

DOMAIN NAME DISPUTE RESOLUTION*

by Karen Abraham

OVERVIEW OF THE DOMAIN NAME SYSTEM

(a) Introduction

The phenomenon of the Internet has generated many challenges to the application of traditional trade mark laws concerning trademark infringement, policing and brand enforcement.

This section will begin with a general overview of the definition and allocation of domain names followed by an explanation of the legal interface between domain names and trade mark law. In addition, there will be a study of the Malaysian Network Information Centre (“MYNIC”), a non-profit organisation formed to manage the Domain Name System and cases decided under the MYNIC’s Domain Dispute Resolution Policy, which was set up to deal specifically with the abusive registration of domain names on the Internet in this part. The chapter ends with a brief look at the Asian Domain Name Dispute Resolution Centre.

(b) Definition and allocation of domain names

It is now becoming general knowledge that people, businesses and other organisations are accessible to one another over the Internet by fixed E-mail or World Wide Web addresses known as “domain” names. Domain names are the addresses of web sites through which any other user can locate a company or an individual with internet access.

An internet address is an identifier of an individual computer or group of computers (“subnet”). Each connected machine (often referred to as a “host”) possesses a unique address. As part of the Internet Protocol (“IP”), the communications format used on the Internet, internet addresses comprise strings of digits delimited by periods or “dots”. The delimited fields indicate the network, subnetwork and local address. Reading from left to right, the exact division between these

portions is determined by the class of the address, such as “44.56.0.48” where “44” is the network portion, “56” and “0” refer to subnetworks and 48 is the computer itself. The combination of these local and network portions is known as the “IP address” or “IP number” and it uniquely identifies and specifies the location of some interface on the Internet.

The body historically responsible for allocating these IP addresses was the Internet Assigned Numbers Authority known as “IANA”, a US government agency that has since been dissolved. This duty now belongs to “ICANN”—the Internet Corporation for Assigned Names and Numbers—a private, non-profit corporation created in 1998.

THE DOMAIN NAME SYSTEM

(a) General

Since such numerical strings are difficult to remember, the Domain Name System (“DNS”) database was evolved as an alternative. Domain names are the alphanumeric equivalents of these numerical strings and they are definitely easier to remember. They have been expanded from 26 characters to 255 characters with up to 63 characters for each string.

When the domain name is used on the Internet, a series of computers known as domain name servers will translate the domain name into IP addresses, enabling location on the network of the particular computer site sought. As with IP addresses, domain names are also delimited by periods. It consists of both the arbitrary identifier chosen by the internet user and a generic abbreviation that categorises users. An example would be “www.shearndelamore.com”.

(b) Top-level domains

Domain names consist of multiple levels and must have at least two parts: a “top level domain” and a “second level domain” name. Domain names read from right to left in terms of increasing specificity. The right-most characters of the domain name constitute the “Top” Level Domain (“TLD”). The core group of generic top-level domains

consists of the “com”, “info”, “net”, and “org” domains. In 2002, ICAAN introduced new domains: “biz”, “name”, and “pro”. However, these are TLDs and are designated as *restricted*, dot-biz is restricted to businesses; dot-name to personal names; and dot-pro to lawyers, doctors and accountants.

The TLD corresponds either to the generic type of organisation that registered the name (“gTLDs”) or the geographical region of the organisation (“ccTLDs”).

(c) Country-code top-level domains

TLDs composed of two letters (for example, “.my”, “.sg”, “.mx”, and “.jp”) represent a certain country or external territory; they are known as country-code top-level domains (“ccTLDs”). These domain names are maintained by the national registries within each individual country. In Malaysia, the Malaysian Network Information Centre (“MYNIC”) administers the name space for the MY top level domain, including “.my”, “com.my”, “net.my”, “org.my”, “edu.my” and “gov.my”.

In the example “www.shearndelamore.com.my”, the “TLD” “my” corresponds to the geographical region of the organisation. The letters “com” refer to the second level domain.

(d) Second level domains

The second level domain (“SLD”) is a combination of characters to the left of the TLD. It is designed to clearly identify a specific server in a top-level domain.

In the example of “www.shearndelamore.com.my”, the SLD “com” is a subdomain under the geographical TLD. It describes the purpose of the organisation that owns the third-level name.¹ The third level domain “shearndelamore” is a subdomain of “com.” It is personally chosen by the applicant for the domain name and registered for use on

¹ For more information, see https://en.wikipedia.org/wiki/Second-level_domain.

the Internet. This is the part that most disputes are centered on. The “www” string refers to the type of “host” being accessed, in this case a World Wide Web location.

(e) Third level domains

Domain names may also have a third and further level of a domain name, for example, “linc.nus.edu.sg”. However, the owner of the domain is in control of any higher levels so added (in this example “linc”) and does not need to register them. This suggests that it might be possible to misuse names of well known companies in the higher level parts of any internet address, for example, to register “save.co.uk” and use “kwik.save.co.uk”.

(f) Special top level domain names

Apart from the “com”, “info”, “net” and “org” domains, there are also the special top level domain names (“sTLDs”) such as “gov”, “mil” and “int”. These are reserved only for US institutions.²

(g) ICANN’s new generic top-level domain program

Until late 2012, there were 22 operating gTLDs in existence and more than 250 ccTLDs, including many in non-Latin scripts. In 2012, ICANN invited organisations that could meet certain technical, operational, and financial requirements to apply to operate their own customised gTLD extensions at a \$185,000 application fee, with an initial deposit of \$5,000. ICANN received 1,930 new gTLD applications (often referred to as “strings”) for generic words, such as “music,” “art” and “home”.

