THE IMPACT OF THE AMERICAN SUPREME COURT DECISION OVER CHARACTERIZING DOMAIN NAMES AS A DIGITAL TRADEMARK

Abstract: Though the trademark holder registered his trademark as a domain name, legal scholars and courts did not clarify the legal character of the domain name. To this point, the debate about the nature of domain names was limited to whether the domain name is nonintellectual property or a kind of intellectual property. Even for those who believe that domain names would have intellectual property rights, the essence of this right is still wrapped up in mysteries. More often than not, the court’s decisions were limited to considering the domain name as intellectual property or not until the supreme high court in America decided to register the domain name booking.com as a trademark. This revolutionary decision would change the previous conceptions about the nature of domain names. This paper sheds light on how the supreme court decision would give the momentum to consider a domain name as a trademark, which paves the way as the author believes a domain name can be considered a digital trademark, bearing in mind that the medium, in which the domain names can be active, is the digital space.

Keywords: domain names, cyberspace, digital trademark, trademark holders, domain names owner.
Abbreviations

ECJ  the European Court of Justice,

EUIPO  the European Union Intellectual Property Office/

EUTMR  European Union trademark regulation

.euTLD  European Union top-level domain name

ACPA  Anticybersquatting Consumer Protection Act

EUPM  European Union profession mark

DNS  Domain name system

CIRA  Canadian Internet Registry Authority

NSI  Network Solutions, Inc

WHOIS  Who is responsible for this domain name

GFP  German Federal Patent

UDRP  the Uniform Domain-Name Dispute-Resolution Policy

TTAB  The Trademark Trial and Appeal Board

USPTO  The United States Patent and Trademark Office

ICANN  the Internet Corporation for Assigned Names and Numbers

EPO  the European Patent Office

CJEU  Court of Justice of the European Union

METHODOLOGY, PURPOSE & APPROACH

To be able to examine the court decision on the legal nature of domain names, this paper uses a comparative approach in terms of the legal system of trademarks in Europe and the US to see to which extent the court took comprehensive awareness of the legal nature of domain names, besides the analytic approach will take place to understand the dimensions of the high supreme court decision over the legal nature of domain names. The inductive method will be the primary tool for considering the relation between domain name registering agencies and conflicting parties, mainly how understanding the domain names’ character affects the legal procedures. Moreover, the critical analysis will envisage the courts’ and arbitrations’ verdicts. To this determination, this paper aims to clarify the character of domain names according to the legal point of view for both literature and jurisdictional understanding. This article lines this issue based on the practical judicial viewing platform. On top of that, this paper will illustrate a new point of view correlated to the domain name’s legal character, considering them as “digital trademarks.”
1. TRADEMARK LEGAL SYSTEM

One of the main questions arises whether states take the nature of domain names within their legal system or not. Moreover, what are indicators to deal with domain names under the umbrella of their legal system? To have a clear vision of domain names, the author analyzes the EU’s and USA's trademark legal systems as a leading example.

1.1 EU and the US

While the EU system is based on sole registration, the trademark system in the United States is use-based. Despite the differences, the law mark in both EU and the US have the same goals when they opt to assure trademark legal rights. And also, their goal was to safeguard customers from confusion and allow manufacturers to develop solid trademarks with complete protection. However, in this regard, the Lanham Act is the primary device to deal with domain names and trademarks in the United States. In adhering to the component, this paper offers the case legislation of the CJEU and the one made by the United States Supreme Court.

Regardless, the US and the EU lawmakers had the same objectives when they opted to ensure trademark legal rights. Their purpose was to shield customers from confusion and enable producers to construct solid trademarks. Neither the EU nor the US lawmakers desired to provide monopolies in the direction of practical functions via trademark legislation.

In both systems, “performance security” comes from other types of legal intellectual rights. In the EU, Article 7 EUTMR offers the fundamental concept of performance. Those policies need a better understanding by the CJEU. In the US, the Lanham Act does not include any functionality provisions nor the entire doctrine, which was clarified in legislation by the courts. In complying with the component, the author will explain the instance regulation of the CJEU and the one made by the US Supreme Court. In this regard, it is noted that the laws of the member states approximate relate to trademarks.

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On the other side, trademark law in the US was formerly governed by common law upon enacting the Lanham Act. In addition to the previous forms of trademark protection, the Lanham Act established federal protection of trademarks based on registration.

2. MAIN DIFFERENCES AND SIMILARITIES BETWEEN EU AND US TRADEMARK SYSTEM

Although they agree on the goal of enacting legislation, typically, there are some differences between the way legal systems are running in both the EU and the US as the following:

2.1. EU law

Many EU regulations regulate trademark protection in the states of the EU. As for the EU trademark law, it was noted that it had constructed a parallel protection system for trademarks. This system has a dual protection system at the nationwide tier and also at the Union tier. The national protection regulates the EU level by governmental rules, confirmed by Directive EU 2015/2436. Hence, the member states do not enjoy complete freedom in creating their nationwide ruling. At the EU ground, the protection is provided as a EUPM, European Union Profession Mark, specified in the EUTMR. To this point, the EU mark obtained by registration might consist of any indicator, precisely words, consisting of individual names, layouts, letters, characters, colors, the form of products, or the products’ packaging of items. The EU is a registration-based system; therefore, just registered marks can get essential legal protection. Moreover, before registration, usage cannot give protection to the mark. In the EUTMR, the functionality is under the guidelines set as the fundamental rules for refusal of registration.

