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**Recent developments in German domain name law**

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### Recent developments in German domain name law

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#### I. Introduction

Not only have the amount of Internet domain registrations increased in the past years,<sup>1</sup> but also have disputes on rights to names and trademarks in the Internet rapidly escalated.<sup>2</sup> This article describes the current German legal situation and examines which rights of name owners could be infringed upon by the registration of domains, as well as the options available to the injured parties to enforce their rights in legal proceedings. In addition thereto, particular attention is afforded to the infringement of the right to a name under Section 12 BGB (“Bürgerliches Gesetzbuch”, the German Civil Code, hereinafter “BGB”) and trademark rights under Sections 14 and 15 of the MarkenG (“Markengesetz”, “German Trademark Act”, hereinafter “MarkenG”) as well as international jurisdiction, points of attachment in international law and the scope of a legal title on the Internet.

#### II. The domains and how they are assigned

The domain can be described as the name of a homepage. It is composed of at least a top-level and second-level domain. The top-level domain at the same time gives a territorial classification, for instance “.de” for a domain awarded in Germany or “.com” for a domain awarded to a commercial company in the USA. The domain “.com” has in the meantime, however, become an international top-level domain, and may e.g. also be used by German companies.<sup>3</sup> Directly in front of the top-level domain, separated by a full-stop, is the second-level domain. This represents the actual name of the computer which has been called up, and is of the foremost importance in questions relating to the right to a name and trademark rights.

The dispute over Internet domains becomes clear, when one takes into account that every domain can only be assigned once. The assignment of the first-level domain “.de” is made by the German Network Information Centre (DENIC) in Karlsruhe/Frankfurt,<sup>4</sup> that of the domain “.com” by the Internet Network Information Centre Registration Service (InterNIC) which has its head office in Cologne.<sup>5</sup> DENIC and InterNIC are also responsible for the reservation and registration of second-level domains, in which respect they operate on a “first come, first served” basis.

The domain owner is able to set up a homepage on his computer, which everybody can access. In that way he can offer the whole world products or services. Therefore a domain address containing a prominent name or a well-known trademark has a high advertising and economic value, since it is therefore easy to remember and may often be visited.<sup>6</sup>

#### III. Infringement of the right to a name under Section 12 BGB

Pursuant to Section 12 BGB the owner of the domain may claim injunctive relief, when his right to use a name is challenged by another party or if the owner’s interests are injured by the unauthorised use of the identical name. In the event a risk of recurrence exists, the owner may likewise claim injunctive relief.

1. The name is the linguistic characterisation of a person to distinguish him from others and is an expression of individuality.<sup>7</sup> Apart from the names of natural persons and legal entities, also trade names of all sorts, including abbreviations and slogans, enjoy protection.<sup>8</sup> Therefore the firm name, within the meaning of Section 17 HGB

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<sup>1</sup> Presently, more than five million domains are registered with the authority responsible for the assignment of domain names, the German Network Information Center DENIC.

<sup>2</sup> To obtain an impression of this phenomenon, one must only consult the compilation of cases on this subject under [www.JurPC.de](http://www.JurPC.de).

<sup>3</sup> Nordemann, Internet-Domains und zeichenrechtliche Kollisionen, [1997] NJW 1891, 1892.

<sup>4</sup> Baumbach/Hefermehl, in: Kommentar zum UWG, 20<sup>th</sup> ed., Munich (D), 1998, at 248; domain: [www.nic.de](http://www.nic.de).

<sup>5</sup> Baumbach/Hefermehl (*supra* note 4), at 248; domain: [www.internic.net](http://www.internic.net).

<sup>6</sup> LG Hamburg (D) 25 March 1998, [1999] CR 48.

<sup>7</sup> Heinrichs, in: Palandt, Kommentar zum BGB, 60<sup>th</sup> ed., Munich (D), 2001, at Section 12, para. 1.

<sup>8</sup> Heinrichs (*supra* note 7). Even the federal authorities were afforded the protection under the right to a name in a recent decision of the LG

the meaning of Section 17 HGB (“Handelsgesetzbuch”, German Commercial Code), also falls under the concept of a name, even if it does not contain the real name of its proprietor.<sup>9</sup>

2. Meanwhile, it is an undisputed fact that a domain can be a name within the meaning of Section 12 BGB. However, in the legal literature, attention is drawn to the fact that the main function of an Internet domain consists in the individualisation and identification of a computer connected to a network. It only designates the hardware and therefore cannot be considered as belonging to trademarks in the legal sense.<sup>10</sup> The LG Cologne<sup>11</sup> also denied domain names the distinctive character of a name, on the basis that it only consists of a randomly-chosen combination of numbers and letters with no compelling connection to the user thereof, comparable with a telephone number or postal code. This point of view overlooked the understanding of prospective users, who, when searching for a domain, first of all enter the name of the natural person or legal entity into the computer, whom they by way of association also suspect to be the domain owner.<sup>12</sup> Also those who wish to use the Internet for purposes of self-portrayal would usually market themselves under their name. The courts therefore no longer consider this criterion to be problematical.

