

# Domains & Domain Names

*Contributing editor*  
**Flip Petillion**



2018

GETTING THE  
DEAL THROUGH 

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*Contributing editor*  
**Flip Petillion**  
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# Preface

## Domains & Domain Names 2018

Fifth edition

**Getting the Deal Through** is delighted to publish the fifth edition of *Domains & Domain Names*, which is available in print, as an e-book and online at [www.gettingthedealthrough.com](http://www.gettingthedealthrough.com).

**Getting the Deal Through** provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique **Getting the Deal Through** format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on Armenia and Australia.

**Getting the Deal Through** titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at [www.gettingthedealthrough.com](http://www.gettingthedealthrough.com).

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

**Getting the Deal Through** gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We also extend special thanks to the contributing editor, Flip Petillion of Petillion, for his continued assistance with this volume.

GETTING THE   
DEAL THROUGH 

London  
April 2018

# Germany

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## Registration and use of domain names at ccTLD registry

### 1 Which entity is responsible for registration of domain names in the country code top-level domain (ccTLD)?

The registry for the German ccTLD .de is DENIC eG of Frankfurt, a registered cooperative under German law. Membership can be obtained by anyone who administers domain names under the ccTLD .de. In March 2016, DENIC eG had 309 members.

### 2 How are domain names registered?

Domain names can be registered directly with DENIC eG or through one of its members. The registration agreement, however, is always concluded between the registrant and the registry. If a domain name is registered with a registrar, the registrar acts as an agent for DENIC eG.

### 3 For how long is registration effective?

Registration is effective for 12 months. If a domain name is not renewed after this term, it will enter into a redemption grace period for 30 days before becoming publicly available again.

### 4 What is the cost of registration?

The cost of registration varies depending on the registrar, and for a .de domain name starts at approximately €3 per annum. The most expensive registration is probably a registration directly with DENIC eG, which currently costs €116 per annum.

### 5 Are registered domain names transferable? If so, how? Can the use of a domain name be licensed?

Domain names may be transferred to a third party using an authorisation code, which is provided by the current registrar of the domain name concerned. Usually, the transfer is effected by DENIC eG within hours. However, the transfer will be blocked by DENIC eG if the domain name is subject to a disputed entry (see question 6).

In addition, the use of a domain name can also be licensed.

### 6 What are the differences, if any, with registration in the ccTLD as compared with a generic top-level domain (gTLD)?

Unlike for gTLDs, the registration agreement is always concluded between the registrant and the registry (as opposed to the registrar and the registrar). Furthermore, the registrant must provide a German administrative contact if the registrant is not located in Germany. The administrative contact acts as an authorised recipient for the registrant.

An important characteristic of registrations under .de is that any third party can apply to DENIC eG for a dispute entry in order to prevent the transfer of the domain name concerned to a third party and changes with regard to the WHOIS data during pending litigation. The party applying for a dispute entry must provide evidence that it enjoys rights in the domain name (based on a trademark or name) and to give assurance that it will take legal action to obtain the deletion or transfer of the domain name concerned. It is not sufficient to base the action intended only on cease-and-desist claims (claims for forbearance) with regard to the specific use of a domain name.

If a domain name is deleted while subject to a dispute entry, the domain name will automatically be registered in the name of the applicant for the dispute entry and will not be open to the general public. As a

result, the legal enforcement of a claim for deletion equals a transfer of the disputed domain name.

The dispute entry is valid for one year and can be renewed if the applicant provides evidence of claims pending. However, if a rights holder who has no claim for deletion or transfer of the domain name concerned is granted a dispute entry, the owner of the domain name may in turn claim forbearance, as, according to case law, the right to use a registered domain name is protected as such by the law of torts and may be infringed by the dispute entry.

In 2014, DENIC eG received approximately 4,500 applications for a dispute entry. This number slightly decreased in 2015.

### 7 Can the registrant use a privacy service to hide its contact information?

DENIC eG does not allow the use of privacy services. If a party does not want to be named in the WHOIS data and uses third-party contact information in connection with its domain name registration, DENIC eG will consider the third party (ie, the registered owner) to be the actual owner of the domain name.

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## Pre-litigation actions

### 8 Under what circumstances will a registrant's privacy-protected contact information be disclosed? What processes are available to lift a registrant's privacy shield?