2.2 The US law

The US operates under a standard law system where a mark cannot be registered until it has been used to sell goods or services. There are also equal lawful

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4 is now incorporated in 15 USC, Chapter 22
6 Merkel 244.
8 Calboli and de Werra, 393
frameworks for trademark defense in the United States. There is a legal structure at the state and federal levels. Initially, trademark regulations advanced from case law. Later, the American Congress embraced the Lanham Act. According to this act: ‘The term ‘trademark’ includes any type of word, name, gadget, or sign, or any type of combination thereof made use of by an individual, or which a person has a bona fide objective to utilize in business and applies to register on the primary register to identify as well as distinguish his or her items, consisting of a unique item, from those produced or offered by others and also to show the source of the products, even if that resource is anonymous.’ As the meaning in the Lanham Act suggests, trademark legal rights, contrary to the EU frame, cannot be obtained only with registration.9

3. LEGAL CHALLENGES OF CYBERSPACE

The growth of the internet network has probably elevated complicated legal issues connecting stakeholders in cyberspace. Furthermore, it was stigmatized as a tool lacking legal regulation to have a real effect. One more challenge that needs to be taken into consideration is that domain names are quasi-property rights and emerge upon formal registration in a domain name registry. Because of this situation, it arguably suggests that rem jurisdiction is used to ensure the courts at the registration location have jurisdiction over queries of ownership. Hence, the main challenge is whether the importance of a domain name legal character has a practical goal to serve rem jurisdiction or a pure legal goal related to protecting the domain name as an actual trademark based on the original right.

3.1 Domain names

Domain names are defined under US Federal laws as ‘alphanumeric designation which is enrolled with or appointed by any domain registrar.’ Many domain names experts intend to consider the domain name as a textual address for numerical internet protocol management. Accordingly, it should be distinctive

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9 Merkel 245.
12 Shelly, Gary B., and Jennifer Campbell. Discovering the Internet: Complete. USA: Cengage Learning, 2011, 42.
because the internet site details are accessed using the domain.\textsuperscript{14} In the legal mind, it took for granted the relationship between the range of complete protection to the related rights given to the domain name and the legal frame of domain names\textsuperscript{15}. These requests outline domain names’ legal frame and examine the aspects of the domain name from its legal nature perspective based on the jurisdiction approach.

\textbf{3.2 Domain names jurisdiction approach in USA and EU}

Regarding the jurisdiction approach, most conflicts were related to the infringement of trademark rights. Hence, the USA and Europe courts focused predominantly on solving this conflict. So, the discussion about the nature of the domain name was not the primary goal, but rather the level used by the court to practice in rem jurisdiction. As a result, the debate was limited on whether domain names are intellectual property or not. The author believes that the court followed this way because understanding the legal nature of the domain name as intellectual property helps the court to practice rem jurisdiction. If there is no property right, then the court cannot practice its authority if one of the conflict parties is a foreigner.

\textit{3.2.1 The EU}

The EU has embraced a procedure that avoids abusive domain name registration and secures legal property rights. Regarding this condition, the EU Commission passed Law 874/2004. Domain name based on euTLD can be enrolled by any association established within or with a significant career within the community or by any resident within the community based on the first-come-first-served principle\textsuperscript{16}. The legal rights in marks and names that existed before the intro of euTLD were protected by allowing such right owners to register domain names. This requirement does not provide any basis for settling conflicts between the domain name owner and the trademark holder. Trademark regulation has been balanced within the EU, by passing the EC Trademark Rule. Art 9 (1) of the articulated regulation would prevent the third parties from utilizing any sign similar

\begin{itemize}
  \item Shelly, Gary, Thomas J. Cashman, and H. Albert Napier”, 47.
  \item J Batman, 19.
  \item Dimitrov George, \textit{intellectual property the internet and electronic commerce legal protection of domain names, international conference on intellectual property, the internet, electronic commerce and traditional knowledge, WIPO/ECTK/SOF/01/1.6 Sofia, May 29 to 31, 2001, 2.}
  \item EC regulation no 733/2002, Article 4 (2) (b)
\end{itemize}

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to a registered trademark, identical to his products or services in trade if such usage can cause the possibility of confusion in the public society. In the plaintiff’s case, to be compelling, someone has to prove that utilizing the domain name matching the registered trademark can be deceptive and misleading regarding the resource of origin of services or products. Specifically, it has to be indicated that the domain name is used in the organization in link with products or services that are similar or identical to those of the complainant. Registering a domain name can rarely be seen as utilized in trading courses. Hence, it is inadequate to claim infringement based on trademark legislation.

3.2.2 the US

Unlike the EU law, the US legislature is familiar with trademark violation cases through a domain name that is similar or identical to that questioned trademark. To this point, ACPA presented a new sort of protection.

Previously ACPA was rested in 15 USC § 1125 (a) and (c), forcing civilian accountability on a third party behaving in a confusing way or likely to cause dilution of a famed trademark. The perception of the probability of confusion (passing-off) matches the EU rules, containing the use of any term, symbol, name, or different devices in linking with services or goods in a way that is likely to cause confusion or fault as to the source of such services or goods.

To succeed in the court action, the plaintiff has to demonstrate that he possesses the famed trademark, and the infringer uses the trademark in the trade, and such usage is probable to cause dilution. Two preliminary inquiries arise from using domain names contravening a well-known trademark. First of all, whether mere registration can be noticed as the use throughout trade. And secondly, if the domain name registration can generate dilution. As for the first question, the US regulation suggests that the mere registration of a trademark does not amount to business use, and registering the domain name with the intent to resale is beneficial.