However, it would be incorrect to afford the domain name protection of a name as such under Section 12 BGB. A domain name can only be afforded the original functionality as a name, when it concerns the name of a person, a company, a city, or since a recent court decision, a federal authority.<sup>13</sup>

3. An injury of interests within the meaning of Section 12 BGB is present in the case of unauthorised use of the identical name (usurpation of the name), i.e. if the general public interprets the mention of the name as a reference to the bearer thereof, and insofar a danger of confusion exists.<sup>14</sup> Furthermore, well-known trademarks of companies are protected from dilution, or in other words, the reduction of their marketing effect.

a) A name is used by an entity in order to describe a person, its services or its products by means of that particular designation.<sup>15</sup> Somebody who sets up a homepage under a given name, therefore uses that name. The use of the “same name” is present when confusion may arise as a result of this act of use. This is judged according to the general impression, which is brought about by typeface, sound and meaning of both designations.

<sup>16</sup> If there is a risk of confusion, then the act of use must also be unauthorised. Admittedly, nobody may in principle be prevented from using their own name in the course of business activities,<sup>17</sup> but all the same use is unauthorised, when it aims to exploit the reputation of a well-known undertaking.<sup>18</sup> Consequently, the priority principle is applicable. In respect of the Internet, this would basically mean that the party who had reserved the domain first, is also entitled to use it.<sup>19</sup> Nevertheless, the priority principle is only ultimately decisive in respect of the original choice of a name, which means that having the priority in obtaining the right to a name as such affords the better right. When, where and in which medium the chosen name is made use of later, is insignificant.<sup>20</sup>

b) Whether there is a risk of confusion between the names, depends on the similarity of the designations, how widely they are known in the general public and the degree of closeness of the respective sectors to one another.<sup>21</sup> This is the case when confusion can arise because of the names being identical or if, on the basis of a general impression, a mix-up regarding identity or classification can occur.<sup>22</sup> There is subsequently no risk of confusion when two bearers of the same name offer different contents on their homepages.<sup>23</sup> However, the technical limitations of the Internet make it impossible for both suppliers to act under their respective names within the same domain. It follows that the person or company who has reserved the domain for his purposes, creates confusion as to identity or classification amongst those users who had hoped to find a different owner under that domain.<sup>24</sup> Therewith a risk of confusion is present and an injury of interests occurs.

c) An injury of interests also exists when there is a risk of trademarks of companies becoming diluted, i.e. having a reduced marketing effect.<sup>25</sup> With every detraction from well-known trademarks of companies in regard to their exclusive standing and marketing value, the risk of dilution is present.<sup>26</sup> Precisely those well-known names and firm slogans enjoying

Hanover, cf. LG Hanover (D) 12 September 2001, JurPC, Web-Document 207/2001 – [www.verteidigungsministerium.de](http://www.verteidigungsministerium.de).

<sup>9</sup> *Heinrichs* (supra note 7), at Section 12, para. 9.

<sup>10</sup> Hence, this was questioned by *Kur*, Internet Domain Names, Brauchen wir strengere Zulassungsvorschriften für die Datenautobahn?, [1996] CR 325, 327.

<sup>11</sup> LG Cologne (D) 17 December 1996, [1997] NJW-CoR 304.

<sup>12</sup> *Nordemann* (supra note 3), 1892; LG Mannheim (D) 9 March 1996, [1997] GRUR 377, 378.

<sup>13</sup> *Fezer*, Die Kennzeichenfunktion von Domainnamen, [2000] WRP 669, 674; LG Hanover (D) 12 September 2001, JurPC, Web-Document 207/2001 – [www.verteidigungsministerium.de](http://www.verteidigungsministerium.de).

<sup>14</sup> *Heinrichs* (supra note 7), at Section 12, para. 30.

<sup>15</sup> *Heinrich* (supra note 7), at Section 12, para. 20.

<sup>16</sup> *Nordemann* (supra note 3), at 1896, *Heinrichs* (supra note 7), at Section 12, para. 24. It is not clear to what extent both descriptions must differ from one another. Case-law is not consistent on this issue. On the one hand, it is held that a minimal deviation in the letters is sufficient to preclude confusion with the domain, in the case where the descriptions are not very distinctive, cf. OLG Hamm (D) 28 May 1998, [1999] NJW-RR 631. On the other hand, an extra hyphen has been held as sufficient cause of confusion, LG Cologne (D) 10 June 1999, [2000] MMR 120.

<sup>17</sup> *Kur*, Namens- und Kennzeichenschutz im Cyberspace, [1996] CR 590, 594; *Heinrichs* (supra note 7), at Section 12, para. 26.

<sup>18</sup> BGH (D) 30 November 1951, BGHZ 4, 96 (100).

<sup>19</sup> *Omsels*, Die Kennzeichenrechte im Internet, [1997] GRUR 328, 335.

<sup>20</sup> OLG Hamm (D) 13 January 1998, [1998] NJW-CoR 175, 176 = [1998] CR 241, 242 – *krupp.de*. In this decision it was held that the claimant had a better and prior right in respect of the firm slogan, since it had already obtained a general reputation during the pre-war period. It was therefore irrelevant, who had reserved the domain first. LG Coburg (D) 13 June 2001, JurPC, Web-Document 212/2001.