No privacy services exist for .de.

### 9 Are third parties (such as trademark holders) notified of a domain name registration or attempt to register a domain name? If so, how? If not, how can third parties receive notice?

The registry does not notify any party of a domain name registration or an attempt to register a domain name.

### 10 Is there a need to notify the domain name registrant before launching a complaint or initiating court proceedings?

In general, there is no need to notify the domain name registrant before launching a complaint or initiating court proceedings. However, according to section 93 of the Code of Civil Procedure, the rights owner must bear the costs related to a court action if the owner of the domain name did not give rise to the filing of the complaint with the courts, namely if there was neither a default nor any challenge of the claim or refusal of performance. This is an exception to the general rule that lawyers' and court fees paid by a rights holder in relation to a court action directed against the owner of a domain name will have to be reimbursed to the rights holder by the owner of the domain name (infringing party) up to the amount calculated under the Legal Counsel Fees Regulation if the claim is justified (see question 26).

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## Transfer or cancellation

### 11 What is the typical format for a cancellation or transfer action in court litigation (domains registered in either a ccTLD or a gTLD) and through ADR (ccTLD only)?

No compulsory alternative dispute resolution policy exists with regard to the ccTLD .de. As a result, corresponding rights can only be enforced by means of court action.

### Types of procedure

There are two types of procedure with regard to legal conflicts concerning the registration or use of domain names at the ordinary courts of law: interlocutory proceedings and main proceedings.

If a matter is urgent (ie, if not much time has elapsed since first knowledge of the infringement (see question 21)), an interlocutory injunction may be applied for in order to secure the rights infringed. In such urgent summary proceedings, a defendant may be ordered to cease and desist from a certain action and, in exceptional cases, to provide information. Moreover, the applicant can request that the injunction be granted without an oral hearing. In these cases an injunction may be obtained within a few days, while the defendant has no possibility to submit any observations. Even if the deletion of a domain name cannot be obtained in interlocutory proceedings due to their provisional character, an interlocutory injunction in practice often leads to a final settlement of the conflict (ie, if the defendant does not file an opposition and accepts the injunction as a final and materially binding decision).

In addition, the infringed party may always assert its claim in main proceedings.

Finally, the parties may choose an alternative dispute resolution procedure. However, since no compulsory alternative dispute resolution policy exists with regard to the ccTLD .de, legal conflicts are normally decided by the ordinary courts of law. German parties will generally not submit their dispute to mediation or arbitration.

### Jurisdiction

At first instance, the local court is competent to decide about disputes with a value of up to €5,000, and the regional court is competent to decide about disputes with a higher value.

In principle, the courts at the place of business of the owner of a domain name have local jurisdiction over all disputes resulting from the registration or use of a domain name. Other places of jurisdiction may apply, for example as the result of the infringement of a trademark that enjoys nationwide protection; in this case territorial jurisdiction lies with all German courts. If a business sign that is used regionally – and thus only protected regionally by trademark law – is infringed, territorial jurisdiction lies with all courts within that region.

Moreover, there is a specific competence *ratione materiae* in some cases: trademark disputes must be decided by the trade sign chambers that exist at some regional courts. In addition, where the regional court has jurisdiction in commercial matters (eg, competition cases), the complainant may apply for a hearing at the commercial chamber.

### Evidence

The obtaining of evidence in main proceedings at the ordinary courts of law is determined by the types of evidence allowed under the Code of Civil Procedure. There are five conclusive means of evidence: the expert, the inspection, the hearing of the parties, documentary evidence and the hearing of witnesses. In the context of disputes concerning domain names, documentary evidence and the hearing of witnesses are of primary importance. In interlocutory proceedings, prolonged taking of evidence is often impossible. Therefore, rather than proving their case, the parties need generally only furnish *prima facie* evidence by supplying an affidavit of a party or a witness.

The parties are responsible for providing evidence of their own motion of the facts that their claims or defences are based upon. There is no principle of *ex officio* investigation.

### 12 What are the pros and cons of litigation and ADR in domain name disputes? What are the pros and cons of choosing a local forum to litigate a gTLD dispute compared with the ICANN ADR format for the gTLD?

No compulsory alternative dispute resolution policy exists with regard to the ccTLD .de. As a result, corresponding rights can only be enforced by means of court action.