In solving the inquiry of whether a domain can dilute a well-known trademark, the court, in the case of Panavision International, LP v. Toeppen, answers in the Affirmative by denying the assumption that a domain name is nothing greater than an address. It also makes clear that the significant goal of a domain name determines the entity that has the web site. The circumstance has changed with the intro of ACPA, which imposes obligation in a civil action against any individual that, with bad faith, means to profit from an additionally protected mark, registers traffic, or uses a domain that is similar or confusingly identical to

17 15 USC § 1125 (d). 1999
18 Korman, 33.
19 15 U.S.C. § 1125 (a) (1)
such trademark (or dilutive to a famed mark), unlike the protection according to confusion rules\(^{20}\).

Based on the probability of confusion,\(^{21}\) bad faith was claimed, as an instance, in *Sporty’s Farm LLC v. Sportsman’s Market, Inc.*, where the infringer enrolled and consequently created a subsidiary domain referring to a competitor trademark to utilize the domain in trade, leading to prevent contested domain name from being used by the trademark proprietor as well.

In an additional instance, the ‘bad faith’ consisted of registering thousands of world-famous trademarks with misspellings to redirect the web customer to many advertising pages. In this regard, the advertisers paid the registrant with every click on such a promotion\(^{22}\)

### 4. AMERICAN AND EUROPEAN JURISDICTION REACTION TO LEGAL NATURE OF DOMAIN NAMES

In terms of the reaction toward the legal nature of domain names, some contrast can be seen due to the way the court interacts with this issue as the following:

#### 4.1 The legal character of domain names

Legal rights have been thoroughly reviewed in the legal literature yet have not been totally cleared up as either legal entitlements or intangible property\(^{23}\). The legal character of domain names, among other things, is one of the most highly investigated themes for establishing legal rights. The argument continues on whether domain names can be classified within the umbrella of intellectual property or entirely out of this umbrella. In this context, the author explains a different point of view and then gives his perspective on the legal nature of domain names as the following:

#### 4.2 Domain names legal character theories

In legal literature, there was an effort given by legal scholars or different courts to pinpoint the legal character of domain names. However, there was no consensus on whether domain names are intellectual property. These opinions ranged from the division that domain names are intellectual property or not. Furthermore, even those who believe that domain names can be considered intellectual

\(^{20}\) Korman 34.
\(^{21}\) Ibid 34.
\(^{22}\) Ibid 34.
\(^{23}\) J Hörnle 408.
property did not fully agree about which kind of IP it can be. In this regard, this argument can be summarized in the following:

4.2.1 Service contract

A strong stream has emerged, rejecting the idea that domain names would be adopted under the intellectual property umbrella\(^{24}\). Observing domain names from the functional side only leads to misunderstanding the essence of the legal nature of the domain name. The domain name is a purposeful way of allowing individuals to enter to a targeted website\(^{25}\). One clear example of Service contract theory comes directly from the Canadian registry agency (CIRA), which consistently specifies the domain name functionality\(^{26}\). Under CIRA, the registrant agreement complies with a stipulation of nonproprietary rights. The registrant must recognize and agree that the domain name is not property. Moreover, the registration does not generate exclusive property rights concerning the registrar or any other qualified term to use as a domain name. The access to the domain names in the WHOIS database records registry will not be interpreted as proof of possession of any domain name registration. Nevertheless, a condition in the overhead relationships would specifically ban granting encumbrance by a registrant\(^ {27}\).

Furthermore, the domain name is a contract for a given service\(^ {28}\) which comes from the legal arrangement between the stakeholders. In its rejection of the property’s rights related to the domain name, the Virginia High Court determined that the relation between the registrars and the domain owners was a service contract\(^ {29}\). It is thought-provoking to examine courts’ opinions on the legal frame of domain names and whether the registrants have the proper priority of a property in the contested domain names or not. In *Dorer v Arel’s case*\(^ {30}\), the complainant has made legal action against Mr. Arel based on the possibility of right violation on the *writeword.com*. The court declined that request as there was no personal property related to the questionable domain name. In this case, the domain name is just an agreement to offer service from NSI\(^ {31}\), and the court said that the domain

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\(^{26}\) E Kieninger170.

\(^{27}\) ibid 171.


could not be evaluated by cash in markets\textsuperscript{32}. The court has already firmed this point of view regarding “Umbro International v 3263581 Canada”\textsuperscript{33}. In this regard, Umbro considered NSI an official garnishee and asked NSI to maintain these domain names until the most significant customers used them. NSI complained, supposing the legal frame of this relationship was more than just an agreement or contract to provide services, believing it contained a property right. The court decided to ignore any potential right of property in the opposed domain names\textsuperscript{34}.

Furthermore, the court confirmed it as a contract offered to the registrant by the registrar to provide service. The court’s decision raised one more question regarding the actual owner\textsuperscript{35}. The previous decision by the court led to a debate about whether the registrant agency might be qualified as genuine proprietors of the domain name or not. In answer to this concern, the court examined this concern in a circumstance consisting of a person that had registered the domain name with NSI. The registration company had a contract with the government to offer the domain name registration stipulating that NSI was primarily responsible for doing the best for the domain names fairly\textsuperscript{36}. It is clear that this agent is a consistent company, not the proprietor\textsuperscript{37}. Besides, it is the solitary legal custody of the domain name registry\textsuperscript{38}.

The suggestion that the domain is just being restricted to service contracts would undoubtedly endanger the stakeholders and investors, besides an interest in the online world which will later lead to a collapse of this vital field. If the contract provides usage of the trademark as a domain name, it should be stopped upon ending the service agreement\textsuperscript{39}. With this presumption that the registrant is the actual proprietor, the gate will be unlocked before numerous legal concerns if the proprietor has the legal right to share the advantage of the domain name with the trademark holder, as the actual proprietor. Expect participants to endure damage from using that domain name because the registrant should supervise civil settlements as a genuine owner.