<sup>21</sup> *Heinrichs* (supra note 7), at Section 12, para. 30.

<sup>22</sup> *Heinrichs* (supra note 7), at Section 12, para. 20.

<sup>23</sup> So OLG Hamm (D) supra note 20.

<sup>24</sup> *Nordemann* (supra note 3), 1896; LG Hanover (D) 12 September 2001, JurPC, Web-Document 207/2001, para. 17 et seq. – [www.verteidigungsministerium.de](http://www.verteidigungsministerium.de).

<sup>25</sup> *Heinrichs* (supra note 7), at Section 12, paras 24, 31.

<sup>26</sup> *Heinrichs* (supra note 7), at Section 12, para. 31.

an outstanding reputation in the general public are accordingly protected.<sup>27</sup>

d) Problems arise then, when two owners of the same name proceed against one another and the priority principle does not offer a fair solution for the protection of just interests. With regard to the rights of the parties having identical names, a reconciliation of interests must occur, which enables both sides to present a strongly distinctive appearance in the Internet.<sup>28</sup> The earlier user can, as a rule, require the later user to take all reasonable precautionary measures to reduce the risk of confusion. Under some circumstances however, the earlier owner of a name can be obliged to take such measures, when he for instance caused or increased the risk of confusion by changing his scope of activities.<sup>29</sup> The holder of the yielding right must then add a distinguishing suffix to the name.<sup>30</sup>

It is possible that both parties in some circumstances have an equal right to a name. In that case, both parties are obliged to take the appropriate measures to reduce the risk of confusion.<sup>31</sup> According to one viewpoint, the principle of “first come, first served” should be applied if one party has already registered the domain.<sup>32</sup> But the fact that the corresponding right of the other party is thereby not given effect to, speaks against this opinion. The holder of the equal right must accordingly be afforded the right to share the domain.<sup>33</sup> This can materialise by participation in a joint homepage, from which links lead to the respective offers of the joint domain owners (so-called “domain name-sharing”).<sup>34</sup> It is also conceivable that both parties make use of a distinguishing supplementary name, and neither of them obtain the domain in its desired form.<sup>35</sup> A solution must be found for each individual case.

#### IV. Infringement of rights under Sections 14, 15 MarkenG

A name can enjoy protection as a trademark within the meaning of Sections 3 and 4 MarkenG,<sup>36</sup> therefore trademark rights under Section 14 MarkenG can be infringed upon by the specific choice of a noun for a domain. Furthermore, a name can enjoy protection as a commercial designation pursuant to Section 5(2) of the MarkenG, i.e. as a company name.<sup>37</sup>

<sup>27</sup> OLG Hamm (D) *supra* note 20.

<sup>28</sup> OLG Hamm (D) *supra* note 20.

<sup>29</sup> *Heinrichs* (*supra* note 7), at Section 12, para. 27.

<sup>30</sup> LG Hamburg (D) 13 January 1999, JurPC, Web-Document 57/2001, para. 10 – *welt-online.de*.

<sup>31</sup> *Heinrichs* (*supra* note 7), at Section 12, para. 27.

<sup>32</sup> LG Paderborn (D) 1 September 1999, [2000] MMR 49, 50.

<sup>33</sup> *Marwitz*, Domainrecht schlägt Kennzeichenrecht?, [2001] WRP 9, 13. The claim is inferred from Section 1004 BGB.

<sup>34</sup> Cf. thereon in detail: *Viefhues*, Domain-Name-Sharing, [2000] MMR 334 et seq.

<sup>35</sup> *Biermann*, Kennzeichenrechtliche Probleme des Internets: Das Domain-Name-System, [1999] WRP 997, 1000.

<sup>36</sup> Section 3 MarkenG lists those signs which qualify for protection as a trademark, whereas Section 4 MarkenG names the requirements necessary for trademark protection to arise. On the relationship between the protection of names and trademarks, cf. OLG Hamm (D) 19 June 2001, JurPC, Web-Document 208/2001 – *veltins.com*.

<sup>37</sup> Under Section 5(2) sentence 1 MarkenG, signs which are used as name, firm or for the specific description of a commercial enterprise or com-

The right of the name owner is described in Section 15 MarkenG.

1. Under Section 14 MarkenG and Section 15(2) and (3) MarkenG, third parties are prohibited from using a sign in the course of trade, where

– the sign is identical to the trademark and the goods or services (Section 14(2)(1) MarkenG), or

– the sign is identical or similar to the trademark or commercial designation and in the case of similar or identical goods/services, or business areas, as the case may be, when a risk of confusion exists (Sections 14(2)(2) and 15(2) MarkenG), or in the case of

– exploitation of the distinctiveness or the good reputation of a trademark or commercial designation which is nationally well-known. (Sections 14(2)(3) and 15(3) MarkenG).

