

Korea

Disputes relating to domain names

Domain name disputes occur when the registrant of a domain name carries out activities that infringe on another person's rights to a mark (including a trademark). In general, domain name disputes may be classified according to the domain registrant's infringing activities. Thus, domain name disputes in Korea can be divided into four types.

Offering goods identical or similar to the designated goods of the registered mark on the website of the disputed domain name

In this type of case, the domain registrant sells goods that are identical or similar to the goods protected under the mark of the rightful owner after establishing a website under a domain name containing another person's mark (eg, a trademark, trade name or service mark), or directly forwarding that domain name to another website when consumers try to access it. The majority of domain name-related disputes fall under this category and two sample cases are considered below.

'Seiko.co.kr'

In Case D2006-A005 Seiko Gabusikigaisha argued that by registering the disputed domain name, establishing a website under that domain name and conducting the same type of business as Seiko, Jung-Soo Lee:

- had infringed Seiko's rights to its registered trademark;
- was likely to cause actual and/or potential consumer confusion as to the goods or services;
- was likely to dilute the distinctiveness or value of Seiko's trade name and trademark;
- had interfered with Seiko's legitimate registration of a domain name incorporating its mark; and
- had acted to gain unjust profits by taking advantage of the reputation of the SEIKO mark.

Lee did not submit a response. The arbitration panel ruled that considerable confusion existed between the

businesses of Seiko and Lee, as Lee used the disputed domain name as the address of his website selling watches and providing repair services. It held that the SEIKO mark, which is Seiko's trade name and trademark, made up the core portion of the disputed domain name, and that Lee's use of the SEIKO mark, which has independent distinctive quality and is well known, was likely to mislead consumers into believing that Lee had a business relationship with Seiko. Therefore, the panel held that Lee's domain name diluted the distinctiveness and value of Seiko's mark, and that Lee's business interfered with Seiko's registration of a domain name incorporating its mark and would gain unjust profits by taking advantage of the well-known status of the SEIKO mark. The panel ordered the deregistration of the disputed domain name.

'babybjorn.co.kr'

In Case D2005-A038 Baby Björn AB claimed that Baek-Won Yoon had registered several domain names that were confusingly similar to the essential part of its BABY BJÖRN mark. Baby Björn stated that its mark had acquired international fame through registrations in various countries, including Europe, the United States and Japan. It further argued that:

- Yoon had registered the disputed domain names in order to interfere with Baby Björn's registration of its own domain name and gain unjust profit;
- Yoon's use of the disputed domain names, which were identical to Baby Björn's known name, trademark and trade name, constituted dilution of the distinctiveness or value of that trademark; and
- by using photographs of Baby Björn's products and its trademark on the website, Yoon had misled consumers to believe that he was an authorised licensee of Baby Björn.

Yoon did not respond to the case. The Arbitration Panel ruled that Baby Björn had:

- used the name as its trade name;
- conducted business in foreign countries, including Japan, Hong Kong, Europe and the United States, by using the registered BABY BJÖRN trademark covering baby products, even though that trademark had not yet been registered in Korea; and
- sold its baby carriers through online shopping services in Korea.

Thus, the arbitration panel held that Baby Björn was entitled to file the present action. Further, it determined that Yoon was engaged in the sale of cosmetics, which bears no relation to baby carriers and, therefore, Yoon had no business relationship with Baby Björn. The arbitration panel also inferred that Yoon had registered the disputed domain names with the intention of preventing Baby Björn from doing so and gaining profits from this action. Therefore, the arbitration panel ordered the deregistration of the disputed domain names.

Damaging the distinctiveness or reputation of another party's mark through a website using the disputed domain name

In such cases, the domain registrant damages the distinctiveness or reputation of another party's mark by registering a domain name incorporating another person's trademark and establishing a website on which the other party's mark is criticised or goods of lower quality are sold. The main case dealing with this issue is considered below.

'yahoosex.co.kr'

In Case D2002-A017 the arbitration panel recognised that the complainant, Yahoo! Inc, is a US-based company that owns a number of marks and service marks registered in Korea in connection with Yahoo!. The panel acknowledged that the registrant had forwarded and linked the disputed domain name to a website providing sexual materials. It held that, as the disputed domain name was a simple combination of the well-known YAHOO! mark and the word 'sex', it was highly likely to cause confusion with Yahoo!'s business. Further, the panel held that the link to a sex site would harm the image and value of the well-known YAHOO! mark and damage its reputation. Accordingly, the panel ruled to transfer the 'yahoosex.co.kr' domain name to Yahoo!.

Offering goods that bear no relation to the goods promoted by the registered mark on the website of the disputed domain name

If a domain registrant registers a domain name incorporating another party's mark and establishes a

website selling goods that are not identical or similar to those usually promoted by the mark, confusion as to the source of goods is unlikely to occur. Therefore, such an act does not constitute direct infringement against the owner of the compared mark. Consequently, as yet there are no laws regulating such activities and no such cases have come before an arbitration panel.

Offering no goods or services on the website of the disputed domain name at dispute

'disneystore.co.kr'

In Case D2006-A007 Disney Enterprises stated that Tae-Hyun Lee had no rights or interests to the mark DISNEY and that he was aware that the mark enjoyed distinctiveness and high consumer appeal among consumers. It argued that Lee had registered and cybersquatted on the disputed domain name in order to obtain unjust profits (ie, through selling or leasing the mark to Disney or by using the domain name to mislead consumers).