In addition, the service contract does not indicate rejecting the proprietorship of the questionable domain name. From another angle, it opts for the telephone


\textsuperscript{33} Umbro International v 3263581 Canada, 48 Va. Cir. 139 (1999).

\textsuperscript{34} Street, F. Lawrence, and Mark P. Grant.. Law of the Internet. LexisNexis.2001, 4-80.

\textsuperscript{35} D.Koonjoocheinrarry, Ibid. – L Street and M. Grant, 4-80.


\textsuperscript{37} Ibid 278.


\textsuperscript{39} Lindsay, David. International Domain Name Law: ICANN and the UDRP. Bloomsbury Publishing.2007, 316.
number, car certificate, and even trademark itself towards various others. It can
be comprehended as a contract service to register a trademark by the registrant to
provide the necessary authenticity, offer a complete shield counter to the others,
and make this domain name licensed. If these domain names cannot be marketable,
the capability to cause cybersquatting will be impossible, which is generally
based on, to name a few points, a capacity of activity to resell this domain.

Most registrars have acknowledged that domain names are not service con-
tracts but intangible property\textsuperscript{40}. They have mentioned that third parties used their
publicly offered WHOIS info to register domain names\textsuperscript{41}. NSI will undoubtedly
permit the registration of domain names for business usage. Moreover, that might
contravene a third party’s trademark rights related to a domain name\textsuperscript{42} similar to
the bank account or license medium\textsuperscript{43}. Rejecting the domain property concept in
favor of others as the contract of service will undoubtedly diminish the essential
protection needed to assure the security of the online community.

On the other hand, it will jeopardize stakeholders’ interest rates. When this
problem undergoes discussion, it should be considered that the domain is not re-
stricted to individual issues between main stakeholders but extends them into the
cyberspace community. In addition, it needs to check out the online world as an
essential financial investment related mainly to the domain name. In this regard,
any danger to the domain name will lead to falling down the chain of all these
business areas.

\textbf{4.2.2 Security interest}

Security interest theory appeared in a famous Canadian judgment; \textit{Lojas
Renner SA v Tucows.com Co.} the Appeal Court of Law of Ontario awarded the
property claim to the questionable domain name in the specific background of
founding individual jurisdiction. The Superior Canadian Court rejected the court’s
verdict, justifying this because the classification would use circumstances beyond
allowing the jurisdiction in the district. On the other side, Andrew Cochran pro-
vides an assumption examination of the domain name according to security in-
terest criteria.

However, the situation is more complex. Recognizing property position for
a particular purpose is one thing. The assumption is that the property character
\footnotesize{\textsuperscript{40} Nguyen, Xuan-Thao N., and Jeffrey A. Maine. "Taxing the New Intellectual Property
Right." The Hastings Law Journal 56 (1–3):.2005, 41.}
\footnotesize{\textsuperscript{41} M Kutylowski, J Vaidya.19.}
\footnotesize{\textsuperscript{42} Millstein, Julian S., Jeffrey D. Neuburger, and Weingart Jeffrey P. Doing Business on the
\footnotesize{\textsuperscript{43} Mueller M., “Why ICANN can’t [failings of Internet Corporation for Assigned Names and
of domain names should be involved across all contexts based on the global nature of domain names still needs further study.

4.2.3 Property rights

An additional substantial stream believes that domain names have intellectual property rights under the domain name’s proprietor. From this point of view, domain name registration is perhaps an interaction service warrant, not a property right. Some courts refused the contract service factor and adopted the legal property rights idea. This viewpoint usually has been incarnated in the situation of Cohen v Kremen where the court provided its point of view based on the trademark’s commercial properties. This case is dissimilar from the standard cybersquatting issues because the straight proprietor of that domain name discovered that his domain name was seized by a third party’s action of intervening in the scams.

In contrast, his domain name remained valid. Then again, the court of law was well-thought-out that the offender’s habits were related to illegitimate property rights and caused legal problems. The high court of appeals determined that the domain name formed an intangible proprietorship under California’s general public commercial property law and went through transfer. The court has considered the domain holder is qualified to possess the property of the domain name (sex.com).

In an additional instance, the organization Jews for Jesus did take legal action according to the offense of the licensed domain name and won the situation over the domain name www.news-for-Jesus.org. The court has possibly acknowledged lawful commercial property. According to the Lanham Act, the domain name has been considered as matchings to labels to land. To this point, in the US, the

46 J Hörnle, 408.
48 Ibid, 90.
49 Ibid 40.
50 Ibid 40.
– Casenotes, 40.
55 Ibid.
proprietor of a trademark can submit an in-rem activity against the contested domain name in the jurisdictional area of the domain name registry, registrar, or where various other domain name authorities lie.

4.2.4 Trademark

As for the function of trademarks, a debate has been made that the objective of trademarks is just too different from items or services in the market. One can easily concur that trademarks must be qualified to execute this distinguishing feature. It suggests to the ordinary customer that the item is not Pepsi or other competing soft beverage when one sees the Coca-Cola trademark on a container. It would seem reasonable to include the confirmation that the item in the bottle will have the preference and viewed high quality that one anticipates from previous experience, advertising, marketing, or both. While not identifying a geographical source, whether the item is made and bottled at Coca-Cola company’s headquarters in Atlanta is not the matter, the trademark symbolizes that a widely known firm stands behind the products. Another inquiry has sparked a sharp controversy about whether to consider domain names a trademark. In contrast to conventional trademarks, owners that have actually practiced colossal pressure for taking on the doctrine that domain shall be somehow a trademark packed with exclusive rights of property. On the condition that countless domain names include trademarks, it is logical to think that domains can really be considered trademarks and can be shielded under trademark laws.

