

Intellectual Property - France

Registry and registrar not liable for infringing domain names

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Introduction

In an October 19 2012 decision the Paris Court of Appeal ruled that the *Association Française pour le Nommage Internet en Coopération* (AFNIC), the registry for the '.fr' country-code top-level domain, was not liable for failing to freeze or block an infringing domain name on notice by an interested party without a court order. The court also held that EuroDNS, a Luxembourg-based registrar, was not liable for failing to monitor the registration of potentially infringing domain names, even in the case of well-known trademarks.

Up until 2004 it was necessary to prove a "right in the name" – such as a corresponding French registered trademark – in order to be able to register a domain name under the '.fr' extension. However, as a result of the liberalisation of the registration rules for French domain names in May 2004, cybersquatters went on a domain name registration frenzy, particularly in relation to well-known trademarks.

In 2008 13 French companies whose well-known trademarks had been frequently targeted by cybersquatters following the liberalisation filed a lawsuit against AFNIC (the registry) and EuroDNS (the registrar) for allowing the registration of 129 domain names that allegedly infringed their trademark rights. The French companies alleged that the registrar had failed to monitor the registration of infringing domain names, and had failed to freeze or block a domain name on notice of the existence of the infringing domain names.

First instance decision

In an August 26 2009 decision the Paris Court of First Instance held that it had jurisdiction to hear the case. EuroDNS had argued that the case should be heard in Luxembourg, where it had its principal place of business, because the French companies had not demonstrated that France was the place where the tort was committed, as required by the French Civil Procedure Rules. However, the Paris Court of First Instance reasoned that the fact that the domain names corresponded to the '.fr' naming zone, coupled with the fact that they pointed to websites in French and contained advertising links that also pointed to French websites, was a clear indication that the domain names were targeting the French public, which was sufficient to establish the court's jurisdiction.

After dismissing other procedural claims, the Paris Court of First Instance examined the two claims brought against EuroDNS based on trademark law on the one hand, and general tort law on the other. First, the court rejected the French companies' liability claim against the registrar based on trademark law. The French companies argued that EuroDNS was liable for unjustified exploitation of their trademarks under Article L713-5 of the French IP Code relating to well-known trademarks, which at the time provided that:

"any person who shall use a trade mark that enjoys repute for goods or services that are not similar to those for which the trade mark is registered shall be liable in a civil action if such use is likely to cause harm to the owner of the trade mark, or if such use constitutes an unjustified exploitation of the trade mark." (As in force until December 13 2008.)

According to the court, however, the registrar made only a technical use of the trademark, which did not fall within the meaning of 'use' under the aforementioned

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provision.

Second, the court also denied the French companies' subsidiary claim based on general tort law under Article 1382 of the Civil Code. The French companies argued that EuroDNS, as registrar, had acted negligently by failing to fulfil its duty to prevent the registration of infringing domain names, a duty that they considered was imposed by the then-applicable provisions of the Post and Electronic Communications Code, regulating the allocation and management of French domain names, and EuroDNS's agreement with AFNIC.

While the court ruled that the registrar had no obligation to monitor the registration of domain names for trademark infringement, as this would impose a heavy burden on the registrar that could hinder e-commerce, it did rule that under the Post and Electronic Communications Code, the registrar had an obligation to take measures upon notification of the existence of an infringing domain name. However, the court did not impose liability on EuroDNS because EuroDNS had never been notified by the French companies of the infringing domain names.

The court's reasoning for imposing such an obligation on the registrar was in part based on Article R20-44-45 of the Post and Electronic Communications Code, which provided that "a name that is similar or identical to an intellectual property right cannot be chosen as a domain name, unless the registrant has a legitimate interest or right in the name and acts in good faith".

Turning to the question of AFNIC's liability, the court also held that, like EuroDNS, AFNIC had an obligation to take measures (eg, freezing or blocking a domain name) on simple notification by an interested party of the existence of an infringing domain name, without a court order. The court's reasoning for imposing such an obligation was also based in part on Article R20-44-45 of the Post and Electronic Communications Code.