2. If a proprietor uses his commercial designation, which is either registered, well-known within the relevant circles or notoriously known in the Internet as well, the classification of the domain as a trademark is unproblematic. The situation is different if an entrepreneur acts exclusively in the Internet under this name. It is controversial whether the use of a domain solely for the identification of products or services procures a familiarity which gives rise to trademark protection based on either the secondary meaning under Section 4(2) of the MarkenG, or notoriety under Section 4(3) MarkenG. According to the prevalent – but unsubstantiated – opinion, it is theoretically possible but practically almost ruled out that the use of such an identification on the Internet alone can afford such familiarity.<sup>38</sup> In my opinion, this matter does not appear to be quite so clear. The existence of general recognition within the relevant circles<sup>39</sup> under Section 4(2) MarkenG is quite conceivable, since a margin familiarity of 20–25 % can already be sufficient.<sup>40</sup> In addition thereto, Internet trademarks are also advertised in television and the printed media, hence one can assume a higher perception and recognition of such trademarks.

The end-result as regards commercial designations is identical. If a business is run exclusively in the Internet, then it must become commonly known within the relevant field of trade in order to be afforded protection under the MarkenG.<sup>41</sup>

3. An infringement under Section 14(2)(1) MarkenG takes place in any event, if a domain name identical to the trademark is reserved and is clearly to be used for identical goods or services. In that case it is insignificant whether a risk of confusion exists.

a) If, within the meaning of Section 14(2)(1) MarkenG, the particular designation is not identical with the trademark, or in the case of the protection of commercial designations, the provisions of Sections 14(2)(2) and 15(2) MarkenG respectively, are applicable. Accordingly, a risk of confusion must

pany are understood as commercial designations.

<sup>38</sup> *Omsels* (*supra* note 19), 329; *Bücking*, Namens- und Kennzeichenrecht im Internet (Domainrecht), 1<sup>st</sup> ed., Stuttgart (D), 1999, at para. 119.

<sup>39</sup> The involved circles in this case were the internet users.

<sup>40</sup> *Klaka*, in: *Althammer/Ströbele/Klaka*, Kommentar zum MarkenG, 6<sup>th</sup> ed., Cologne/Munich (D), 2000, Section 4, at para. 34.

<sup>41</sup> *Bücking* (*supra* note 38), at para. 20.

exist due to the identity or similarity of the particular sign with the trademark or commercial designation, as the case may be, and due to the fact that goods or services are identical or similar to one another.<sup>42</sup> The risk of confusion is a substantial concept of law and must be determined according to the general impression made by the conflicting designations. A risk of confusion exists when an incorrect assumption of a connection between the conflicting trademarks arises. In respect of a company name, there is a risk if an erroneous conclusion as to a commercial or organisational connection between the companies can be drawn.<sup>43</sup>

It follows that in principle no risk of confusion can exist between trademarks or undertakings which carry the same name but offer different products.<sup>44</sup> Problematical is the question, whether this is also valid in the case of the Internet. According to one opinion, the comparison of the contents offered on the homepage, is not the deciding factor. Much more significant are the goods or services offered on the homepage under the domain as such which can become subject to confusion.<sup>45</sup> As is the case with two magazines offered for sale under the identical title, a similarity as to their contents need not be established, therefore the same applies to the homepage, namely, that not the contents, but instead the products as such are “goods or services” within the meaning of the MarkenG. In contrast to this, one can object that the domain, if it distinctively refers to a particular business, is from a reasonable point of view understood by consumers to refer to the goods and services offered by that same business. It would be absurd to assume an association amongst the relevant consumers, such as that in visiting an Internet address, a “marketplace of homepages” for competitive products is accessed.<sup>46</sup> When judging the risk of confusion, one would have to take the contents of the particular homepage into account.<sup>47</sup> These conventional principles must also be applied because the use of an Internet domain by a company only makes sense if the domain can be referred to in advertising. In respect of use of the domain in advertising, this falls under the “normal” course of trade, so that Sections 14(2) and 15(2) MarkenG are as a rule applicable.<sup>48</sup>

In the case of different products or services, the risk of confusion is therefore excluded.

b) Pursuant to Sections 14(2)(3) and 15(3) MarkenG, it is sufficient in respect of known trademarks or commercial designations, if through the use of the Internet-domain the distinctive character or the reputation enjoyed by the known mark or commercial designation is unfairly exploited or di-

minished without authorisation. When establishing the degree of recognition of the trademark, the measure of 80 % of the entire population, as previously required in case-law,<sup>49</sup> is no longer taken into account. At present, a measure of 30-40 % is adequate.<sup>50</sup>

c) Sections 14 and 15 MarkenG require the act of use of a sign in the course of trade. The term “use” not only means use as a trademark, but is also understood as use in every sense of the word.<sup>51</sup> The act of use in the course of trade takes place when it occurs on the market within the scope of commercial activity, which is aimed at the promotion of the own or foreign business object.<sup>52</sup>

Excluded therefore are acts of use within the private or official sphere. Applied to domain names, this means that a company which runs a homepage under its name, can never rely on the exception of “use that is not in the course of trade”.