A sponsored TLD is a specialised top-level domain that has a sponsor representing a specific community served by the domain. The communities involved are based on ethnic, geographical, professional,

² The reason why there are sTLDs for American institutions is because the Internet was created for and by the American military department under the name of ARPANET. The sTLD “gov” is now confined only to agencies of the US Federal Government, while “mil” is reserved for the US military and “int” for organisations established by international treaties.

technical or other theme concepts proposed by private agencies or organisations that establish and enforce rules restricting the eligibility of registrants to use the TLD. For example, the “aero” TLD is sponsored by the [Société Internationale de Télécommunications Aéronautiques](#), which limits registrations to members of the air-transport industry.

Trademark owners also applied for gTLDs containing their trademarks. For example, Honda applied for “.honda”, Google applied for “.google” and Travelers Insurance applied for “.travelers”. The application landscape also included a number of geographic terms (for example, “.berlin” for Berlin, “.wien” for Vienna, and “.bcn” for Barcelona) and more than 100 applications for strings in non-Latin scripts, called internationalised domain names (IDNs).

A number of new rights protection mechanisms were introduced for gTLDs delegated after 2012: the Trademark Clearinghouse (“TMCH”) (which incorporates trademark claims and sunrise services), the Uniform Rapid Suspension System (“URS”) and the Post-Delegation Dispute Resolution Procedure (“PDDRP”).

Starting in late 2013, several hundred new TLDs were added. Amid the roll-out of hundreds of new generic Top-Level Domains (“gTLDs”) such as “.GURU”, “.NINJA” and “.NYC”, trademark owners filed 2,754 cases under the [Uniform Domain Name Dispute Resolution Policy](#) (“UDRP”) with WIPO in 2015, an increase of 4.6 percent over the previous year.

LEGAL INTERFACE BETWEEN DOMAIN NAMES AND TRADE MARKS

(a) Scope of trade mark protection for domain names

A “trade mark” is a name or design used by a business to identify or advertise its products. The World Wide Web (“WWW”), which constitutes part of the Internet, consists of many web sites or homepages. Many of these “sites” or “homepages” are accessed by “clicking” *via* a mouse or a “hyperlink” or by typing the site’s internet address such as “http://www.shearndelamore.com” into the WWW browsing program. The domain name is the part that states

“shearndelamore.com”.

Today the domain name is no longer just an address to locate or identify a particular web site. With the advent of the Internet in e-commerce and retail, the domain name has become an invaluable asset and has been considered the equivalent of a trade mark or trade name used to identify a commercial service or product on the Internet. Companies are free to choose any domain name and they often select their trade marks as domain names to attract customers to their web sites because they are easy to remember. Given the unstructured nature of the Internet, an easily ascertained domain name can be critical to on-line success.

One of the first areas in which trade mark issues arose in connection with the Internet was in the use of a trade mark in a domain name. While trademark searching and clearance is very much controlled by members of the legal department or outside counsel, with launches of new product or service names or other branding elements being carefully coordinated among legal, marketing and business teams, the situation is different with domain names. Any individual, regardless of his or her role in or outside the organisation, can simply visit a registrar’s website and register any available domain name for a small fee, without any legal clearance required by the registrar. This type of action, usually by well-meaning employees, may be a common occurrence for organisations that do not have domain name registration policies in place. Problems can occur, for example, if an employee obtains a domain name registration in his or her own name—though the domain name is related to the employer’s business—and then either refuses to transfer the domain name registration to the employer or simply leaves the organisation without transferring the ownership of the domain name.³

³ The first publicly identified problem was seen in *MTV v Adam Curry* 867 F Supp 202 (SDNY 1994). A former video jockey or “VJ” host for MTV (Music Television), Curry, organised an internet site registered as “mtv.com” himself during his employment period apparently with the knowledge and approval of MTV. Curry’s web site received a large following through his discussion of topics relating to Curry’s vocation, including popular culture, entertainment and celebrities. Subsequently Curry left and MTV demanded that Curry surrender the “mtv.com” site because it carried the designation “mtv”, claiming trade mark violation. MTV claimed that Curry was providing entertainment-related information, and as such was arguably competing with MTV. However the district judge never gave his judgment as the dispute was settled out of

Companies may also encounter difficulties with vendors, licensees and other business affiliates registering domains without permission.

Domain name disputes also arose because of the “first come, first served” rule in the application of domain names as well as the worldwide use of domain names without regard to trade mark classes or national registrations. While trade marks are defined territorially on a country-by-country basis and can only be protected within the jurisdiction in which they are registered or used, domain names by contrast are global and can be accessed from anywhere in the world.

Trade mark owners are worried that where their trade marks are unlawfully used as domain names, consumers may be misled about the source of the product or the service offered on the Internet. Trade mark laws, which have traditionally forbidden the use of another’s trade mark when such use would be likely to confuse a potential customer as to the source of the products or service, have been employed to resolve disputes between computer users that obtain Internet domain names and the owners of the registered trade marks.

Further, another shortcoming in the registration system is that domain name registrations only protect the precise version of the name registered. There are two implications arising from this shortcoming. First, this means that there can be no two identical domain names on the Internet. A conflict will naturally arise when a company chooses a name that has already been registered as a trade mark by another company. Second, this also means that when trying to guess a certain web site, users must make sure that the spelling of a domain name is exactly right or users will not reach the correct destination.

The most common types of domain names disputes that have arisen over the years are:

- “Cybersquatting”: Speculatively registering domain names with the intention of selling them for profit to the business most likely

court with MTV taking over the “mtv.com” site and Curry now using the domain name “curry.com”.

to be associated by consumers with that domain name.