While the court refused to impose liability on AFNIC – according to the court, the French companies had failed to identify properly the specific measure to be taken by AFNIC for each infringing domain name – the decision raised concerns for AFNIC as:

- on the one hand, AFNIC could be held liable in future if it failed to freeze or block a domain name on simple request by a trademark holder, without a decision from a court of law or an alternative dispute resolution proceeding; and
- on the other, if AFNIC did freeze or block a domain name on a simple request by a trademark holder, it could be exposed to liability claims from domain name registrants.

Finally, the Paris Court of First Instance rejected the French companies' claim against AFNIC for concealing a registrant's contact information on the WHOIS database. According to the court, AFNIC's WHOIS privacy protection service, which hides the identity of registrants who are private individuals, is imposed by French data protection laws. In addition, AFNIC provides mechanisms to disclose such details in case of infringement.

Appeal decision

The French companies then took the dispute to the Paris Court of Appeal. Like the Paris Court of First Instance, the appeal court rejected the liability claim against EuroDNS based on trademark law. According to the court, EuroDNS could not be held liable as it:

"did not actively participate in choosing a domain name and has never commercially exploited it, neither at the time of registration or thereafter... and therefore the appellants could not claim, based on article L. 713-5 of the Intellectual Property Code, that EuroDNS has infringed their well-known trade marks, causing them harm."

In respect of the liability claim against EuroDNS based on tort law, the appeal court also ruled that EuroDNS did not act negligently by failing to monitor the registration of infringing domain names. Like the first instance court, the appeal court held that none of the provisions of the Post and Electronic Communications Code then in force imposed an obligation on the registrar to monitor domain name registrations, and that registrars were not required to implement additional filtering measures for well-known trademarks, even if they had knowledge of the situation by virtue of a previous proceeding. According to the appeal court, such obligations would not only impose a technical and financial burden on the registrar, but would also require such an entity to rule on matters that were outside the scope of its competence (eg, determining whether a trademark was well known).

The appeal court also confirmed the first instance court's finding that the registrar had an obligation to act diligently once notified by a rights holder of the existence of an infringing domain name after its registration. In the case at hand, the court found that EuroDNS had acted diligently on notification of the court action brought against it, and therefore that EuroDNS was not liable based on general tort law.

However, as regards AFNIC's liability, the appeal court found differently. According to its decision, AFNIC has no obligation to freeze or block a domain name on simple notification. The court relied on Article L45 of the Post and Electronic Communications Code and Annex 1(4) of the Decree of February 19 2010, which clearly state that the registry is not authorised to freeze, block or delete a domain name without a decision from a court or an extrajudicial proceeding (eg, an alternative dispute resolution proceeding). Therefore, a simple request without a court order or decision is insufficient to require AFNIC to act regarding an infringing domain name.

The Paris Court of Appeal's finding is also in line with previous French case law, in particular the Versailles Court of Appeal's September 15 2011 decision, in which AFNIC was not held liable for failing to freeze the domain name 'francelot.fr' (for further details please see "[Appeal court finds AFNIC not liable for failing to 'freeze' a domain name](#)").

Comment

The Paris Court of Appeal's decision, together with the new legal framework set out for '.fr' domain names and the new AFNIC Naming Policy, should help to prevent any future rulings finding AFNIC liable in its role as the registry for '.fr' domain names.

The decision is also of relevance concerning the potential liability of domain name registries in general, especially after the new generic top-level domain (gTLD) process ends and many new entities throughout the world, including in France, will be responsible for their own gTLDs. France may be considered as a friendly jurisdiction for domain name registry location in the future.

Trademark holders have other fast and cost-effective alternatives to recover a domain name rather than pursuing the registry or the registrar, such as filing a complaint under the Uniform Domain Name Dispute Resolution Policy for gTLDs such as '.com', or the new alternative dispute resolution proceeding for '.fr' domain names, both of which were specifically designed to resolve cybersquatting disputes such as the present case.

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