules on how to treat conflicts between domain names and pre-existing third-party rights. A first, important feature (also confirmed by Swiss scholars) is that the registration of a domain name and the specific use of a domain name by placing content on the associated website should be differentiated. The registration of a (conflicting) domain name per

se does not constitute an infringing use of a trademark in trade; the latter should be assessed with regard to the website hosted under the domain name and the specific use of the domain name related to the goods and services on the website. This emanates from the 'speciality principle' governing trademark law, according to which trademark conflicts can only be assessed for specific goods and services (FSC, 8 November 2004, 4C.31/2004 – *riesen.ch*; differently earlier in FSC, 19 May 2003, 4C.377/2002). Swiss scholars opine that the same principle should apply for name conflicts and public deception conflicts under unfair competition law. As regards the use of company names, a considerable amount of case law in Switzerland has held that the use of a company name as a domain name should not constitute an infringement since the domain name does not describe the company, but only the website as such (see Commercial Court of Zurich, 13 March 2017, HE160500-O – *Schwiizergoofe*, or the Supreme Court of Thurgau, 6 June 2002, in sic! 2002, 686, *emarket.ch*). Other opinions differ on this (Christian Hilti, 'Internet Domain Names', in Hans Rudolf Trüb (editor), *Current Questions in E-Commerce*, Zurich 2001, 90, or, for example, Rolf H Weber, *Schutz von Domänenamen im Internet*, SJZ 1996, 407) and they were also confirmed in certain court decisions, such as Tribunal d'arrondissement de Lausanne, July 23, 2001, sic! 2002, 57 – *confideco.ch*, according to which any commercial use of a domain name could be considered an unlawful company name use. Nevertheless, the registration of a domain name conflicting with other rights (but without using the domain name and the underlying website as such) is mostly considered an act of unfair competition (namely an obstructive behaviour without legitimate interests (such as domain name grabbing or cybersquatting) or an unfair exploitation of reputation, if the sign used for a domain name is particularly famous (but less likely a concrete infringement of trademarks, names or company names)).

Jurisdiction

At first instance, a local court is competent to decide domain name disputes involving third-party trademarks, names, company names and unfair competition law aspects. Each canton in Switzerland provides for one specialised instance which handles these types of disputes in first and last instance (article 5, Swiss Civil Procedure Code (SCCP)). In principle, the courts are locally competent at the place where an infringement takes place and has its effect and where the domain name registrant is domiciled. At second instance, the FSC deals with appeals against first instance intellectual property or unfair competition law decisions. The decisions of the FSC are final and binding.

Evidence

Obtaining evidence in main proceedings at the ordinary courts of law is determined by the types of evidence allowed under the SCCP. There are five conclusive means of evidence: the expert, the inspection, the hearing of the parties, documentary evidence and the hearing of witnesses. In the context of disputes concerning domain names, documentary evidence and the hearing of witnesses are of primary importance. The claimant is responsible for providing evidence of his or her own motion of the facts that his or her claims or defences are based upon. There is no principle of ex officio investigation.

Choosing a forum

- 14 | What are the pros and cons of litigation and ADR in domain name disputes? What are the pros and cons of choosing a local forum to litigate a gTLD dispute compared with the ICANN ADR format for the gTLD?**

The ADR proceedings conducted by the WIPO Arbitration and Mediation Center are not mandatory. They are self-regulatory and binding to the owners of all .ch and .li ccTLDs as they must respect the final outcome

of ADR proceedings if they do not participate in them (this is pre-agreed in the general terms and condition of SWITCH). Nevertheless, rights in domain names can only be decided and enforced in a definitive and binding manner by means of a court action. One advantage of ADR is the fact that the WIPO Arbitration and Mediation Center has more knowledge of these types of disputes than courts (dealing with multiple different matters). Moreover, ADR proceedings may grant more confidentiality and speed (owing to the standardisation of the process). Both proceedings in Switzerland (concerning ccTLDs and gTLDs) are handled by the WIPO Arbitration and Mediation Center.

Choosing a local forum to litigate a domain name dispute can mean it is dealt with in a court known to the parties. However, from a practical perspective, local fora are difficult to agree on in advance, since most parties involved in domain name disputes are not contractually bound parties (ie, they are not known to each other).

Appeal

- 15 | What avenues of appeal are available?**

Decisions rendered by a state court in domain name disputes are subject to appeal. As most domain name disputes involving intellectual property rights or unfair competition claims are dealt with one specialised instance in first and last instance (article 5, SCCP). The appeals must then be filed to the next instance level, which is the FSC. An appeal to the FSC has only merits in substance matters. Procedural errors can no longer be invoked, unless they are obviously arbitrary or discriminatory.