4.3 US court reaction to legal nature of domain name

Before the case of booking.com was brought to the court, the court’s mission was not to investigate the legal nature of the domain name but to try to practice it in rem jurisdiction, which is needed to find any property connection. In this regard, the US courts have traditionally recognized that domain names are not property rights.

Later, the US courts changed their thought about the legal nature of domain names. The courts started to accept that domain names would constitute a property right and, even more, can be a trademark. One of the most fundamental cases discussed in this context was Amazon.com Inc. In this regard, Amazon.com Inc. brought this case against the defendant, who sent emails that gave the impression

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56 C. Correa, 36.
57 I am Calboli, 12.
58 J. Sprankling, 90
they originated from *Amazon.com Inc*, containing their trademark, to mislead individuals into buying certain products or services. According to the court, the trademark contained in these emails was identical to the one owned by *Amazon.com Inc*.

Subsequently, the court dealt with whether this trademark could be seen as distinctive. The court held that the trademark is one of the most important and acknowledged identifiers of its services and products. The questioned trademark fulfills the criteria for identifying items and also services, which causes the verdict that it can be noticed as unique. For analyzing this element, the primary inquiry is whether a domain, likewise a trademark, can be considered popular. The court responds to this question by mentioning that for millions of customers, the name *Amazon.com* stands for wide choice, fast shipment, and perfect security for online deals. Therefore, the final thought is that domain names also have the prospective to be considered famous trademarks. Several other situations and decisions support the discussed judgment. It indicates that the Amazon trademark, explicitly linked with online retailing, predominantly employing the domain such as *amazon.com*, comprises a widely known brand. Examples of domains that are well-known registered trademarks/trade names include the previously mentioned *Amazon.com* trademark and those of *eBay.com* and *google.com*. The preliminary thought is that a domain can abide by the three primary criteria for establishing a trademark/trade name, and then domain names can be trademarks.

### 4.4 EU court reaction to legal nature of domain names

The German company *SilverTours GmbH*, with a large online store for rental vehicles, could not register its domain *billiger-mietwagen.de* as a trademark. The ECJ, the European Court of Justice, verified the rejection to register the preferred trademark. However, the European Patent Office (EUIPO), rejected the registration. In 2018, the ECJ confirmed the previous decision supporting the EUIPO’s point of view that *billiger-mietwagen.de* might not be registered as a trademark.

In its reaction, the EUIPO had taken a careful placement on German grammar regulations concerning word marks. The three words *the cheap rental car, a cheap rental car*, as well as *cheap rental car* was taken into consideration correctly in grammatical and linguistic terms. Alternatively, additionally, signs, which

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61 Ibid 29

may serve to mark features of the products or services obtained, ought to be freely offered to all (Article 7(1)(c) of regulation No 207/2009). That provision, as a result, prevents those indications from being reserved for a solitary task based on their registration as trademarks. The Board of Appeal was appropriate to indicate that the sign was devoted to billiger-mietwagen.de, which was descriptive. Hence, the ECJ denied the SilverTours GmbH’s appeal and supported the judgment of the EUIPO’s Board of Appeal.

The court justified her decision by indicating that domain name registration as a trademark under the EU constitutes a fundamental base for rejecting registration under Article 7(1)(c) and opposes Regulation 207/2009. This judgment is in line with comparable decisions on the trademark process with the domain. German Federal Patent court likewise just lately ruled that the domain name Headline24 is descriptive for online services.

Another decision confirmed the EU jurisdiction in terms of the legal nature of domain names; the CJC determined in June 2018 whether the domain name france.com is to be confirmed as a trademark or not. The court held that the domain name france.com could not be registered as a Union trademark. Remarkably, the court considered the EUIPO’s factors on the probability of confusion, and it concluded that there is a visible resemblance between the disputed signs in their general visual layout. Consequently, the ECJ believed that confusion was probable and verified France’s opposition to registering the Union trademark france.com.

5. NEW VISION: DOMAIN NAMES AS A DIGITAL TRADEMARK

It is reasonable to revise the legal character of domain names. Among other legal points of view, one vision emerged: domain names might present a digital trademark because they can distinguish websites, services, or products in the online world as standard trademarks do in the geographical globe. Nonetheless, their resemblances are unquestionable: in addition to their capacity to safeguard the online repute of services or items, they can also identify between different services and make clear the genuine products or services. Furthermore, domain names and trademarks are aimed by bad faith players in both virtual and physical markets. They were considering the advantageous characteristic of the digital trademark: only one domain can be enrolled within the same degree of gTLD

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63 Ibid.
64 Ibid
65 Ibid
66 Levine Gerald M., Understanding the legal options used to fight cybersquatting. Cybersquatters jeopardize your exclusive trademark rights, and there are multiple ways to fight back. January 14, 2015, Network World, the website https://www. networkworld. com/article /2868398/understanding-the-legal-options-used-to-fight-cybersquatting.html
worldwide. One sign indicated this similar term embedded in *Startup valuation: From strategic business planning to digital networking*.

To this legal literature view, Roberto Moro-Visconti considers in his book that the digital brand name provides an online expansion of the trademark’s operating internet systems and is also linked to other intangibles as a domain name. The trademark, in terms of law, suggests any sign at risk to be graphically stood for, especially words (including the name of an individual), drawings, letters, numbers, seems, the form of a combination, product packaging, or color if it appropriates to differentiate the services or products of a firm from those of others\(^{67}\).