## V. Legal consequences

The question of which remedies are available to the injured party, is controversial. Section 12 BGB affords the right to claim the omission of the unlawful interference and, in the case where there is a risk of recurrence, injunctive relief. Moreover, read together with Section 823(1) BGB,<sup>53</sup> a claim for damages also exists under tort law, since the right to a name is “another right” within the meaning of the provision. Sections 14 and 15 MarkenG explicitly afford injunctive relief, the right to claim damages and the customary right to claim omission of the unlawful interference, in supplement to the injunctive relief available under the BGB.<sup>54</sup>

This in any event means that the infringing party is not permitted to continue with the interference, hence the necessary steps for deletion of the domain in dispute must be taken.<sup>55</sup> Controversial is, whether he is furthermore obliged to cooperate in the improvement of the legal position of the injured party, i.e. whether he must transfer the domain. Such a legal consequence may be drawn from the right to claim damages. This is based on the principle of restitution in kind pursuant to Section 246 BGB, according to which the infringing party must establish the same commercial state of affairs that would have existed, had the infringement not taken place.<sup>56</sup> Some judicial decisions derive a right to transfer of the domain from this principle, since only this act can place the injured party in the position he would have been in when making the

<sup>42</sup> Fezer, Markenrecht, 2<sup>nd</sup> ed., Munich (D), 1999, Section 14, at para. 108, 109.

<sup>43</sup> Fezer (*supra* note 43), Section 15, at para. 72.

<sup>44</sup> Cf. Nordemann (*supra* note 3), 1894, who selects a publisher and the manufacturer of jelly sweets as an example. In this case no one suspects a connection.

<sup>45</sup> LG Dusseldorf (D) 4 April 1997, [1998] NJW-RR 979 = [1997] WM 1444 – *epson.de*.

<sup>46</sup> Bücking (*supra* note 38), para. 168.

<sup>47</sup> Omsels (*supra* note 19), 335; Biermann (*supra* note 35), 999.

<sup>48</sup> Nordemann (*supra* note 3), 1894; Reinhart, Kollisionen zwischen eingetragenen Marken und Domain-Namen, [2001] WRP 13, 18.

<sup>49</sup> BGH 21 March 1991 (D), BGHZ 114, 111 et seq. – *Avon*.

<sup>50</sup> OLG Hamburg (D) 1 August 2000, JurPC, Web-Document 58/2001, para. 25 – *joop.de*.

<sup>51</sup> Fezer (*supra* note 42), para. 39; Klaka (*supra* note 40), Section 14, para. 65 et seq.

<sup>52</sup> Fezer (*supra* note 42), para. 41; Baumbach/Hefermehl (*supra* note 4), Introduction, para. 208.

<sup>53</sup> Section 823(1) BGB standardises a claim for damages for the intentional or negligent injury of an absolute right.

<sup>54</sup> Ingerl/Rohnke, Kommentar zum MarkenG, 1<sup>st</sup> ed., Munich (D), 1998, preliminary remarks to Sections 14-19, para. 55.

<sup>55</sup> Schließ, Übertragung von Domainnamensrechten, [1999] ZUM 307, 304; OLG Hamm (D) (*supra* note 20).

<sup>56</sup> Heinrichs (*supra* note 7), at Section 246, para. 1.

application to DENIC, had the other party not already reserved the domain.<sup>57</sup> This is the case, because the organisational structure of DENIC is of such a nature that an identical Internet domain cannot be accepted. With a cancellation the principle of restitution in kind is also not fully satisfied. That is because a third party can apply for the registration of the domain in his name in between cancellation of the prior domain and registration of the new domain, so that the injured party is once again prevented from registration of his domain. This risk is a result of the infringement, since the injured party would normally be in a position to apply for registration of the domain in his name. The fact that a party who believes himself to be the holder of a better right may, by entering a "dispute" claim free of charge at DENIC, prevent new entries under that name, speaks against this point of view.<sup>58</sup> Furthermore, it should not concern the infringing party that there could possibly be another holder of a better right. If this holder simultaneously acquires a title against the domain owner, then based on the facts here, no transfer can be expected.<sup>59</sup> It follows that the right to claim damages also does not require the infringing party to cooperate in improving the legal position of the injured party.<sup>60</sup>

## VI. Enforcement of rights

If the injured party has a valid claim, the question arises, which measures are at his disposal to enforce his rights. In this regard, problems as to international jurisdiction, the relevant point of attachment in international private law as well as the scope of the legal title come to light.

1. If the domain name of a person or company in a foreign country corresponds with the name of a German citizen, i.e. trademark of a German company, the question arises, whether the injured party may institute proceedings in a German court.

International jurisdiction is determined according to, in the first instance, the relevant international multilateral treaties, such as the EuGVÜ ("Europäisches Gerichtsstands- und Vollstreckungsübereinkommen in Zivil- und Handelssachen", European Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters, hereinafter "EuGVÜ"). Requirements for the application of the EuGVÜ are, that the respondent must be domiciled in a EuGVÜ Member State and that the matter must have a foreign connection with another EuGVÜ Member State.<sup>61</sup> If there is a connection to states outside of the EU, but within EFTA, then in accordance with Section 54b LugÜ ("Lugano Übereinkommen"), the Lugano Agreement is applicable.