Lee claimed that Disney's registration of the domain name 'disney.co.kr' did not mean it was eligible to own every domain name incorporating the name 'Disney', and that the 'co.kr' part of the domain name represented the jurisdiction in which the domain name was used. He argued that a multinational company such as Disney should recognise such sovereign boundaries and comply with the appropriate procedures before entering such territory, but instead Disney had ignored such procedures. Lee also stated that Disney had no substantive legal rights to prohibit the registration and use of the disputed domain name, and did not fall under the definition of a 'legitimate rights holder' as set out by Korean law. He emphasised the fact that since the first-to-file rule applies to the registration of domain names, it cannot be concluded that the earlier registration by Lee was designed intentionally to prevent the later registration by Disney. Lee stated that he was not willing to sell or lease the disputed domain name to Disney.

The arbitration panel stated that if it is established that the disputed domain name is identical or similar to the complainant's well-known mark, it is deemed that the respondent had unjust intentions in registering that domain name. The panel also referred to the fact that a number of cases concerning global top-level domain names, decided under the Uniform Dispute Resolution Procedure of the Internet Corporation for Assigned Names and Numbers, have held that the respondent's registration or possession of a domain name alone may be interpreted as representing unjust intentions when the complainant's mark is well known. The panel stated that

an independent and separate concept could not be inferred from 'disneystore' in comparison with the mark DISNEY and it was highly likely that 'disneystore' would be recognised as a shop selling Disney's goods.

Thus, the panel concluded that the disputed domain name was similar to the complainant's DISNEY mark. In addition, the panel held that as the essential part of the disputed domain name was similar to the well-known DISNEY mark, the fact that such a domain name was registered and owned by Lee clearly indicated that Disney's rights or legitimate interests were being infringed; thus, if the disputed domain name were used as a website address in the future, the goodwill, reputation and customer appeal embodied in Disney's mark would be further damaged or diluted. Therefore, the panel held that Lee's argument was groundless. The panel also stated that Lee should prove that he owned the rights to the name, trade name or trademark in connection with the essential part of the disputed domain name in order to claim his legitimate rights to or interests in the disputed domain name. In addition, the panel pointed out that Lee's argument regarding the legitimate rights or interests was based only on his plan to use the disputed domain name as a website address in the future, and therefore this argument was held to be groundless as well.

The panel ruled that the domain name 'disneystore.co.kr' should be transferred to Disney.

'uniqlo.co.kr'

In Case D2005-A004 Fast Retailing argued that Dream Data Co Ltd had no interests in the trademark UNIQLO. Fast Retailing stated that Dream Data was aware that the mark was very popular in Japan and that products bearing the mark were popular in other countries (eg, the United Kingdom). On this basis, Fast Retailing claimed that Dream Data expected the mark to be introduced in Korea shortly and thus registered the disputed domain name, demanding a large sum of money from Fast Retailing for the rights to the domain name. Fast Retailing also argued that through these acts Dream Data had interrupted the registration of the disputed domain name in order to obtain profits from the later transfer of the domain name. It also claimed that, as the UNIQLO mark was widely recognised throughout the world to identify its goods, Dream Data's use of the disputed domain name weakened the distinctiveness and damaged the reputation of the UNIQLO mark.

Dream Data counterargued that:

- the disputed domain name means 'unique lo (way)' and was registered according to the correct procedures; and
- when it registered the disputed domain name, the UNIQLO mark had not yet been registered in Korea.

Dream Data also claimed that Fast Retailing could not claim rights for every domain name using the UNIQLO mark and that it was inappropriate for Fast Retailing to claim its right to the disputed domain name on the sole grounds that it registered a trademark recognised by less than 0.01 per cent of the Korean people.

The arbitration panel acknowledged that the UNIQLO mark and device mark were well known in Japan but, at the same time, it found that they were not well known in Korea. However, the panel observed that the business success story of Fast Retailing was often covered in the Korean press, and many Korean companies analysed its success and tried to apply its marketing strategy to their own businesses. Further, the panel stated that as Dream Data was an online company, it is probable that it was aware of Fast Retailing's success and highly likely that Dream Data knew through its domain name search that domain names with identical essential parts to the disputed domain name were already registered when it registered the disputed domain name.

The panel also stated that, as Dream Data's website traded in goods identical to those bearing the UNIQLO mark, it is unlikely that Dream Data did not recognise the UNIQLO mark. Therefore, if Dream Data's website were to be used, it would infringe on Fast Retailing's service mark. Furthermore, the panel observed that it was difficult to accept Dream Data's explanations of the creation of the word 'uniqlo' for the disputed domain name and the fact that Dream Data demanded a large sum from Fast Retailing for the transfer of the disputed domain name. Therefore, the panel held that Dream Data registered the disputed domain name for the purpose of cybersquatting and thus the domain name must be removed from the register.

Comment

This chapter has looked at current developments in Korea concerning disputes relating to domain names that conflict with the rights of trademark owners. Therefore, it is advisable to assess carefully each potential domain name dispute, considering the general facts and the guidance given by the cases discussed here.

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