- “Typosquatting”: Registering a typo (misspelled) version of another’s mark as domain name with the intention of catching web users who make a spelling or punctuation error when searching for the trade mark owner’s address, for example, “www.myflower.com” (instead of “www.myflowers.com.my”).⁴
- The “twins”: Registering a domain name which is a logical and accurate choice for the domain name holder but which coincidentally is also someone else’s trade mark or very similar to someone else’s trade mark.⁵
- The “parasites”: Registering another’s mark as part of a domain name to divert customers looking for the trade mark owner’s site to their sites, for example, “www.compupix.com/ballysucks” for a site dedicated to complaints about Bally’s health club business.⁶

⁴ See *Netflowers Pte Ltd (Complainant) v Chan, Hong Mun t/a Mymall Dot Com Enterprise (Respondent)* Case No rca/dndr/2005/07.

⁵ In *Prince plc v Prince Sports Group Inc* [1998] FSR 21, this was the first domain name dispute ever to involve two parties in separate continents. Prince plc is an English company that provides services to the computer industry. It has been trading since 1985 under the name “Prince” and had been using the domain name extensively “prince.com” since February 1995 but had no registered trade mark. Prince Sports Group is the well-known US manufacturer of tennis racquets and other sports equipment and clothing. It has “PRINCE” registered as a trade mark in a number of countries, including the United States and the United Kingdom. In January 1997, the US company Prince Sports asserted that the use and registration of the domain name by Prince plc constituted infringement of Prince Sport’s trademarks and demanded that the name be assigned to them. The letter referred to United Kingdom trade mark registrations. Prince plc commenced proceedings in the United Kingdom for unjustified threats by Prince Sports to bring trade mark infringement proceedings, contrary to the Trade Marks Act (“TMA”) 1994, s 21. The court did not give judgment in favour of the registered trade mark owner or the more famous trade mark but rather stood by the “first-come-first serve” policy.

⁶ *Bally Total Fitness Holding Corporation (Bally) v Faber Bally* 29 F Supp 1161 (CD Cal 1998). In this case, Bally learnt of the existence of a web site at the domain address “www.compupix.com/ballysucks” and brought a suit against the site’s operator for trade mark infringement and dilution. The “Ballysucks” site explicitly stated that it was unauthorised and showed a Bally’s trade mark with the word “sucks” written over it. Further, the site claimed that it was “dedicated to complaints about Bally’s health club business.” The District court concluded that confusion was unlikely because the

“Parasites” can also include those registering the mark of a competitor or an opposing organisation, for example, registering “plannedparenthood.com” to mislead users attempting to reach the real Planned Parenthood web site “ppfa.org”, which promotes and advocates pro-choice abortion issues, so as to offer his own political message of anti-abortion and anti-birth control position.⁷

(b) Domain name disputes before Malaysian courts

Malaysian Courts have generally upheld the rights of trade mark owners. In *Petroliam Nasional Berhad & Ors v Khoo Nee Kiong*,⁸ the first reported Malaysian case involving domain name disputes, the High Court granted prohibitory injunctions against the defendant from registering any domain names containing the word “Petronas”, as it was a household name in Malaysia belonging to the proprietor plaintiff.

Similarly, in the decision of *Intel Corporation v Intelcard Systems Sdn Bhd & Ors*,⁹ the first defendant had registered the domain name “www.intelcardsystems.com”. The High Court granted an interim injunction against the defendant from using the name “INTELCARD”,

“Ballysucks” site and the Bally site had “fundamentally different purposes”. The court distinguished “Bally’s” site from “Ballysucks” site on the grounds that the Bally site was a “commercial advertisement” while the “Ballysucks” site was a “consumer commentary”. Based on this assumption, the court held that there was no trade mark infringement because no prudent consumer would assume that Bally’s official web site and the Ballysucks’ web site originated from the same source.

⁷ *Planned Parenthood Fed’n of America Inc v Bucci* 42 USPQ 2d 1430 (SDNY 1997), 1997 WL 133313 at 1, aff’d No 97 7492, 1998 WL 336163 (2d Cir Feb 9, 1998). The defendant operated a web site at “plannedparenthood.com”. When a user reached the site, he was greeted by the heading “Welcome to the Planned Parenthood Home Page”. The defendant also promoted the book entitled “The Cost of Abortion” and included excerpts from the book and various accolades it had received. The plaintiff brought claims of trade mark infringement and dilution against the defendant. The court found for the plaintiff and held in this case that the “commercial use” requirement was satisfied. Planned Parenthood’s official Web sites currently include both “plannedparenthood.org” and “plannedparenthood.com”.

⁸ [2003] 4 MLJ 16.

⁹ [2004] 1 AMR 275; [2004] 1 MLJ 595.

while affording protection to the plaintiff who is the proprietor of the “Intel” trade mark.

REGISTRATION OF “.MY” DOMAIN NAMES

In Malaysia, the Internet commenced with the inception of the first internet service provider that in turn gave rise to the inception of the Malaysian Domain Name Registrar being the Malaysian Network Information Centre (“MYNIC”). This entity was entrusted with the primary purpose of regulation and subscription of domain names unique to Malaysia or better known as country code top level domain names (“ccTLD”) bearing the domain name extensions “.com.my”, “.gov.my”, “.net.my”, “.org.my”, “.edu.my”, “.mil.my” and “.my” second level domain names.

MYNIC’S DOMAIN NAME DISPUTE RESOLUTION POLICY (“MYDRP”)

(a) Background of the MYDRP

In dealing with domain name disputes, traditional intellectual property rights have to be stretched to encompass all circumstances. For example, under United States’ trademark law, “use” meant that the domain name had to be “used in commerce”. Similarly, in Malaysia, the Trade Marks Act 1976 requires that in order for infringement to be established, the trade mark owner had to prove that the person had used an identical or confusingly similar mark “in the course of trade” in relation to goods or services.