Comprehending the essence of the domain can help identify the lawful character of the domain names. In addition, apprehending this legal character might assist us in finding the best legal way to protect the domain as well as all property rights connected to the trademark holders and domain name owners. The domain contains an actual trademark typically within its serial; refilling the registered trademark and replacing it through a website follow-up transforms that distinctive geographical trademark into its equal digital form on the internet (domain name). This procedure defines a domain name as the digital/virtual match of the geographical trademark. Some views denied that a domain name is anything except a trademark\(^{68}\).

For resolving this debated concern of whether the domain name is eligible to be considered as a trademark, *Duksh K. Koonjoobeeharryas* indicated that a domain name could not be a trademark as no one owns the domain name; it is licensed to be operated as an address for a period of time\(^{69}\).

### 5.1 Can the domain name be registered as a trademark? USPTO v. booking.com. A Case study.

It is increasingly tough to locate a domain name that accurately reflects the website’s purpose or item. Moreover, it is significantly more inevitable that difficulties will undoubtedly occur\(^{70}\). In this regard, the American court took a quantum leap to consider the legal character of the domain name in the case of *US PTO v. ’booking.com*.

On June 30, 2020, the Supreme Court ruled that a domain name can be registered as a trademark. Furthermore, the consideration of the domain name as a digital trademark depends on whether it can be registered as a trademark. Under

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\(^{68}\) D.Koonjoobeeharry, Ibid.

\(^{69}\) Ibid

common standards, it was taken for granted that the trademark could be itemized
as a domain name. The fundamental question arising whether obtaining a domain
name generates trademark rights. Merely obtaining a domain name does not gen-
erate trademark rights, unless the domain name can also be trademarked. In
this regard, the court revealed that a domain name could be registered as a trade-
mark, giving a quantum leap in revealing the legal nature of the domain names
and repositioning it within the right place, among other intellectual property rights.

Further, the court decided that a domain name can be registered as a trade-
mark to support in rem jurisdiction. Otherwise, if the domain name is excluded
from being an intellectual property theme or fails to be registered as a trademark,
there is no possibility for in-rem jurisdiction to the court over the domain name
conflict.

In this regard, the author will illustrate the concept and importance of the
digital trademark. In light of that, the court decision in favor of considering domain
names as a trademark will be analyzed under the new vision of the legal nature
of domain names. The findings may pave the way to set new legislation that har-
monizes with the supposed new position of the domain names.

5.2 Court decision background

In mid-2020, the Supreme Court of the United States of America provided
a verdict related to booking.com vs. US Patent & Trademark office that safeguards
the intellectual property rights related to domain name proprietors and protects
an essential device related to cyber intimidations and deception.

The majority of the court’s jury (eight voices against one) maintained that
the booking.com term was qualified for being registered as a trademark.” Book-
ing.com.’s request to the Virginia court in 2016, as well as give in to new proof,
counting a study revealing that 74.8% of customers identified booking.com as a
trademark instead of general service. The court provided booking.com’s sign for
a recap judgment, saying that although booking.com was a wide-ranging word for

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combating%20Internet%20based%20fraud.&text=Such%20protection%20is%20critical%20
to%20preventing%20domain%20name%20abuse. Accessed 31 March 2022.
74 Davidson, Daniel V., and Forsythe Lynn M. Business in the Contemporary Legal
the recognized services, it became a descriptive mark. Likewise, the district court held that booking.com had already fulfilled its load of showing that the recommended market obtained an alternate description and was protectable as hotel and resort booking services.75

5.3 Historical Narrative

Booking.com is the website where consumers can book hotel rooms and organize travel plans and resort areas. In 2011 as well as in 2012, the operating company of the domain name submitted four trademark applications with the PTO Office for the trademark and marked variants. The PTO checked out the counsel-
or, and the PTO’s appeal rejected the applications for the suggested trademark because the trademark was general.

On the other hand, the Trademark Trial, and Appeal Board (TTAB) refuted its application to register booking.com as a trademark for its website. The TTAB decided that the booking term generically directs to a reservation or arrangement related to purchasing a travel ticket for hotel rooms. It means that ‘the act of booking such traveling or holiday accommodation, and the suffix .com indicates a commercial internet site, and customers would comprehend the resulting compound booking.com to guide the resulting composite booking.com describes an online reservation service for traveling, trips, as well as accommodations, which are the services suggested in booking.com’s apps.76

On February 4, 2019, the American Court of Appeals verified the county court, indicating that the mark was qualified to be registered. Furthermore, the Supreme Court provided the PTO’s request for a writ of a certiorari court order.77

5.4 The trademark mission

A trademark identifies goods and services from other stakeholders. Protecting a trademark against the usage by other users, the court of law has clarified and examined this case, indicating that ‘secure to the proprietor of the mark the goodwill repute’ of her private business enterprise, as well as ‘secure the capability of customers to differentiate amongst competing manufacturers.’78

76 D. Davidson, L. Forsythe, 254.
77 D. Byer, L. Eric 1-3.
5.5 Importance of this decision

It believes that the Supreme Court’s decision can be considered as a revolutionary judgment against the mainstream academia that believes that a domain name registration cannot give any rights related to a questionable trademark.\textsuperscript{79}

In addition, the court resolution allows the official domain name owner to obtain governmental protection of the trademark. What is more, customers want the mark to differentiate specific goods in commerce, not to classify a generic category of the items. To this point, the court indicated that ‘whether any given ‘generic.com’ term is generic (...) [it] depends on whether consumers perceive that term as the name of a class or, instead, as a term capable of distinguishing among members of the class’\textsuperscript{80}.