Who may claim

- 16 | Who is entitled to seek a remedy and under what conditions?**

The owner of a trademark, name right, company name or claim under unfair competition law is entitled to seek remedies based on the registration or use of a domain name, provided that he or she has given subject matter claims (existing infringement).

The licensee of the aforementioned rights cannot on its own file an infringement lawsuit, unless he or she is an exclusive licensee or entitled to claim by contract (ie, in a licence agreement).

Who acts as defendant

- 17 | Who may act as defendant in an action to cancel or transfer a gTLD in local courts?**

In general, the registrant as he or she is mostly responsible for the registration and the use of the domain name (eg, content posted on a specific website linked to the domain name). When the registration and use of the domain name occurs by two different parties, both of them can be sued as defendants as they are both contributing to the same infringing act (contributory infringement). However, only the registrant can be ordered to cancel or transfer the domain name to the claimant while the other defendant (the user) can be ordered to forbear from publishing infringing content over this domain name or any other, new domain name in the future.

The registry is not a party to private infringement proceedings. The registry is a public authority that can only be ordered by a civil court to conduct changes in the registry.

The registrar (acting as private registration agent of the registrant) could theoretically be involved in litigation proceedings as a contributory infringer if he or she concealed the identity of the registrant.

Burden of proof

18 | What is the burden of proof to establish infringement and obtain a remedy?

The burden of proof depends on the type of claims and on the procedures at stake.

Preliminary injunction proceedings generally require a lower level of proof than ordinary court proceedings. Preliminary injunction proceedings usually require a high credibility and plausibility, whereas ordinary court proceedings require a high probability that an infringement has occurred.

The following is a summary of subject matter assessment.

Infringement of trademarks

A trademark infringement generally requires an entity that is not the trademark holder to use a sign with a trademark to offer identical or similar goods or services to the trademark holder. All relevant elements of the individual case must be taken into account. This comprehensive analysis implies an interdependence between the factors at stake; in particular, the similarity of the signs or the trademark, the goods or services in question and the industry sector of both parties. Disclaimers on a website (hosted under the domain name) prominently clarifying who the domain name owner is (ie, stating that they are not the trademark owner) can sometimes also be taken into consideration and avoid a confusing similarity. As regards the infringement of trademarks with a domain name, the specific content posted on a website under the domain name should be assessed and not the registration of the domain name itself.

Infringement of company names

Similar to the principles established for the infringement of trademarks, an infringement of business signs may be present where there is a risk of confusion between two identical or similar signs used to denominate and describe a company. As regards the infringement of company names with a domain name, certain court decisions and scholars hold that a domain name describes a website and not the company that owns it and, thus, this does not constitute a company name infringement. Other decisions and scholars hold views to the contrary. One should assess individually whether the domain name is effectively used to describe the company holding and managing the website or just the website. Depending on the findings, both theories may prove correct.

Infringement of rights in a name

According to Swiss case law, the registration of a domain name by a person not entitled to do so may constitute an unlawful appropriation of a name and, thus, an infringement of the rights of the bearer of the name under article 29 paragraph 2 of the Swiss Civil Code (SCC). The bearer of the name will succeed in an action against such an appropriation if the use of the domain name is unauthorised and causes a wrong attribution (ie, the impression of a connection to the bearer of the name) or if the name-bearer's interests worthy of protection are harmed (eg, if the bearer of the name is associated with website content that is considered immoral). Swiss court practice requires a similarity of the names at stake and a certain closeness to the bearer of the name's field of activity (eg, if a website contains a widespread name, such as www.peter.ch, the website must contain more specific references to the particular name bearer called Peter and references to recognisable characteristics of his).

Infringement of unfair competition law

An infringement of unfair competition law always requires an act of competition in the course of trade, which may influence the competitive situation to the detriment of a competitor (article 2 of the Federal

Act against Unfair Competition (FAUC)). Claims under the FAUC may be asserted in parallel with intellectual property or name rights claims. The majority of Swiss scholars opine that the applicability of intellectual property rights do not per se exclude an application of the FAUC. The main objects of unfair competition law are cases of (1) obstructive competition (domain name grabbing and cybersquatting (ie, registration of domain names without legitimate interests to ransom payments)), or (2) the exploitation of a particular notable aspect of a distinctive sign. However, Swiss courts have also stated that the registration of domain names does not constitute an unfair act of competition per se. Domain names are, in principle, allocated on a first-come, first-served basis that corresponds with free market principles (see, for example, FSC, 126 III 239 – berneroberland.ch and similar findings in the first instance of the commercial court of Berne 14 August 1999).

