

THE INTELLECTUAL PROPERTY LAW AND THE INTERNET

Whenever you open a newspaper or a magazine, you are bombarded with articles singing the praises of the Internet, the super highway. For the technophobiacs amongst us, terms such as the World Wide Web, websites, cyberspace, domain names and discussions about the opportunities of the Internet as a business forum can be bewildering. The truth is, however that the Internet presents opportunities to businesses that have never been available ever before. It affords every businessman and every business, regardless of its size or financial resources, the opportunity to reach an enormously wide audience and to have its products and/or services on display everyday, 24 hours a day. It is estimated that by the year 2005 there will be 1 billion Internet users worldwide. It is an opportunity that no business can ignore.

The World Wide Web is a network of computer networks and Internet users can access the websites or Aadvertisements® of companies based anywhere in the world. When a company establishes a website, it has to take all the precautionary steps that it would normally take when it enters a new market. As the Internet is not governed by one single authority, careful consideration should be given to the contents of a website, the use of trade marks and the target audience, to ensure that the laws of other countries are not contravened. Research also has to be done to make sure that the website contents comply with South African laws pertaining to the information set out therein, advertising standards, references to brand names / trade marks, etc.

The first step to trading in cyberspace would be to register a domain name. A domain name is a user friendly substitute for an Internet address. A domain name must have at least two parts, namely the top level domain name and a second level domain name. In the example adamsadams.co.za, the top level domain would be the A.co® part and the second level domain name would be Aadamsadams®.

The .co.za domain names, are domain names that are registered by the South African domain name authority, Uniforum SA. Before a domain name is adopted, a search can be conducted on the website for Uniforum SA, which can be found at www.co.za in the Awhois® directory. Although many companies have adopted generic terms as part of their domain names, for example, Asoaps.com® in order to attract parties interested in a particular subject matter, normally a company would attempt to register its principal or most important trade marks as a domain name, i.e. cocacola.co.za.

There is a difference between domain names and trade marks. A trade mark is a trade name or logo or a combination thereof, which distinguishes the goods or services of the trade mark owner from those of third parties. Generally speaking, there can be a number of identical trade marks co-existing on the Trade Marks Register, for example if they are used and registered for different goods or services or used and registered in different territories. On the other hand, each domain name must be absolutely unique and of all the companies that own the identical trade mark, only one can own the corresponding domain name. By way of example, there can be a number of companies that use the same trade mark ALLIED, but for different goods or services. Only one of them would be allowed to register the domain name allied.co.za in South Africa. It is however possible to register variations on domain names and the registration of a similar or even confusingly similar domain name will be allowed by the domain name authorities. The system of trade mark law on the other hand prohibits the use of, amongst others, deceptively or confusingly similar trade marks.

The domain name administrators worldwide have adopted a fairly passive attitude and domain names are accepted on a Afirst come, first served® basis. Most of the domain name administrators currently do not have the resources or legal obligation to screen domain names to determine whether they would infringe upon the rights of a third party. It therefore often happens that a third party registers a domain name, which incorporates a trade mark to which the domain name applicant has no legal right. Many of the domain name administrators have some dispute resolution procedures, but

it would be more expedient and effective to institute proceedings in Court, in the event of a dispute arising.

A number of Court cases have been heard on the subject of domain name disputes, particularly in the United States of America. The laws pertaining to jurisdiction in the US differ quite substantially from jurisdictional laws in other countries such as South Africa. The owner of the PLAYBOY trade mark, a US company, was successful in obtaining an interdict against an Italian company that used the trade mark PLAYMEN on its website, despite the fact that the Italian company did not have offices in the US.

A number of other cases have also been heard regarding Acybersquatting@. Cybersquatting is a term used to describe the registration of, sometimes, hundreds of domain names in the name of a person who cannot claim any legal right to those names and who merely intends to sell the names at a profit to the true trade mark owners. In a case regarding the well-known trade mark PANAVISION, the defendant Toeppen registered the panavision.com as an Internet domain name. He established a website under the name, but did not use it in relation to any goods or services, but displayed an aerial view of PANA, Illinois. The true proprietor of the PANAVISION trade mark, Panavision International informed Mr Toeppen that it wanted to register the domain name, but Mr Toeppen demanded an amount of US\$13 000 to transfer the domain name to Panavision. Panavision refused to pay the amount and subsequently Mr Toeppen registered another trade mark of Panavision-s PANAFLEX as a domain name for a website on which he posted only the message AHello@. Mr Toeppen was a known Acybersquatter@, who had registered hundreds of other well-known trade marks as domain names. The Court in this instance found that Mr Toeppen was running a scheme to hold the plaintiff hostage by registering the plaintiff-s marks as domain names. As a result, the Court ruled against Mr Toeppen.

