
Be master of your own domain

Introduction

If your business is seeking to develop an online presence, the critical first step is to secure a domain name.

Domain names are, essentially, signposts on the internet. They can appear as components of web addresses (eg. www.mbcommercial.com.au) or email addresses (eg. sminchuk@mbcommercial.com.au). For a fee, a domain name registrar (such as Melbourne IT) will register a domain name, which will allow your business an exclusive right to use that domain name for a specified period of time.

This article addresses many of the legal and technical issues that you should be aware of when developing an online presence.

A guide to choosing, registering and renewing a domain name

1. Draw up a shortlist of domain names.
2. Perform a thorough search of trade mark and business name registers to ascertain whether any similar names are in existence and, if necessary, prune your shortlist. Although registration of a trade mark or a business name does not secure the right to the domain name, avoiding similar names may help you avoid disputes later on.
3. Consider whether any domain names on your shortlist are likely to mislead and deceive the public into thinking that your business website is connected to a well-known business.¹ If so, strike those domain names from your shortlist.
4. Choose a domain name from those left on your shortlist. Remember that a short, unforgettable domain name is critical to establishing a successful online presence and a recognisable brand.
5. Keep records of all your deliberations regarding domain names. This will be important if, in the future, someone alleges that you registered the domain name in bad faith.² You will need to prove that you did not choose the domain name merely because it was similar to an existing business, with an established reputation.
6. Register the domain name quickly, as registration operates on a “*first-come, first-served basis*”.
7. Renew the domain name before it expires (two years, in the case of .au and .net domain name licences). If you inadvertently allow your domain name licence to lapse, another business is able to register that same domain name.

Selling domain names

The Australian domain name administrator (AuDA) recently issued a policy enabling domain name licences to be transferred.

Previously, .au domain names could only be transferred in the course of a sale of business or as a part of a settlement dispute. AuDA’s policy allows .au domain names to be transferred for a fee for any reason. It even allows the advertisement of domain names for sale.

However, AuDA’s policy contains several restrictions on the transfer of domain names, including:

¹ *Weitmann v Katies Ltd* (1977) 29 FLR 336, per Franki J at pp 339 - 340

² For example *JEM Nominees Pty Ltd v Insurance News Pty Ltd v Ors* [2008] FMCA 1227

- It is not permissible to register a domain name for the sole purpose of resale; and
- A transfer may only occur after the domain name has been registered for six months.

Domain name disputes

If your business does become involved in a domain name dispute, you should carefully consider the available options, together with your lawyer.

Option 1 – Dispute resolution through AuDA

AuDA offers a dispute resolution process to businesses where:

- a domain name is identical or confusingly similar to a business name or trademark in which the aggrieved business has rights;
- the domain name licensee has no rights or legitimate interests in respect of the domain name; or
- the domain name has been registered and used in bad faith.

The outcome of the dispute resolution process may result in the transfer or cancellation of the domain name. However, damages and costs are not awarded.

Option 2 – An action under s 120 of the Trade Marks Act 1995 (Cth)

The registration and use of a domain name may breach s 120 of the *Trade Marks Act 1995* (Cth) if:

- it is clear that a domain name is being used “as a trade mark”;
- the domain name is substantially identical with or deceptively similar to a registered trade mark; or
- the domain name is being used in relation to goods or services that are the same or closely related to the class in which the trade mark has been registered.

Option 3 - An action under s 52 and 53 of the Trade Practices Act 1974 (Cth)

Injunctive relief may be available under sections 52 and 53 of the *Trade Practices Act 1974* (Cth) where a business engages in conduct that is misleading or deceptive or likely to mislead or deceive. Conduct will be misleading or deceptive if it conveys a false representation.

An example of misleading conduct is where a business deliberately exploits likely typing errors, for example registering www.mbcomercial.com.au may mislead and deceive clients of Maurice Blackburn Commercial, whose website is www.mbcommercial.com.au.

Option 4 – A common law “passing off” claim

To establish a passing off claim, you must demonstrate that:

- you have goodwill or reputation in a specific trade or business;
- the other party has misrepresented, whether deliberately or not, that a connection exists between them and their goods or services and you and your business; and

- you have suffered or are likely to suffer damage.³

It is not necessary to show that the goods or services provided by the two businesses are exact or even substantially similar.⁴

The courts have held that the addition of “.com.au” is not significant enough to differentiate between a domain name and a business name. For example, it was held that there was no significant difference between the domain name “*architectsaustralia.com.au*” and the trading name “*Architects Australia*”. The Court awarded damages and ordered that the domain name be de-registered and that advertising cease.⁵

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³ *The Architects (Australia) Pty Ltd trading as Architects Australia v Witty Consultants Pty Ltd and Michael Witty* [2002] QSC 139.

⁴ *Campomar Sociedad Limitada v Nike International Ltd* (2000) 202 CLR 45

⁵ *The Architects (Australia) Pty Ltd trading as Architects Australia v Witty Consultants Pty Ltd and Michael Witty* [2002] QSC 139.