Cybersquatters often do not use domain names for any trading purposes. The courts would have to stretch the definition of use “in commerce” or “in the course of trade” broadly in order to find that the defendants had traded in the respective domain names. This approach has attracted criticism by various groups who argued that in doing so, the courts are expanding traditional trade mark laws because they are dispensing with the requirement to prove use of the mark “in relation to goods or services”.

In view of the above, the Uniform Dispute Resolution Policy (“UDRP”)

was adopted by ICANN as a mechanism for trademark owners to seek recourse for domain names that have been registered by “cybersquatters.” The hope was that the UDRP would fill the existing gap in traditional trade mark laws by giving trademark holders a claim against a domain name owner, even if the domain wasn’t being used commercially. The UDRP, however, applies only to the generic top-level domains, such as “.com”, “.net”, and “.org”. It is not applicable to domain names registered with the respective country code with top-level domains such as “.my”.

In Malaysia, the MYNIC launched its Domain Name Dispute Resolution Service on April 17, 2003. The governance and administration of domain name disputes for the “my” top-level domain is in accordance with the terms set out in MYNIC’s MYDRP, Rules of the MYDRP and the KLRCA Supplemental Rules. The KLRCA is the centre for providing dispute resolution under the MYDRP, that is, providing online dispute resolution services for resolving disputes between the registrant of a “.my” TLD and a third party over the registration or use of the name. As of to date, there have been 26 decisions given under the MYDRP.

(b) Procedure for initiating domain name dispute proceedings under the MYDRP

A complainant initiates a domain name dispute proceeding by submitting Form A containing the complaint together with all relevant supporting documents in respect of the respondent’s registration and/or use of a domain name for the KLRCA’s review. The complainant has to specify in the Form whether it chooses a single-member or a three-member panel to hear the dispute. The fees are calculated based on the panel composition and the number of domain names in dispute. Upon payment of the fees by the complainant to the KLRCA, the KLRCA sends the complaint to the respondent.

The respondent in turn submits Form B containing his response together with all relevant supporting documents to the KLRCA within 15 working days from the date the proceeding commences. The response must specify why the respondent should be allowed to keep

the registration and use the domain name, and why the respondent should not be found to have registered and/or used the disputed domain name in bad faith. The complainant may reply to the response, after which a Panel will be appointed by the KLRCA to decide the proceedings.

A flowchart of the MYDRP procedure and timelines is set out below:

myDRP Process	Time
Submission of complaint to the provider	5 working days
The provider reviews the complaint to make sure it is in compliance with Policy and Rules	
The provider will send the complaint to the respondent	3 working days
Submission of response to the provider	15 working days
Provider will send the response to the complainant	
If the complainant wishes to reply to the Response, it may submit a Reply to the Provider. The reply must comply with the provision of Rule 4.	5 working days
Appointment of Panel. Once the Panel is appointed, the Provider will inform the Parties of the names of the chosen panellist.	5 working days
Transmission of file to the Panel. Panel decides the proceeding and makes a decision. Panel informs Provider of the decision	14 working days
Provider informs MYNIC and the Parties of the	3 working days

decision	
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Taken from: https://www.mynic.my/documents/MYDRPFlowchart_Apr03.pdf

The fees for a single and three-member panel are outlined below:

SINGLE-MEMBER PANEL					
Number of domain names included in the Complaint	Panellist Fee (RM)	Administrative Fee (RM)		Total Fees (RM)	
1 to 2	2,000	500		2,500	
3 to 6	2,400	600		3,000	
7 to 10	3,000	750		3,750	
11 to 15	3,600	900		4,500	
THREE-MEMBER PANEL					
Number of domain names included in the Complaint	Proceeding Fees (RM)	President (RM)	Co-panellist (RM)	Administrative Fee (RM)	Total Fees (RM)
1 to 2	4,000	2,000	1,000	1,000	5,000

3 to 6	4,800	2,400	1,200	1,200	6,000
7 to 10	6,000	3,000	1,500	1,500	7,500
THREE-MEMBER PANEL					
Number of domain names included in the Complaint	Proceeding Fees (RM)	President (RM)	Co-panellist (RM)	Administrative Fee (RM)	Total Fees (RM)
10 to 15	7,200	3,600	1,800	1,800	9,000
More than 15	To be decided				

Taken from <http://klrca.org/wp-content/uploads/2014/01/DNDR-Fee-Scedule.pdf>

(c) Overview of requirements under the MYDRP

Paragraph 5 of the MYDRP serves to define clearly the requirements the complainant must show in order to succeed. Under the MYDRP, the complainant must successfully prove both the following elements:

- (1) the manner in which the disputed domain name is identical or confusingly similar to a trade mark or service mark in which the Complainant has rights; and
- (2) why the disputed domain name should be considered as having been registered and/or used by the respondent in bad faith.


Since the complainant merely has to prove he has rights to the trade

mark or service mark that is identical or confusingly similar to the domain name, it would appear that the MYDRP applies to both registered and unregistered trade marks.

(d) Identical or confusingly similar

In deciding whether a domain name is identical or confusingly similar to the complainant's trademarks, the Panel generally looks at whether the domain name incorporates the dominant and distinguishing part of the complainant's mark.

The first dispute decided under the MYDRP was the case of *Volkswagen Group Singapore Pte Ltd v Webmotion Design*.¹⁰ The domain name in dispute in that case was "www.volkswagen.com.my". The complaint was based on the trade mark "VOLKSWAGEN" registered by the complainant in Malaysia under registration No M/27387 in class 12. On the issue of confusing similarity under paragraph 5(i) of the MYDRP, the Panel found that the distinguishing and relevant part of the domain name was the term "Volkswagen", which was virtually identical and confusingly similar to the complainant's trade mark "VOLKSWAGEN". The complainant had also established without doubt that it had statutory rights to the trade mark "VOLKSWAGEN" in Malaysia.