A similar case was instituted in the UK regarding the well-known trade mark HARRODS. The Court granted an interdict prohibiting the defendant from infringing the trade marks of the company owning the HARRODS trade mark.

In another case in the UK, the One In A Million case, the defendants were dealers in domain names and specialised in registering domain names of well-known brands and then offering them for sale to the brand owners at vastly inflated prices. They had registered a number of .co.uk domain names corresponding to the brand names of the plaintiffs, all famous British brand owners. The plaintiffs instituted proceedings on the basis of passing-off and trade mark infringement. The Court ruled that the registration of domain names such as sainsbury.com as blocking registrations and the threat to sell them to third parties if the plaintiffs did not purchase them, amounted to passing-off, threatened passing-off and trade mark infringement.

From these cases, it can be concluded that when a company decides to trade on the Internet, that it should take the necessary steps to register a domain name as soon as possible to ensure that it obtains the name of its choice. In South Africa, a number of disputes developed regarding domain names, but to date no judgement has been received on this issue. Domain names in the UK are administered by Nominet (<http://www.nic.uk>), and in the US, Network Solutions Inc. has been responsible for the registration of second level domain names in the domains A.com®, A.org®, A.net® and A.edu®. Recently five other companies were named as competitors to Network Solutions Inc., as part of the strategy to privatise the registrations of domain names. These companies are America Online, CORE (Internet Council of Registrars), France Telekom / Deane, Melbourne IT and register.com.

Usually, when websites are placed on the Internet, metatags are used to guide users to these sites. Metatags are keywords that are embedded in the website's code and which can be read by Internet search engines to index and identify websites that would be relevant to the user. The use of trade marks in metatags could amount to trade mark infringement, as such use of the trade mark would not normally have been authorised by the trade mark owner. For example, if a car manufacturer wants to attract more users to its website, it could refer to the trade mark of another well-known car manufacturer in metatags. The second car manufacturer may well be successful with legal steps against the first company. In the US there have been a number of cases where interdicts were granted against companies using of trade marks in

metatags. In a case involving the PLAYBOY trade mark, the Court granted an interdict to restrain the use of PLAYBOY-s trade marks in the defendant-s domain names and also in any machine readable code or metatags.

In addition to the registration of a domain name, the contents of the website and the copyright in such contents would also be a relevant factor. In South Africa, the registration of copyright in particular material is not a pre-requisite for the subsistence of copyright. As long as the requirements for the subsistence of copyright are met, the owner will be able to protect its copyrighted works from being infringed on the Internet.

Copyright will subsist in a particular work, such as a website, provided that the work has been reduced to material form and that the work is original. Furthermore, the creator or the maker of the work must also be domiciled or resident in, or alternatively the work must first have been published, in South Africa or one of the countries that are members of the International Copyright Convention, called the Berne Convention. This is a convention which regulates the protection of copyright worldwide and reciprocal protection is granted to all the countries that are members of the treaty. This will mean that where a work qualifies for copyright protection in South Africa, the South African owner of the copyright may enforce his copyright in the UK, provided that South Africa also recognises the copyright in the works created by UK citizens. The countries that are members of the Berne convention include most of the countries in the world and from that perspective, particular care must be taken to ensure that, for example, photographs or contents available on the Internet are not copied without obtaining the necessary consent from the copyright owner.

Copyright can subsist in works such as literary works, musical works, artistic works, sound recordings, cinematograph films, sound and television broadcast, programme carrying signals, published editions and copyright programs. Where a third party makes unauthorised copies or reproduces the work, it would amount to copyright infringement. A person can infringe the copyright in a work even though he may be acting in good faith.

With the wide variety of material available on the Internet, ranging from graphic designs, extracts from literary works and even musical works, it is to be expected that work will be copied by third parties. The Internet is essentially about transmitting information and persons who place material on the Internet, generally do so with the knowledge that some of the information may be downloaded. However, one will have to be careful to ensure that such copying will infringe copyright. There are certain exemptions, for example where it is considered to be in the public interest that the copyright owner should not have the monopoly in relation to his work such as copying for the purposes of research or private study.

On a website, the text, images and sounds are all protectable subject matter and from a precautionary point of view, when a website is established it is important to mark[®] the trade marks and indicate that copyright subsists in the material on the website. The trade mark and copyright symbol should be used e.g. Adams & Adams 7 and 8 1999 Adams & Adams.

In conclusion, the Internet is a wonderful opportunity, but caution should be exercised in utilising the endless possibilities.