If none of the international treaties are applicable, then the rules on local jurisdiction under Sections 12 et seq. ZPO ("Zivilprozessordnung", German Code of Civil Procedure, hereinafter "ZPO") apply, so that a German court with local jurisdiction also has international jurisdiction.<sup>62</sup> In general, the place of jurisdiction is decided according to the venue determined by respondent's domicile in the Federal Republic of Germany.<sup>63</sup> In respect of conflicts regarding names and trademarks, the court in whose jurisdiction the tort took place would in most cases have jurisdiction under Section 32 ZPO, read together with Section 140 MarkenG, if applicable. It follows that the court, in whose territory the act took place, has jurisdiction.<sup>64</sup> The places where the acts occurred are those places where the act was committed and where the result took place.

The place where the act occurs in the Internet is therefore the place where the server of the opposing party is located,<sup>65</sup> or according to another opinion, the place where the information is fed into the network.<sup>66</sup> In contrast thereto, the place where the result occurs can be practically everywhere, due to the universal presence of the Internet.<sup>67</sup>

In accordance with another opinion, the court in the district where the homepage is called up and where the complaint is lodged has jurisdiction, since the domain name can be called up everywhere.<sup>68</sup> This conclusion is based on the principle that applies to acts of unfair competition in the mass media. According to this principle, the place where the result occurs is everywhere the medium is intentionally, and not merely accidentally, distributed to third parties.<sup>69</sup> As an example, in respect of German press releases which are distributed worldwide, the place where the result occurs can be anywhere in the entire world. The Internet is therefore not to be treated differently than a German press release which is distributed worldwide.<sup>70</sup>

In another opinion, this universal jurisdiction is criticised since it would result therein, that a person offering data on the Internet, would have to conform to the laws of all states world-wide. That is practically impossible and would unavoidably lead to the infringement of rights.<sup>71</sup> According to this viewpoint, the parallels drawn between the Internet and

<sup>57</sup> LG Braunschweig (D) 14 June 2000, JurPC, Web-Document 229/2000, para. 13 – *spacecannon.de*; LG Munich (D) 15 January 1997, [1998] NJW-RR, 973, 974 – *juris.de*.

<sup>58</sup> [www.nic.de](http://www.nic.de).

<sup>59</sup> Comment to OLG Hamm (D) (*supra* note 20).

<sup>60</sup> To this effect see also: OLG Hamm (D) (*supra* note 20); LG Dusseldorf (D) 4 April 1997, [1998] NJW-RR 979, 984 – *epson.de*.

<sup>61</sup> This so-called problem regarding third countries is very controversial. The fact that the EuGVÜ was concluded on the basis of Art. 220 of the EU Treaty, supports this opinion. Cf. *Schack*, Internationales Zivilverfahrensrecht, 2<sup>nd</sup> ed., Munich (D), 1996, para. 240.

<sup>62</sup> *Schumann*, in: *Stein/Jonas* (eds.), Kommentar zur ZPO, 21<sup>st</sup> ed., Tübingen (D), 1993, "Doppelfunktionalität der Regeln über die örtliche Zuständigkeit" before Section 12, para. 26; BGH (D) 14 June 1965, BGHZ 44, 46.

<sup>63</sup> OLG Karlsruhe (D) 9 June 1999, JurPC, Web-Document 40/2000, para. 15 – *badwildbad.com*.

<sup>64</sup> *Ernst*, Wirtschaftsrecht im Internet, [1997] BB 1057, 1059.

<sup>65</sup> *Ubber*, Rechtsschutz bei Missbrauch von Internet-Domains, [1997] WRP 497, 502.

<sup>66</sup> See *v. Hoffmann*, Internationales Privatrecht, 6<sup>th</sup> ed., Munich (D), 2000, at 419.

<sup>67</sup> *Bücking* (*supra* note 38), at para. 266.

<sup>68</sup> *Kuner*, Internationale Zuständigkeitskonflikte im Internet, [1996] CR 453.

<sup>69</sup> *Köhler/Piper* (eds.), Kommentar zum UWG, 2<sup>nd</sup> ed., Munich (D), 2001, at Section 24, para. 17; *Bücking*, Update Domainrecht – Aktuelle Entwicklungen im deutschen Recht der Internet-Domains, [2000] MMR 656, 662.

<sup>70</sup> LG Dusseldorf (D) 4 April 1997, [1998] NJW-RR 979, 980 – *epson.de*.