In another case, *In the Matter of a Domain Name Dispute between Green Hills Holding Company and Graphic Bay Creation*,¹¹ the panellist found that the complainant's mark  was not identical to "topoil", being the material portion of the disputed domain name. The panellist also found that they were not confusingly similar.

The inclusion of the gTLD ".com" is immaterial when evaluating identity or similarity between trademarks and domain names, particularly if the complainant has statutory rights in its trade mark. Such negligible variations are inconsequential when determining

¹⁰ [RCA/DNDR/2003/01(INT.)].

¹¹ [KLRCA/DNDR-314-2015].

whether the domain name is identical or confusingly similar to the trademark.

In *Hugo Boss AG v Eppies Internet*,¹² the Panel found that the addition of a gTLD “.com” and a ccTLD “.my” were not sufficient to distinguish the domain name from the “BOSS” trademark.

The addition of other elements to the trademark may not make the domain name less identical or less confusingly similar. In *Mudah.my Sdn Bhd v Scalable Systems*,¹³ the respondent had used the word “mudah” plus the addition of the suffix “2u”, while the complainant’s trademark had no “2u.” On the issue of whether the domain name “mudah2u.my” was identical or confusingly similar to the complainant’s trademark “Mudah”, the Panel held:

It is salient to note that the essential feature of the disputed domain name is the word “mudah” and therefore, even if consideration is given to the presence of the suffix “2u”, the addition of the suffix is insufficient to negate the likely confusion and/or deception from arising as a result of the registration and use of the disputed domain name. This is consistent with decisions that the mere addition of a non-significant element does not generally differentiate the domain name from the registered trade mark (*Britannia Building Society v Britannia Fraud Prevention* Case No D2001-0505). Thus, the addition of other terms in the domain name, in this instance the addition of the suffix “2u”, does not affect a finding that the disputed domain name is confusingly similar to the Complainant’s MUDAH Mark and the family of MUDAH Marks to which the Complainant has rights (*Wal-Mart Stores, Inc v Richard MacLeod d/b/a For Sale*, Case No D2000-0662). The incorporation of the Complainant’s registered mark MUDAH alone in the disputed domain name is sufficient to show confusing similarity to the Complainant’s MUDAH Mark ...

There have been instances where the case was decided in favour of the respondent because the complainant failed to show its connection with the trade mark owner or of any licence or authorisation to use the trade

¹² [RCA/DNDR/2004/02].

¹³ [KLRCA/DNDR-239-2014].

mark that the disputed domain name is alleged to be identical or similar to. A typical case decided in favour of a respondent on the basis of the complainant's failure to establish rights to a trademark or a service mark that the disputed domain name is alleged to be identical or similar to is *Nikon (Malaysia) Sdn Bhd v First Web Enterprise*.¹⁴ In that case, the registration certificate showed that the owner of that trade mark was Nippon Kogaku KK, and not the complainant. The panellist held that: "In view of the above, regretfully, it is the Panel's finding that the Complainant has failed to establish rights to a trade mark or service mark that the Domain Name is alleged to be identical or confusingly similar to ... The Panel makes this finding with great reluctance because it is likely that with some diligence, the Complainant would be able to produce the requisite documents to show that it has rights to registered Nikon Trademark". On this basis, the panellist ruled for the respondent.

(e) The requirements of bad faith: registration and/or use

(i) General

Paragraph 6.1 of the MYDRP specifies that the evidence of a registration and/or use of a domain name being in "bad faith" may include, among other things, the following circumstances:

- (1) registering and/or using the domain name mainly to sell, rent or transfer the domain name for profit to the complainant, its competitor or the trade mark or service owner;
- (2) registering and/or using the domain name to prevent the trade mark or service mark owner from using the domain name which is identical with its trade mark or service mark;
- (3) registering and/or using the domain name to disrupt the business of the complainant; and
- (4) registering and/or using the domain name for the purposes of attracting or diverting internet users for commercial gain to:

¹⁴ (Case No rca/dndr/2008/14) (nikon.my).

- (a) its web site;
- (b) a web site of the complainant's competitor;
- (c) or any other web site, and/or online location,

by creating a possibility of confusion or deception that the web site and/or online location is operated or authorised by, or otherwise connected with the complainant and/or its trade mark or service mark.

One of the differences between the UDRP and the MYDRP is that under the UDRP, the complainant bears the burden of proving that:

- (a) the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
- (b) the respondent has no rights or legitimate interests in respect of the domain name; and
- (c) the domain name has been registered and is being used in bad faith.¹⁵

In stating that the respondent must “register *and* use” the domain name, the UDRP makes it clear that mere registration of a domain name does not amount to evidence of bad faith.

The MYDRP, on the other hand, provides that it is the responsibility of the respondent to prove that he/she has the rights and a legitimate interest in the domain name. Further, in stating that the Respondent must have “registered *and/or* used” the domain name, the MYDRP suggests that mere registration of a domain name by the respondent is sufficient to amount to evidence of bad faith.

In deciding whether a disputed domain name has been registered and/or used in bad faith, panels are likely to look at the facts and

¹⁵ See the ICANN's UDRP, in particular para 4(a), available at <https://www.icann.org/resources/pages/policy-2012-02-25-en>.

circumstances of the case, including whether there is a legitimate explanation for the choice of the domain name; the degree of similarity in the design, stylisation, fonts and formats of the complainant's trademark and the respondent's domain name; and whether there is a reasonable period of use before the dispute arose as well as the lack of any intention to infringe the complainant's trademark.

