

# World Trademark Review Daily

**Administrator's statements not valid justification for registering domain names**  
**Australia - Hogan Lovells**

**In-house issues**

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In *Giorgio Armani SpA v Essential Mall Pty Ltd* (Case DAU2011-0011, May 13 2011), *Giorgio Armani SpA*, the well-known fashion company, has obtained the transfer of the domain names 'armaniwatches.com.au' and 'emporioarmaniwatches.com.au' under the '.au' [Dispute Resolution Policy](#) (auDRP). '.au' is Australia's country-code top-level domain.

The auDRP is a variation of the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP). The auDRP applies to domain names that are identical or confusingly similar, not only to a trademark or service mark, but to any name in which the complainant has rights, including:

- the complainant's company, business or other legal or trading name, as registered with the relevant Australian government authority; or
- the complainant's personal name.

In addition, under the auDRP, it is sufficient to prove that either registration or subsequent use of the domain name by the registrant occurred in bad faith, whereas the UDRP requires the complainant to prove both elements.

To achieve the transfer of a domain name under the auDRP, a complainant must establish that:

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

After Armani became aware of the use of the domain names at issue by Essential Mall Pty Ltd, a company based in Australia, Armani's representative sent a cease and desist letter. Essential Mall replied that it would be selling Giorgio Armani watches using the domain names and that such activity was allowed under Australian law. Armani's representative wrote back to Essential Mall, requesting the immediate withdrawal of the domain names. Essential Mall replied that the Australian domain name administrator had confirmed that Australian domain names were allocated on a first-come, first-served basis, provided that the eligibility rules were satisfied.

Armani filed a complaint with the [World Intellectual Property Organisation](#) (WIPO). Upon receipt of the complaint, Essential Mall wrote to WIPO to ask whether it could seek compensation as it had spent A\$15,000 (approximately US\$15,000) on building and marketing the domain names. WIPO replied that it could not provide legal advice.

Armani sells a wide range of products, including watches. Armani is the owner of the trademarks ARMANI and EMPORIO ARMANI in many countries, including Australia, which were first registered in the 1980s. Armani's marks are widely known all over the world.

In respect of the first limb of the auDRP, Armani relied on articles relating to the notoriety and diffusion of the ARMANI marks, as well as on previous decisions relating to Armani under the UDRP. Armani contended that the domain names incorporated its marks in their entirety and that the addition of the term 'watches' was insufficient to prevent a risk of confusion between the ARMANI marks and the domain names, especially as the ARMANI marks covered the sale of watches.

To address the second requirement, Armani contended that Essential Mall was not commonly known by the domain names and had never been authorised to use the marks. Further, Armani claimed that the domain names were being used to divert consumers and promote Essential Mall's activities. Therefore, Essential Mall was using the domain names with the intent for commercial gain.

As to the third limb, it was alleged that Essential Mall's intention was to exploit the notoriety, the importance and the value of the Armani name and to take advantage of the unlawful use of Armani's marks. In addition, Armani asserted that Essential Mall was using the domain names to attract internet users to its website for commercial gain. According to Armani, Essential Mall was undoubtedly aware of the ARMANI marks and the choice of the domain names could not be a mere coincidence.

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In response, Essential Mall stated that it had complied with all Australian laws and that "this case was not one of buying a domain name, using it in bad faith and trying to sell it back to the trademark holder for a substantial amount of money". Important weight was allegedly given by Essential Mall to the domain name administrator's statements, according to which '.au' domain names were allocated on a first-come, first-served basis subject to eligibility rules. Essential Mall also submitted that it had the very best intentions of growing the business of selling Armani watches and that this would benefit Armani.

Further, Essential Mall explained that it would be fair for it to be compensated in the amount of A\$15,000 if it had to hand over the domain names. Essential Mall also alleged that it wished to become an Australian-authorized reseller of Armani watches and asked how it could do so. In this respect, Essential Mall submitted that all watches sold on its websites were genuine and that it never attempted to "corner the market". Finally, Essential Mall offered to display a disclaimer on the websites at the domain names.

The panel accepted Armani's contention that the domain names were identical, or confusingly similar to, the trademarks in which it had demonstrable rights. The panel also agreed with Armani that Essential Mall was trying to benefit from the reputation of Armani's widely known marks.

As far as Essential Mall's lack of rights or legitimate interests was concerned, the panel noted that the view reflected in the [Second Edition of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions](#) is that a reseller or distributor can be making a good-faith offering of goods and services and thus have a legitimate interest in a domain name if its use meets certain requirements.

In this case, two of the requirements were missing, namely that:

- Essential Mall did not use the website to sell only Armani's goods; and
- the website did not accurately disclose Essential Mall's relationship with Armani.

The panel thus found that Essential Mall had chosen to use domain names containing the distinctive element of Armani's marks in its entirety without authorisation. The panel concluded that Essential Mall had no rights or legitimate interests in respect of the domain names. Given this, the panel also found that Essential Mall was intentionally attempting to attract internet users to its website for commercial gain by creating a likelihood of confusion. Armani's request to obtain the transfer of the domain names was thus granted.

Before concluding, the panel addressed the issues of the advice received by Essential Mall from the domain name administrator, as well as Essential Mall's request for compensation.

The panel found that the administrator's statements were somewhat confusing, but were not a valid justification for registering the domain names. Although domain names are actually allocated on a first-come, first-served basis, the eligibility rules referred to by the administrator included a warranty by registrants that the registration of a domain name would not violate the rights of any third parties.

Concerning Essential Mall's request to obtain compensation, the panel considered that this did not suggest that Essential Mall purchased the domain names for the purpose of selling them to Armani or its competitors, but reminded Essential Mall that the available remedies under the auDRP were limited to the transfer or cancellation of domain names.

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