

World Trademark Review Daily

Domain name seizures by authorities on the rise International - Hogan Lovells LLP

Counterfeiting Domain names Enforcement

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US and international law enforcement agencies have teamed up to seize 706 domain names this past holiday season, which brings the total number of domain names seized up to 2,550 since 'Operation In Our Sites' was first launched in 2010. The seized domain names were allegedly pointing to websites selling counterfeit and pirated goods, including sportswear and equipment, DVDs and a variety of items of clothing, jewellery, handbags and luxury goods.

'Operation in Our Sites' was launched in June 2010 by the US government as part of an ongoing effort to combat online counterfeiting and piracy. The operation is coordinated by the <u>National Intellectual Property Rights Coordination Center</u>, based in Washington DC, which is an agency led by <u>US Immigration and Customs Enforcement</u> (ICE), a division of the department of Homeland Security Investigations.

Of the 706 domain names, 297 were seized as part of 'Project Cyber Monday IV', an operation that takes place the Monday following Thanksgiving, which is one of the biggest online shopping days of the year in the United States. The number of domain names seized during the "Project Cyber Monday" operation is considerable every year. In 2010 Project Cyber Monday resulted in the seizure of 82 domain names. Another 150 domain names were seized in 2011, and another 101 in 2012 during 'Project Cyber Monday III'. Many of the domain names seized are generic domain names (eg, 'buyjerseysonline.org' and 'handbagslot.com') and would thus not fall within the scope of the Uniform Domain Name Dispute Resolution Policy.

In addition, 393 foreign-based domain names were seized as part of 'Project Transatlantic III', a joint effort between ICE and the <u>European Police Office</u> (Europol) together with local law enforcement authorities, to target domain names registered with registries based outside of the United States. This represents a dramatic increase from the 2012 figures, which resulted in the seizure of 31 domain names. More importantly, Hong Kong Customs also recently joined the taskforce and oversaw the seizure of 16 additional domain names, which is particularly important given that China is a well-known source of counterfeit and pirated products. It is therefore likely that next year's operation will yield even more domain name seizures as a result of the strengthened international cooperation with Chinese and other law enforcement authorities across the world.

To seize a domain name, US governmental officials usually make under cover purchases to confirm that the products sold on the suspected website are indeed counterfeit or pirated goods after receiving leads, generally from the rights holders themselves. Once it has been confirmed that the goods sold on the website are counterfeit or pirated, an order to seize the domain name is obtained from a federal judge in an *ex parte* proceeding brought by the government, in the absence of, and without notifying, the domain name holder. In this regard, domain name seizures have been heavily criticised for a general lack of due process.

The seized domain names in the United States are under US custody and currently point to a website displaying a <u>banner</u> that notifies visitors of the seizure and provides information about trademark and copyright infringement and then redirects to a short video on the social and economic impact of purchasing counterfeit goods. Such seized domain names become the property of the US government unless a claim is filed following the forfeiture notice. Foreign-based domain names remain under the custody of the relevant governmental authority. Whilst domain name seizures may only offer a quick fix to the growing problem of online counterfeiting and piracy (registrants can easily transfer their website to another domain name), and in spite of the controversy surrounding such measures, such seizures send a strong message to counterfeiters and to the public that online counterfeiting is taken very seriously by law enforcement authorities.

The press release issued by ICE is available here.

David Taylor and Soraya Camayd, Hogan Lovells LLP, Paris



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