Many of the decisions under the MYDRP have found bad faith in the absence of any traditional use of the domain, indeed even in the absence of an active website. For example, in the first case decided under the MYDRP, *Volkswagen Group Singapore Pte Ltd v Webmotion Design*,¹⁶ the panellist construed "bad faith use" broadly so as to include inactive holding of a domain name. In deciding on the issue of the respondent's rights and legitimate interest, the Panel found that there was no evidence on record to suggest that the respondent had made any use or preparation to use the domain name in connection with the *bona fide* offering of goods or services, nor can there be any conceivable *bona fide* use of adopting a well known trademark. The respondent was not commonly known by the domain name and was not a licensee of the complainant or otherwise authorised to use the complainant's mark. The Panel, therefore, concluded that on the balance of probabilities, the domain name was chosen by the respondent for its fame.

Similarly, in *NEP Holdings (Malaysia) Bhd v Liew Bin Dian t/a C & C Network*,¹⁷ the Panel resolved that an intention to sell the disputed domain name to the complainant for a profit amounts to an element of bad faith. Further, the Panel held that on the face of the webpage, it can be construed that the appearance of the domain name, was with the intention to attract or divert for commercial gain, internet users to the respondent's website by creating a possibility of confusion or deception that the website and/or online location was operated or authorised by the complainant and its trademark. Finally, the Panel held that the very fact that the respondent was previously engaged by

¹⁶ [RCA/DNDR/2003/01(INT.)] (volkswagen.com.my).

¹⁷ [RCA/DNDR/2004/04] (360agaricus.com.my).

the complainant as part of their team imputed knowledge and intention of the respondent to register the disputed domain name (having knowledge it had not been registered by the complainant) to profit from the same.

(ii) Selling, renting or transferring the domain name for profit to the complainant, its competitor or the trade mark or service owner

In *Mudah.my Sdn Bhd v Scalable Systems*,¹⁸ the Panel inferred bad faith registration from bad faith use where the respondent posted a notice on the disputed domain name, which stated that the respondent's mudah2u web site was for sale for a minimum of RM100,000, although the respondent was given notice of the complainant's objections vide "cease and desist" letters. The Panel reasoned that the respondent had no *bona fide* intent to use the disputed domain name but in fact intended to obtain a commercial gain by riding on the reputation and goodwill of the complainant in the MUDAH Mark and the family of MUDAH Marks to attract or divert potential or existing customers of the complainant to its website.

Furthermore, panels have found bad faith even where the request includes a solicitation to provide web site design services. The Panellist in *Lego Juris A/S v Natah Media*¹⁹ decided that a request by the respondent for the sum of \$2000 as compensation coupled with a solicitation by the respondent to the complainant to provide web site design services to support legoland club forums and blogs for the local community was sufficient evidence for a finding of bad faith.

In *FlyFirefly Sdn Bhd v Nikabina IT MSC Sdn Bhd*,²⁰ the Panel determined that an offer to sell the domain name "www.firefly.com.my" for RM1,500,000, which was later reduced to RM500,000, indicated that the respondent's intent was to sell the domain name for profit. This, therefore, was evidence of the respondent's bad faith.

¹⁸ [KLRCA/DNDR-239-2014].

¹⁹ [KLRCA/DNDR-2009-18].

²⁰ Case No RCA/DNDR/2007/11.

It should be noted, however, that the evidence adduced in support of this ground by the complainant, must be direct. Where the evidence sought to be adduced to establish bad faith is hearsay, such evidence is inadmissible. See *Usana Health Sciences, Inc v MyBids Enterprise (usana.com.my)*.²¹

Another factor evidencing bad faith is the respondent's behaviour in registering domain names in bulk in the hopes of gaining financially from any of the domain names which the respondent has registered in bulk. Some panels have held that engaging in a pattern of registering domain names utilising well-known trade marks in which the respondent has no rights or legitimate interest is a basis for finding that the disputed domain name has been registered and used by the respondent in bad faith.²²

(iii) Preventing the trade mark or service mark owner from using the domain name which is identical with its trade mark or service mark

In *FlyFirefly Sdn Bhd v Nikabina IT MSC Sdn Bhd*,²³ the complainant received a proposal from Globalcomm Network to sell the disputed domain name "www.firefly.com.my" for RM1,500,000, which was later reduced to RM500,000. Investigations by the complainant's private investigators indicated that the respondent and Globalcomm Network did not sell any FIREFLY additives. The Panel imputed this behavior as amounting to an act of preventing the complainant, the trade mark owner of the "Firefly" mark, from using the domain name incorporating its trade mark. The Panel ruled that there "is no doubt that with the registration of the Domain Name www.firefly.com.my by the Respondent, the Respondent has prevented the Complainant from using such Domain Name for its business".

²¹ RCA/DNDR/2010/22.

²² *Apple Inc v Eppies Internet* rca/dndr/2007/12 (www.apple.com.my); *Facebook Inc v Joey Lee & E-Web Solutions* KLRCA/DNDR-382-2016 (facebook.my, facebook.com.my).

²³ Case No RCA/DNDR/2007/11.

(iv) Registration primarily to disrupt the complainant's business

The MYDRP states that registering a domain name primarily to disrupt the business of the complainant constitutes evidence of bad faith. Complainants have so far had little trouble convincing panels of such an intent on the part of registrants. For example, in *Lego Juris A/S v Natah Media*,²⁴ the respondent's registration of the disputed domain names "legoland.com.my" and "legoland.my" coincided with the public announcement of the opening of the complainant's theme parks in Malaysia. Accordingly, bad faith was found in that case.

(v) Attracting or diverting internet users for commercial gain to the respondent's web site; a web site of the complainant's competitor; or any other web site, and/or online location

The final instance of bad faith that the MYDRP highlights occurs when the respondent has attempted to attract or divert users to its web site for commercial gain by unduly profiting from the goodwill of the complainant. For example, in *Netflowers Pte Ltd v Chan, Hong Mun t/a Mymall Dot Com Enterprise*,²⁵ the layout and the content of the respondent's web site made it probable that the respondent was invoking the name and concept of the complainant and its web site. Given the general tone of both web sites and the way in which the merchandise was described which was so similar, the Panel found bad faith in both the use and registration, although only one of the criteria need be established.