In addition, the Supreme Court’s judgment will sustain the capability of generic.com domain name proprietors to depend on the ACPA as well as the UDRP to shield their domain name assets.\textsuperscript{81} The effectiveness and the strong sanctions of the ACPA put on all domain names registered trademarks. Successful complainants in matches brought under the verdict can gather actual damages and revenues or choose to receive statutory damages varying from $1000 to $100,000.\textsuperscript{82} The court’s special verdict, in a way, supports the assumption that domain names can be adopted as a digital trademark by acknowledging that the suffix domain name is added to the generic term. The majority’s viewpoint opens the door to new trademark registrations for various other terms designated generic.com or standard. gTLD may also cause particular and refiled trademark applications.\textsuperscript{83} Bear in mind that this suffix is only used in cyberspace. This judgment paved the way to giving these entities the position they deserve among intellectual property rights to finally define them as digital trademarks, according to the court’s decision.

5.6 Analyzing the court decision

Using the criteria to examine the term booking.com, which indicates the bulk of travel reservation services term, the court concluded: ‘if booking.com was generic, at that point, it might suppose that the clienteles to identify traveling service to be a booking.com.’ Nonetheless, the evidence revealed that customers do not sense the term booking.com as a general service and instead as a brand. In this way, the mark was qualified for governmental trademark registration. In a fundamental part of the resolution, the court acknowledged that trademark registration

\textsuperscript{79} T Banks F. Banks, 9-18.
\textsuperscript{80} C. Hauser, ibid.
\textsuperscript{81} Ibid.
\textsuperscript{83} D. Byer, E Lee, 1-3.
provides a higher defense to domain name proprietors under the ACP Act umbrella, 15 USC § 1125(d). Such protection is essential to avoid domain name abuse.\textsuperscript{84} It is taken for granted that a mark considered generic cannot be protectable as a trademark.\textsuperscript{85}

Therefore, trademark law bars allow just descriptive phrases and terms in particular circumstances. Suppose the phrase has acquired sufficient secondary or additional meaning with use in the market, the public has been concerned to acknowledge them as a resource indicator instead of terms used to define services or products. In that case, registration is allowed\textsuperscript{86}. The high court indicated that the term \textit{generic.com} is a general name for a course of services or items if the term has the same meaning rooted in customers’ minds. Due to the fact that the lower courts identified and the PTO did not challenge the verdict on appeal, customers do not regard the term \textit{booking.com} to represent generally hotel booking online services. This term is not public. It might be qualified for registering as a trademark.\textsuperscript{87}

\textbf{5.7 Generic terms understanding}

The court commented that such a mark had narrow protection: This doctrine is a defense against the PTO’s anticompetitive consequences, confirming the registration of \textit{booking.com} would certainly not produce its owner a monopoly; on the term \textit{reservation}. \textit{Booking.com} shows that it can be a frail mark. A generic and a common mark appropriate the same tag for the classification or category of the underlying services and items. Because the mark is just one of many similarly worded marks, \textit{booking.com} approves that relative divergences are unlikely to infringe.

In this context, \textit{booking.com} company admits that registration of the \textit{booking.com} domain name would not deter the competitors from utilizing the term \textit{booking} to illustrate their services.\textsuperscript{88} The tag’s use governs whether it is general. A term can also be generic if not embedded in the thesaurus. The phrase does not need to be the sole name for a gadget. Some items utilize more than one general term: cars and trucks as well as automobiles; pop and soft drinks; sweet as well as desserts. General terms do not need to be as expansive as \textit{restaurant} or \textit{bar}. Even more, narrow groups of items or services have generic phrases, such as \textit{crab house}.\textsuperscript{89}

\textsuperscript{84} C Hauser, Ibid.
\textsuperscript{86} Ibid, 1-3.
\textsuperscript{87} Ibid, 1-3.
A mark with a generic word might not be general, but the whole mark is examined. The Supreme court has indicated that booking.com was not a general term for hotel reservation services. It allows a minor enhancement to the generic phrase to turn the mark into descriptive, therefore possibly protectable. The court indicated that booking.com did not fit the criteria for being generic for a traveling reservation service. It was based upon the final thought that consumer acknowledgment of a term as a name is vital to trademark legitimacy. Even though booking.com comprises a pair of generic elements, the same text sequel can also work as a URL.

Moreover, a mark containing a generic phrase may not be generic. Instead, the entire mark must be evaluated. In this context, before appearing in court, booking.com performed a questionnaire that showed that ‘74.8% of customers acknowledged booking.com as a brand name instead of a generic service.’ The preliminary inquiry, in this case, caused a rise. Moreover, the court attempted to answer whether the booking phrase was a common term. Is booking.com a common term? Is it a descriptive phrase qualified to be protected as a registered trademark? Has it got an additional meaning?

5.8 The USPTO opinion

The US Patent and Trademark Office debates that when a general term is integrated with a common suffix like .com, the subsequent combination is always generic. Keeping this in mind, it is inconsistent with the Lanham Act, and such a stubborn legal guideline disregards the customer’s assumption. The PTO guidelines indicated that the assortment of standard terms, like reservation for hotel and also airline flight arrangements, with .com was too typical to be eligible for trademark protection. The PTO’s primary issue is that a phrase like booking.com will indeed avert competitors.