<sup>71</sup> *Kuner* (*supra* note 68), 456.

the mass media must be concretised to a greater extent as to the target of the mass media, i.e. for a German court to have jurisdiction, the German market must have been aimed at.<sup>72</sup> The top level domain “.de” gives rise to this presumption, whereas a different regulation may be applicable for the international commercial top level domain “.com”. In this case further circumstances, such as the language applied, the marketing area and the user groups addressed as potential clients must serve as additional pointers.<sup>73</sup>

A brief look into the case-law of the USA confirms this conclusion: according to the “minimum contacts” doctrine, it is prohibited to represent a defendant, if he does not have any sufficient connection to the concerning forum. In the case of *Pres-Kap Inc. v System One Direct Access, Inc.* a court of the US State of Florida denied its jurisdiction in respect of a user, resident in New York, of a database situated in Florida, since the only link between the user and Florida was his use of the database. In the matter of *Compuserve, Inc. v Patterson*, the court in Ohio decided that it was “manifestly unreasonable” to base its jurisdiction over the defendant, a Texas resident, solely on the fact that he had used a database that was saved on a computer in Ohio.<sup>74</sup> In contrast thereto, in the matter of *Playboy Enterprises, Inc. v Chuckleberry Publishing, Inc.* the concerned court affirmed its jurisdiction and therefore prohibited a provider of erotic photographs operating from Italy from serving subscribers in the USA. The deciding factor was that the subscribers were registered and served in the USA.<sup>75</sup> It follows that the result occurs at the place where the homepage is called up and further indications are found that the provider wishes to serve exactly that user (“bestimmungsgemäße Abrufbarkeit”, or the intended accessibility of a given homepage).

2. Consequently, if a German court has international jurisdiction, then the next step involves the search for the applicable substantial law. In this respect it is important to know that personal rights and immaterial property rights are subject to different points of attachment in international law. Whereas personality rights are attached to the jurisdiction of the state where the tort takes place in accordance with Section 40 EGBGB (“Einführungsgesetz zum Bürgerlichen Gesetzbuch”, German Introductory Law of the Civil Code, hereinafter, “EGBGB”),<sup>76</sup> the legal consequences of an injury to immaterial property such as trademark rights are governed by the law of the state affording protection thereto.<sup>77</sup> This is based on the territoriality principle, according to which subjective immaterial property rights exist only within the territory of the state under whose legal order they are granted.<sup>78</sup>

Therefore, according to Section 40(1), sentences 1 and 2 EGBGB the substantial law of the place where the act occurred is applicable on the right to a name, which is a personal right; if desired by the injured party, the law of the place where the result took place may also be applied. However, the point of attachment for trademark law is the place where the rights concerned originated or where they exist, which is based on the escape clause in Section 41(1) EGBGB.<sup>79</sup> Subsequently, German law is only then applicable, when a trademark also enjoys protection in Germany. If this is the case, local references are once again focused upon, for which the considerations regarding the “bestimmungsgemäße Abrufbarkeit” can be referred to accordingly.

In a recent German decision, where the subject-matter was the protection of a German beer trademark,<sup>80</sup> the criterion of the “bestimmungsgemäße Abrufbarkeit” was defined more precisely. Because the relevant entry website enquired after the age of the visitors, which is totally untypical for a German offer, the offer was not considered to be aimed at Germany. No user residing in Germany would in this case assume the homepage to be directed at him. Moreover, apart from the English language, various national flags, excluding the German flag, were also made use of. Furthermore, American television personalities not known in Germany were used in the marketing, and lastly, no German contact address was supplied. The court remarked that it could hardly have been more clearly presented that the intended circulation was not aimed at the Federal Republic of Germany.

3. If a German court prohibits the use of a domain, the scope of the legal title is problematic. That is because the disconnection of a domain within a particular territory is technically impossible.<sup>81</sup>

There is general consensus on the fact that the scope must be restricted to the home country, because of the limited jurisdiction of German courts. As to the question of “how”, opinion differs: according to one point of view, it is entirely up to the opposing party whether the domain is to be given up or the intended circulation thereof is confined to countries abroad.<sup>82</sup> According to another opinion, offering services on the homepage in question to German Internet users also, must be prohibited, for instance by means of the introduction of a password.<sup>83</sup> According to a third opinion, the cancellation of a domain under the top-level domain “.de” can at any rate be required.<sup>84</sup> Concerning all other top-level domains, a corresponding supplement is sufficient.

In German case-law, domains with the top-level domain

<sup>72</sup> *Ubber* (supra note 65), 502; *Hoeren*, Internet und Recht – Neue Paradigmen des Informationsrechts, [1998] NJW 2849, 2851, draws this conclusion from the principle of the market area in the law of competition: he measures the scope of state laws according to the point where governmental intervention in the market takes place.

<sup>73</sup> *Kuner* (supra note 68), 454.

<sup>74</sup> Cases cited according to *Kuner* (supra note 73), 454 and 455.

<sup>75</sup> Case cited according to *Omsels* (supra note 19), 337, n. 64.

<sup>76</sup> *Heldrich* (supra note 7), Section 40 EGBGB, para. 14.

<sup>77</sup> See *v. Hoffmann* (supra note 66), at 427.

<sup>78</sup> *Ibid.*

<sup>79</sup> *Ibid.*

<sup>80</sup> LG Cologne (D) 20 April 2001, JurPC, Web-Document 148/2001 – *budweiser.com*.

<sup>81</sup> *Renck*, Kennzeichenrechte versus Domain-Namen – Eine Analyse der Rechtsprechung, [1999] NJW 3587, 3592.

<sup>82</sup> *Ubber* (supra note 65), 503.