(vi) Other indicators of bad faith

Since the MYDRP specifies that bad faith is not limited to the specific circumstances enumerated in paragraph 6.1, panels have taken the liberty of finding bad faith beyond the factors in paragraph 6.1 of the MYDRP. In *Transplace Texas, LP v Transplace Logistics Sdn Bhd*,²⁶ the

²⁴ [KLRCA/DNDR-2009-18].

²⁵ [RCA/DNDR/2005/07] (myflower.com.my).

²⁶ Case No KLRCA/DNDR-278-2014 (transplace.com.my).

Panel held that the evidence of bad faith registration and/or use of the disputed domain name may include, among other things, the circumstances identified from (i) to (iv):

The phrase “may include” clearly suggests that the circumstances identified in this paragraph 6.1 are not exhaustive and may extend to other circumstances not covered by this paragraph, as long as they are within the concept of “bad faith” registration and/or use.

See also *Hotnet Sdn Bhd v Web Business Solutions Sdn Bhd*,²⁷ involving two directors who were once employees of the complainant who “ought to have known the use of the trade mark/service mark Marimari.com by the Complainant”. Despite this, the respondent, a company in which they were directors, registered the disputed domain name and utilised it for a website “www.marimari.com” to engage in the same/similar field of activity as that of the complainant.

Additionally, in most cases the respondent defaults by failing to submit a response, leading to an even greater likelihood of a finding of bad faith, since the dispute is then resolved solely on the complaint. In several cases, the panel has interpreted a respondent’s default as amounting to a failure by the respondent to demonstrate that he has rights or legitimate interests in respect of the disputed domain name. See, for example:

- (1) *Budget Rent A Car System Inc v Budget-Rent-A-Car Sdn Bhd*:²⁸ “In light of the Respondent’s failure to proffer any explanations and justifications, the Panel finds that there is no evidence on record to demonstrate that the Respondent has rights or legitimate interests in respect of the disputed domain name www.budget.com.my or it has acquired any trade mark right in the same.”
- (2) *Alibaba Group Holding Limited v Microit Technology (M) Sdn Bhd*:²⁹

²⁷ RCA/DNDR-2009/19 (marimari.com.my).

²⁸ rca/dndr/2008/15 (budget.com.my).

²⁹ Case No RCA/DNDR/2012/28 (taobao.com.my).

“There was no response from the Respondent. The facts proffered in support of the Complaint must therefore be accepted as unchallenged”.

- (3) *Paypal, Inc v Webpod.com*:³⁰ holding that in the absence of the Respondent’s side of the story, “there is no conceivable reason to dispute the assertions of the Complainant”.

As of June 14, 2016, complainants have prevailed in nearly 77 percent of the cases (20 out of 26) decided under the MYDRP. Although those are fairly good odds for complainants, a number of these disputes were decided in the absence of any response by the domain name registrant. In cases where the respondent has submitted the requisite response, the resolution of the dispute in favour of the trademark owner is less assured.

(f) Defences under the MYDRP

(i) General

The respondent can rely on several defences under paragraph 7 of the MYDRP to show that he has not registered and/or used the name in bad faith. These defences include:

- (1) use of the domain name or made preparations to use the domain name or a name corresponding to the domain name in relation to a genuine offering of goods or services prior to being informed of the complainant’s dispute;
- (2) the respondent is commonly known by the domain name even though he has not acquired any right in the same trade mark or service mark; or
- (3) use of the domain name for legitimate, non-commercial and/or fair purposes without intent to use the domain name for profits or to deceive the public.

³⁰ Case No KLRCA/DNDR/2011/24 (paypal.com.my, paypal.my).

As discussed above, the respondent can prevail by proving that its registration and/or use of the domain name was not in bad faith by establishing, among other things, that it has rights and a legitimate interest in the domain name.

(ii) Use or made preparations to use in connection with a genuine offering of goods and services

The offering for sale of the complainant's goods on the respondent's web site by a distributor of the complainant has been deemed a genuine offering of goods and services. On the issue of whether the offering of goods and services is genuine, it was held in *Netflowers Pte Ltd v Chan, Hong Mun t/a Mymall Dot Com Enterprise*³¹ that the expression "genuine" in the MYDRP should be read in light of the expression "bona fide" in paragraph 4 of the ICAAN Policy and the manner in which UDRP panels have interpreted this provision. Other factors—such as the legitimate explanation for the choice of the domain name, a reasonable period of use before the dispute arose and the lack of any intention to infringe the trade mark—are also important.

In *William R Hague Inc dba Hague Quality Water International and Water N Boss Marketing Sdn Bhd*,³² the Tribunal was not satisfied that the disputed domain name was registered and/or was being used in bad faith without a proper hearing involving witnesses. The panellist noted that:

As at the date of registration of the disputed domain name in the name of the Respondent (October 2004 at the earliest or probably later), the Complainant had a presence in Malaysia and had applied there for a trademark for the word Waterboss. Before this date, however, the Respondent or its predecessor partnership had used the word Waterboss on their advertising material for other water coolers. Whether they were right to do so is not something that can be decided by a Panel which cannot see and hear witnesses.

³¹ Case No rca/dndr/2005/07.

³² Case No rca/dndr/2006/09 (www.waterboss.com.my).