5.9 Protection according to source or term.

Rather than generic, customers consider booking.com a resource of hotel booking service, not a term for hotel reservation service. The supreme court remarked that this mark had insufficient security: These instructions reject the PTO’s

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89 Ibid, 444.
90 S.McJohn 444.
91 D. Davidson, L. Forsythe, 254.
92 Ibid, 254.
93 D. Byer, L. Eric 1-3.
   – Dukeminier et al. 120.
anti-competitive results, confirming registration of booking.com would certainly not produce its exclusive ownership on the phrase booking. The booking.com yields that it would undoubtedly be a fragile mark. Booking.com also admits that the mark is descriptive, making it ‘difficult to illustrate a possibility of confusion.’ In this regard, a generic phrase or term may turn into a trademark when added to a (TLD) generic top-level domain name.

5.10 Analyzing the reasonability of the decision.

Each of the district courts, as well as an appellate court, claimed that the US PTO laws were incorrect. The court decided on an eight-against-one ballot that the term booking.com, unlike reservation, was not common.

In Patent & Trademark Office (PTO) v. booking.com, Justice Ruth Bader Ginsburg claimed that customers’ interpretations of a phrase must decide whether it was generic or not. In addition, that term had obtained a secondary meaning which is necessary to get proper trademark protection due to the fact that booking.com is not a generic term to customers.

Judge Stephen Breyer, a dissident, claimed that booking.com notifies the customer of the fundamental characteristic of its business and absolutely nothing more. Hence, it is too common for trademark defense. On top of that, he noted the relevance of customer survey information in deciding whether a mark is generic that it ‘might be an undependable indication of genericness.’

In this context, booking.com brought an idea revealing that the domain is rooted in consumers’ minds as a brand tag instead of just an item group. This situation leaves the question for discussion of whether booking.com should be registered as a trademark or not. In a trademark conflict, the question of whether a service’s addition of a domain name suffices as .com to a common term like reservation can develop a protectable trademark.

Answering that question, the high court judged that the dispositive inquiry for the registrability of any trademark is the significance of the mark to the appropriate customers. The circuit maintained that booking.com could be registered as an issue of law for hotel booking services. The court annulled the USPTO’s virtually in itself policy that integrates a generic term like reservation with a top-level domain name as .com always produces a generic term, no matter consumer assumption. The court discovered that only one entity could simultaneously inhabit a particular domain name in cyberspace. Therefore, a customer might

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95 S. McJohn, 444.
97 G. Belmas, J. Shepard, 316.
think that booking.com directs to some distinctive entity\textsuperscript{99}. Since customers do not regard booking.com as a common phrase, the eight-against-one decision written by Justice Ginsburg was turned down by the PTO. The dispute is that in which scenario a generic word is integrated with a shared Internet suffix like .com, the consequent combination is always generic. Such a legal regulation that completely neglects customers’ understanding is inconsistent with the Lanham Act\textsuperscript{100}. This instance concerns qualification for trademark registration participant, booking.com, as a common name for an online hotel reservation service. The US Patent and Trademark office rejected the registration\textsuperscript{101}.

5.11 The importance of domain name as a digital trademark

The importance of adopting domain names as digital trademarks presented in the momentum of protection can be given to it. Besides that, it union the stations and international regulation to integrate this intently with other intellectual rights. The main difference in light of this new vision to the domain name is that trademark takes its place within a geographical place and limited borders, while domain names as a digital trademark will take place in cyberspace, taking advantage of being one of its kind because the system of DNS does not allow more than one entity to be registered. Furthermore, domain names as digital trademarks can benefit from the trademark field experience in legislation, registration, or examination.

CONCLUSIONS

The legal character of the domain names is a keystone in the digital community. The author believes that one of the main reasons behind the instability in the relationship between domain name owners and trademark holders was the unclarity of the essence of the domain names. Although legal scholars have done their best to code domain names into legal frames, all these efforts could not give the final shape of the domain name character. Based on this background, the Supreme Court’s decision that a domain name can be listed as a trademark has eliminated all doubts about the domain name as a trademark. Furthermore, bearing in mind that the medium of the domain name, which is cyberspace, makes it believed that the best shape that a domain name can be is a digital trademark, taking advantage of traditional trademark accumulative experience for more than one hundred years to give complete protection to this new legal shape. The best supposition that we can reach is the best legal revision of the domain names. It offers a complete shield,

\textsuperscript{100} D. Byer, E.Lee 1-3.
\textsuperscript{101} Dukeminier et al. 120.
which is that domain names are measured as digital trademarks within the IP frame.

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Утицај одлуке америчког Врховног суда на
карактеризацију назива домена као дигиталног жига

Сазначак: Иако је носилац жига реисисироао свој жиг као име домена, права стручњаци и судови нису разјаснили правни карактер имена домена. На ово поента, дебата о природи назива домена била је ограничена на то да ли је име домена неинтелектуална својина или нека врста интелектуалне својине. Чак и за оне који верују да би називи домена имали права интелектуалне својине, суштине овој права је још увек умогућена у мисајерије. Чешће него не, одлуке суда су биле ограничене на разматрање имена домена као интелектуалне својине све док врховни виши суд у Америци није одлучио да реисисирије име домена booking.com као заштитни знак. Ова револуционарна одлука би йеменила досадашња схватања о йирогрии имена домена. Овај рад би ове све једно на то како би одлука врховног суда дала замах да се име домена смаяра заштитијим знаком, што ойвара йош йошћио аутор верује да се име домена може йосмактаи како диимаални жиг, имајући у виду да медин, у који називи домена могу бити актиивни је диимаални йосиор.

Кључне речи: називи домена, сајбер йосиор, диимаални жиг, носиоци жига, власник имена домена.

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