<sup>83</sup> *Bettinger*, Kennzeichenrecht im Cyberspace – Der Kampf um die Domain-Namen, [1997] GRUR Int 402, 417.

<sup>84</sup> *Renck*, supra note 81, 3592; *Wegner*, Rechtlicher Schutz von Internetdomains, [1998] CR 676, 683.

“.com” have also been prohibited, without however giving sufficient grounds for its decision.<sup>85</sup> This can only be justified if it is clear from the circumstances that the choice of the top-level domain “.com” was made only in order to circumvent German rights to a name, i.e. trademark rights.<sup>86</sup>

With regard to the territoriality principle, the opinion according to which certain users are excluded from access by means of a password and corresponding instruction, seems to be preferable. For the German court does not have the necessary competence to order a complete cancellation. This opinion corresponds with American adjudication, which in the matter of *Playboy Enterprises Inc. v Chuckleberry Publishing Inc.* obliged the publisher of “Playmen” to exclude American clients by means of the assignment of a password, and to point out this fact clearly on the homepage.<sup>87</sup> The court on the other hand regarded a complete prohibition of the website as beyond his jurisdiction.

The matter is only different concerning the top-level domain “.de”, because therewith a collection of particular Internet offers is made possible under national administration. This justifies subjection of these offers to German trademark law and the law of names.<sup>88</sup>

## VII. Outlook

The controversy which surrounds domain names will also not subside in future – for that, too few problems have been settled up to now. However, since 1 January 2000, there exists a possibility to expedite considerably the process against the interfering party. Special arbitral tribunals for domain names independent of states, founded by the American Internet authority ICANN,<sup>89</sup> offer speedy and inexpensive relief.<sup>90</sup> The process lasts a maximum of 60 days, and individual decisions cost from USD 750 upwards. As much as one might criticise these decisions for being slapdash, one has to acknowledge the fact that the method offers uncomplicated legal protection beyond the dispute regarding international jurisdiction in the Internet.

<sup>85</sup> LG Braunschweig (D) 5 August 1997, [1998] CR 364 – *deta.com*.

<sup>86</sup> *Renck* (*supra* note 81), 3593.

<sup>87</sup> *Bettinger* (*supra* note 83), 417.

<sup>88</sup> *Wegner* (*supra* note 84), 683.

<sup>89</sup> Internet Corporation for Assigned Names and Numbers.

<sup>90</sup> See hereon in detail: *Bettinger*, ICANNs Uniform Domain Name Dispute Resolution Policy, Neue außergerichtliche Konfliktlösungsverfahren im Kampf gegen missbräuchliche Domainregistrierungen, [2000] CR 234 et seq.

## INTERNATIONAL AND EUROPEAN BUSINESS AND COMPETITION LAW

### ECJ 22 January 2002 – C-390/99 – Canal Satélite Digital SL v Administración General del Estado

Articles 30 and 59 of the EC Treaty (now, after amendment, Articles 28 EC and 49 EC) – Directive 95/47/EC<sup>1</sup> – National legislation requiring operators of conditional-access television services to register in a national register created for that purpose, indicating the characteristics of the technical equipment they use, and subsequently to obtain administrative certification thereof – Directive 83/189/EEC<sup>2</sup> – Meaning of ‘technical regulation’

1. National legislation which makes the marketing of apparatus, equipment, decoders or digital transmission and reception systems for television signals by satellite and the provision of related services by operators of conditional-access services subject to a prior authorisation procedure restricts both the free movement of goods and the freedom to provide services. Therefore, in order to be justified with regard to those fundamental freedoms, such legislation

must pursue a public-interest objective recognised by Community law and comply with the principle of proportionality; that is to say, it must be appropriate to ensure achievement of the aim pursued and not go beyond what is necessary in order to achieve it.

2. In determining whether national legislation such as that at issue in the main proceedings complies with the principle of proportionality, the referring court must take into account the following considerations in particular:

- for a prior administrative authorisation scheme to be justified even though it derogates from those fundamental freedoms, it must, in any event, be based on objective, non-discriminatory criteria which are known in advance, in such a way as to circumscribe the exercise of the national authorities’ discretion, so that it is not used arbitrarily;

- a measure introduced by a Member State cannot be regarded as necessary to achieve the aim pursued if it essentially duplicates controls which have already been carried out in the context of other procedures, either in the same State or in another Member State;

- a prior authorisation procedure will be necessary only where subsequent control must be regarded as being too late to be genuinely effective and to enable it to achieve the aim pursued;

- a prior authorisation procedure does not comply with the fundamental principles of the free movement of goods

<sup>1</sup> Directive 95/47/EC of the European Parliament and of the Council of 24 October 1995 on the use of standards for the transmission of television signals (OJ 1995 L 281, at 51).

<sup>2</sup> Council Directive 83/189/EEC of 28 March 1983 laying down a procedure for the provision of information in the field of technical standards and regulations (OJ 1983 L 109, at 8), as amended and updated by Directive 94/10/EC of the European Parliament and of the Council of 23 March 1994 (OJ 1994 L 100, at 30).