In order to show a legitimate interest in domain names, paragraph 7.2 requires that the use or preparations to use the domain name or a name corresponding to the domain name in relation to a genuine offering of goods or services occurred *prior* to the date of the respondent being informed of the complainant's trademark. In *Usana Health Sciences, Inc v MyBids Enterprise (usana.com.my)*,³³ the panellist ruled in favour of a respondent on the grounds that the respondent had adduced evidence to show that prior to receiving notice of the complaint, it had used the disputed domain name to make a genuine offering of goods and services.

A domain name will likely be deemed a bad faith registration where there is failure by the respondent to show that it had used the disputed domain name to make a genuine offering of goods and services *prior* to the date of the respondent being informed of the complainant's trademark.

(iii) The respondent is commonly known by the domain name

A second defence involves indication that the respondent is commonly known by the domain name even though he has not acquired any right in the same trade mark or service mark.

(iv) Legitimate, non-commercial and/or fair purposes without intent to use the domain name for profits or to deceive the public

The third defence relates to the use of the disputed domain name for legitimate, non-commercial and/or fair purposes without intent to profit or to deceive the public. In *Cobweb Sdn Bhd v Infotouch Solution Provider*,³⁴ the Panel ruled that the complainant had failed to prove bad faith as the respondent had adduced some evidence in support of its assertion that it had not registered nor was it using the domain name with the intention of attracting or diverting, for commercial gain, internet users to the respondent's web site. Here, the Panel concluded

³³ RCA/DNDR/2010/22.

³⁴ Case No RCA/DNDR/2010/21 (bestoffer.my).

that the complainant failed to prove bad faith because the search results on Google and Yahoo! search engines using the keyword “bestoffer” failed to locate any specific website as the results were numerous.

(g) Remedies under the MYDRP

If the complainant is successful, the domain name may be transferred, modified or deleted.

ASIAN DOMAIN NAME DISPUTE RESOLUTION POLICY

The Asian Domain Name Dispute Resolution Centre (“ADNDRC”) was jointly established by the China International Economic and Trade Arbitration Commission (“CIETAC”) and the Hong Kong International Arbitration Centre (“HKIAC”) in 2002. The ADNDRC has been authorised under ICANN’s DRP. The ADNDRC is committed to providing neutral panellists familiar with Asian languages, both in Asia and throughout the world. The ADNDRC is the first and only provider of dispute resolution services in regards to generic top level domain names (“gTLDs”) located in Asia.

Since the inception of the ADNDRC, CIETAC and HKIAC have been operating respectively as the Beijing Office and Hong Kong Office of the ADNDRC, providing domain name dispute resolution services under the ICANN UDRP. In 2006, the Korean Internet Address Dispute Resolution Committee (“KIDRC”) joined the ADNDRC and started to operate as the Seoul Office. In 2009, the ADNDRC announced the opening of its Kuala Lumpur Office operated by the KLRCA.

As a dispute resolution service provider accredited by ICANN, the ADNDRC administers domain name dispute resolution proceedings through its four offices, not only under the UDRP, but also under the following ICANN policies:

- Uniform Rapid Suspension System (“URS”)
- Trademark Post Delegation Dispute Resolution Procedure (“TM-PDDRP”)

- Registrar Transfer Dispute Resolution Policy (“TDRP”)
- Sunrise Dispute Resolution Policy (“SDRP”)
- Charter Eligibility Dispute Resolution Policy (“CEDRP”)

The first case to be decided under the ADRNC UDRP was *Li & Fung (BVI) Limited v Ben Turner*.³⁵ That case concerned a dispute between the complainant, Li & Fung (B.V.I.) Limited, and the respondent, Ben Turner of Jake’s Fireworks, Inc. The respondent was a company incorporated in the United States of America and a competitor of the complainant whose website offered for sale and promoted fireworks products. The panellist ordered the respondent to transfer ownership of the disputed domain name to the complainant on the grounds that the respondent had registered and used the disputed domain name in bad faith. The panellist found no problems in establishing the first two elements, namely that the disputed domain name was confusingly similar to the complainant’s “BLACK CAT” trade mark and that the respondent had “no rights or legitimate interests” in the disputed domain name. In deciding whether the respondent had registered the name in bad faith, the panellist held that the fact that the respondent registered the complainant’s “BLACK CAT” mark in a domain name, while having notice of such registered marks, amounted to bad faith. Further, the respondent had used the domain name in bad faith by using it to sell goods, namely fireworks, that competed with the complainant’s fireworks. Therefore, having regard to the totality of the evidence submitted by the complainant, the panellist concluded that the respondent registered and used the disputed domain name in bad faith.

CONCLUSION

Having examined the MYDRP throughout this chapter, it is obvious that the benefits of the MYDRP should not be overlooked. Looking at the gaps in trade mark laws, the UDRP and MYDRP have a great

³⁵ (HK-1600859) (blackcatfirework.com).

benefit in providing a more uniform approach with regards to domain name disputes involving cybersquatting. The MYDRP has certainly helped curb the practice of cybersquatting and has in turn assisted trade mark owners in repossessing fraudulently registered names in Malaysia. As the MYDRP also focuses on whether the respondent has rights or legitimate interest in the domain name, it allows the respondent to continue using the disputed domain name where he is legitimately using the trade mark, even if he is not the trade mark owner.

Most importantly, the MYDRP is expedient and inexpensive when compared to bringing civil actions under the Trade Marks Act. It allows the trade mark owner to go after more than one domain name registration in one proceeding if all the registrations are owned by the same respondent. Decisions are implemented within several weeks and at a reasonable administration fee. In addition, domain names may be cancelled, or transferred. The author applauds the MYDRP and sees it as a solution in overcoming problems stemming from national jurisdiction issues. Furthermore, there is more impartiality towards the parties involved as panellists make decisions on the basis of written documents submitted electronically and by courier. It is hoped that with the MYDRP, cybersquatting will very soon be a problem of the past.