Remedies

19 | What remedies are available to a successful party in an infringement action?

Infringements of intellectual property rights, name rights and claims arising out of unfair competition law generally provide for injunctive relief claims, damage claims for damages incurred by the infringement and information claims with regard to infringing goods and sales or purchases conducted.

With regard to injunctive relief claims, Swiss courts tend to order the transfer of disputed domain names to the claimant as this is considered more reasonable, whereas the cancellation of a domain name is often considered disproportionate (the domain name could be repurchased by anyone causing similar conflicts). Courts have also ordered the defendant to change the content displayed on a website hosted under the domain name (ie, to forbear from using infringing content on such a website), but without ordering a transfer or cancellation of the domain name (eg, an internationally accessed website with the gTLD .com with content infringing only Swiss intellectual property rights could be ordered to change content for Switzerland or make changes to avoid the confusion of the public instead of cancelling the whole domain name worldwide).

Injunctive relief

20 | Is injunctive relief available, preliminarily or permanently, and in what circumstances and under what conditions?

Yes, preliminary injunctions are available in Switzerland for infringements of intellectual property rights, name rights and claims arising out of unfair competition law. To obtain a preliminary injunction, a petitioner must credibly show (a prima facie showing) that (1) the respondent has infringed or is likely to infringe the petitioner's patent rights, and (2) the petitioner is threatened by harm that cannot be easily remedied. In cases of special urgency, and provided that the petitioner initiated the proceedings without undue delay, a court may order a preliminary injunction immediately and without hearing the opposing party first (an ex parte preliminary injunction); however, this is not easily granted in practice. The court may make the interim measure conditional on the payment of security by the petitioner if it is possible that the measures could cause loss or damage to the opposing party.

With regard to domain names, preliminary injunctive measures usually amount to having domain names blocked (the website hosted under the domain name can no longer be altered and the domain name account can no longer be assigned). A transfer or cancellation cannot be ordered in preliminary injunctive proceedings as these measures are irreversible.

Calculating damages

21 | How is monetary relief calculated?

A plaintiff's losses may encompass the actual damage suffered, lost profits and the surrender of any unjust enrichment deriving from the infringing act, all of which must be proven by the plaintiff, including the causality between the damage or lost profits and the infringement that occurred. The calculation of lost profits based on a reasonable royalty rate is permissible only if it may be assumed that the rights holder (intellectual property rights, name rights or unfair competition claims) would have realistically granted a licence to the infringer upon request. This will usually be the case only if the patentee can show that it granted non-exclusive licences to third parties and would have been willing to grant a licence to the infringer based on the same or similar terms.

Criminal remedies

22 | What criminal remedies exist, if any?

Wilful infringement of intellectual property rights, name rights or unfair competition law principles is a criminal offence. Therefore, rights holders can also instigate criminal proceedings against an infringer. Criminal proceedings may be instigated by the state (ex officio) if the infringer acts in a commercial manner.

Limitation period

23 | Is there a time frame within which an action must be initiated?

Claims for (definitive) injunctive relief may be brought to court as long as the infringing act persists or is likely to be repeated.

Claims for preliminary injunctive relief are less likely to be granted if a claimant has waited for too long as this indicates a lack of urgency of the matter.

Claims for damages based on intellectual property, name rights or unfair competition law claims are subject to the general statutory limitation period for tort claims of three years (article 60 of the Swiss Code of Obligations).

Expiry of rights and estoppel

24 | Can a registrant's rights in a domain name expire because of non-use? Can a registrant be estopped from bringing an infringement action? In what circumstances?

Since a domain name is not a right in law (but only a reservation of an internet address), a domain name does not per se expire by its non-use. A registry might, however, cancel a domain name registration if renewal fees are not paid (after a 30-day grace period).

If a registrant is a defendant in a domain name dispute, then the non-use of his or her domain name can be an indication that he or she may not have a legitimate interest in the registration. Thus, his or her non-use could be seen as proof of an obstructive competition behaviour or an unfair exploitation of the famousness of a distinctive sign. Provided that the claimant demonstrates this unfair behaviour, he or she may obtain a court order to have the domain name assigned to him or her or cancelled.

If a domain name registrant is a claimant in a domain name dispute, he or she may allege own intellectual property rights, name rights or unfair competition law claims in general. However, the domain name itself is not a right in law. If the domain name coincides with the claimant's rights, it may also become subject to a legal review of use; for example, if a trademark owner initiates trademark infringement proceedings in Switzerland, the counterparty may raise the defence that the trademark was not used, and the non-use of the domain name is tantamount to a lack of sufficient trademark use in Switzerland.

