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The importance of trade mark and domain name registration

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The launch of the .Africa domain name is currently underway as referred to in the last two editions of our newsletter, LegalWerks. All domain name applications ending with .Africa will be granted on a first come first serve basis when general availability opens 3 July 2017.

The importance of registering domain names for trade mark owners has been highlighted again in the recent UK ruling, Argos Ltd v Argos Systems Inc [2017] EWHC 231 (Ch). The Argos ruling illustrates the importance of securing domain names as soon as possible albeit it to prevent others from doing so instead.

The UK court, in considering whether Argos retailer's adverts displayed on the website argos.com constitute trade mark infringement and passing off, found that the average consumer would not believe there to be an association between the adverts and the trademark owner.

BACKGROUND

Argos Systems Inc (ASI) had registered the domain name Argos.com in 1992. The domain name registration is undisputed, top level domains being available for registration on a first come first serve basis. The UK retailer Argos Limited (ARGOS) having applied to register various EU and UK trade marks registered the domain argos.co.uk in 1996 – argos.com being unavailable.

A dispute arose when ARGOS became aware that the Google AdSense ads were attracting visitors to ASI's website, argos.com.

ARGOS asserted that these Google AdSense ads were being used by ASI to generate advertising revenue from the well-known UK retailer ARGOS further asserting trademark infringement and passing off.

ARGOS had, however, signed up with Google AdSense thereby consenting to ASI's use of its adverts. Had ARGOS been able to show that its adverts diverted internet user's to ARGOS competitors the court may have reconsidered.

In its findings, it was apparent that ASI's web traffic was mainly due to internet users visiting the website argos.com and were likely to be under the impression that argos.com was the UK retailer's website because of the Google AdSense ads. This was concluded as the web's traffic showed the majority of visitors leaving the site when discovering the error.

As registration of the domain name argos.com is lawful ARGOS claims of trade mark infringement and passing off were dismissed.

CONCLUSION

This judgment is consistent with Interflora vs Marks & Spencer where the court found that the use of Interflora Adwords by Marks & Spencer was acceptable.

The courts have reasoned on the assumption that internet users are reasonably well-informed and reasonably observant and are able to distinguish between advertisements and the true owner. This view makes it an onerous task for the trade mark owner to prove trade mark infringement.

Domain name registration at the outset may prove to be the simplest defence. Trade mark registration also means that trade mark owners have priority when new domains are launched. Trade mark owners are therefore advised to exercise their proprietary rights and register trademarks and domain names for company names and core brands as a matter of course.

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