Generally, trademark owners are under an obligation to use their trademark in connection with the goods and services claimed under the trademark and non-use during five consecutive years (articles 11 and 12 Swiss Federal Act on Trademarks). As regards the bearer of name rights, there is no particular use requirement or time period for use applicable. The bearer of the name is the holder of his or her name rights as long as he or she lives. With regard to unfair competition law claims, there is no specific use requirement or time period applicable, except that one must show use of a particular sign in the market (distinctiveness in the market) if one wishes to base unfair competition law claims on it.

Finally, Swiss law provides for the general notion of estoppel if a rights holder does not assert his or her rights for a long time and the infringing party has relied on these conditions and was justified in assuming – according to the overall conduct of the rights holder – that the rights holder would no longer assert its rights (article 2, SCC). Estoppel will be considered only after a very long time and in view of all individual circumstances at hand (as it is an equity-based construct).

Time frame for actions

25 | What is the typical time frame for an infringement action at first instance and on appeal?

ADR proceedings handled by the WIPO Arbitration and Mediation Center are usually completed within 60 days of the date the WIPO Center receives the complaint. The ADR proceedings are not binding and can still be brought to civil courts.

An action before a first instance civil court may take from three to 12 months to reach a decision (depending on whether the defendant files a reply and on the scope of evidence that needs to be taken). The duration of the proceedings before the second instance (FSC), which normally takes from six to 12 months, also depends on these factors.

Case law

26 | Is a case law overview available on procedural or substantive issues? Does the case law have a precedential value?

Courts are not bound by precedent, and precedent is conceived as an aid for interpretation only. Precedent will generally only be considered by Swiss courts if an upper court makes a fundamental ruling with regard to the interpretation of statutory law or the courts have an established practice.

There is case law available with regard to domain name disputes.

Appointment of panellists

27 | Can parties choose a panellist in an ADR procedure involving a ccTLD? Can they oppose an appointment?

To help parties to a domain name dispute select appropriately qualified panellists, the WIPO Arbitration and Mediation Center has established a list of persons who have agreed to serve on the WIPO Domain Name Administrative Panels. The WIPO panellists come from different regions of the world and are well-reputed for their impartiality, sound judgement and experience as decision-makers, as well as their substantive experience in the areas of intellectual property law, electronic commerce and the internet. Each panellist's professional profile has been made available. Some of these panellists also appear on the lists of other ICANN-accredited dispute resolution service providers.

Costs

- 28 | What is the typical range of costs associated with an infringement action, including pre-litigation procedures, trial or ADR, and appeal? Can these costs be recovered?

Costs of ADR proceedings with the WIPO

For ADR proceedings filed with the WIPO Center involving between one and five domain names that is to be decided by a single panellist, the fee is US\$1,500. For a case that is to be decided by three panellists, the fee is US\$4,000. For a case involving between six and 10 domain names that is to be decided by a single panellist the fee is US\$2,000, and it is US\$5,000 for a case that is to be decided by three panellists. It is the parties that decide whether the case is to proceed before one or three panellists. The complainant is responsible for paying the total fees. The only time the respondent must share the fees is when the respondent chooses to have the case decided by three panellists and the complainant had chosen a single panellist.

The fees described above do not include any payments that might have to be made to a lawyer representing a party in the administrative proceeding.

Cost of pre-court actions

Before filing an action with the courts, the rights holder normally sends a cease-and-desist letter to the infringing party, notifying them of the infringement based on the registration or use of the rights holder's rights and asking them to sign a declaration of forbearance. Furthermore, lawyers would typically conduct a pre-assessment of the legal grounds. Costs involved for this type of law firm work may accrue between 4,000 to 10,000 Swiss francs.

Cost of court actions

Domain name-related litigation costs include court fees and expenses and attorneys' fees.

If a litigant loses the lawsuit, it must bear the court fees and expenses and will be ordered to pay the prevailing party's compensation for attorneys' and patent attorneys' fees. The courts determine the court fees and the adverse party's attorneys' fees on the basis of a statutory tariff that is based on the estimated value of the dispute. Parties may also demand compensation for the reasonable actual legal costs incurred to pay their attorneys by furnishing proof of actual and reasonable costs. To take a case through to a first-instance decision, a litigant should reasonably expect lawyer's costs accruing between 12,000 to 30,000 Swiss francs (depending on how much counteraction will occur by the other party).

UPDATE AND TRENDS

Hot topics

- 29 | Are there any emerging trends or hot topics regarding domains and domain names in your jurisdiction?

No updates at this time.



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