However, it is common practice that before filing an action with the courts, the rights holder sends a cease-and-desist letter to the infringing party. Cease-and-desist letters should be sent immediately upon gaining knowledge of an infringing action. A cease-and-desist letter requests the infringing party to make a declaration of forbearance within a short period of time in order to limit the risk of repetition established by the infringement. In many cases, this approach leads to a final settlement of the conflict.

Moreover, it is possible even before filing an action against the infringing party to inform third parties of an infringement to hold them liable later on for breach of duty of care (liability for interference – see question 16). This is often an appropriate way to exert more pressure on the infringing party.

### 13 What avenues of appeal are available?

In cases of an infringing use or registration of a domain name three court instances are available, depending on the value of the lawsuit (see question 26), starting with the first instance at the local court or regional court.

An appeal on the facts or legal grounds may be filed against the first-instance judgment. In the case of a judgment by a local court, an appeal may be filed with the regional court and in the case of a judgment by the regional court, with the higher regional court. According to section 517 of the Code of Civil Procedure, the appeal must be filed within one month following the receipt of the complete wording of the first-instance judgment and in no case later than five months after the judgment was delivered.

A further appeal on legal grounds (*revision*) only to be decided by the Federal Supreme Court can be filed against the second instance judgment. This further appeal will only be admitted if the case is of fundamental significance or if a decision by the appeal court is required to ensure the development of the law or the consistency of case law and if the further appeal has been specifically admitted by the appeal court in its judgment. The denial of leave to appeal can itself be challenged by filing an appeal with the court of further appeal (the Federal Supreme Court).

### 14 Who is entitled to seek a remedy and under what conditions?

The beneficial owner of a trademark (section 4 of the Trademark Act), a business sign (section 5 of the Trademark Act), or a name (section 12 of the Civil Code) is entitled to seek remedies based on the registration or use of a domain name. In cases of unfair competition, the person or entity targeted by the act of unfair competition enjoys standing.

If there is more than one beneficial owner of the sign or mark infringed, each owner may file a separate claim. See *Ballermann 6*, I ZR 168/97 (BGH 24 February 2000). The licensee of a sign or mark cannot on its own file an action for forbearance, not even in the case of an exclusive licence, and needs the consent of the rights holders to assert claims both in court and out of court as an authorised agent.

### 15 Who may act as defendant in an action to cancel or transfer a gTLD in local courts?

The question of who is the proper defendant depends on the nature of the infringing act.

In case of the infringement of rights in a name (section 12 of the Civil Code), case law generally proceeds from the assumption that the registration of the domain name as such (regardless of its subsequent use) constitutes an infringement, since registration itself is considered to be an unlawful use of a name under section 12 of the Civil Code. See *Basler Haar-Kosmetik*, I ZR 150/09 (BGH 9 November 2011); *afllias.de*, I ZR 159/05 (BGH 24 April 2008); *mho.de*, I ZR 65/02 (BGH 9 September 2004); and *shell.de*, I ZR 138/99 (BGH 22 November 2001). As a result, the owner of the disputed domain name is the proper defendant.

In cases where the infringement is not caused by registration of a domain name but results from its use, the user of the disputed domain name is liable jointly with the owner of the domain name (the two parties are not necessarily identical, see *vossius.de*, I ZR 317/99 (BGH 11 April 2002)). However, the liability of the owner of the domain name as an offender may be restricted under certain circumstances (eg, if the owner of the domain name leases the name to a third party and is not aware of the infringing use). In this case, he or she may only be held liable for interference. See *Domainverpächter*, VI ZR 210/08 (BGH 30 June 2009); and 42 O 127/16 (LG Aachen 27 January 2017).

According to the Federal Supreme Court, in addition to the offender, a third party may also be held liable for interference if such a party acts in any way that is a wilful infringement of protected rights. To limit the liability of third parties who did not undertake any unlawful actions, breach of a review obligation is necessary to ascertain liability. The scope of such a review obligation is determined by the question of if and to what extent the third party held liable for interference may reasonably be expected to review the situation under the circumstances in each

case. See *sedo*, I ZR 155/09 (BGH 18 November 2010); *Partnerprogramm*, I ZR 109/06 (BGH 7 October 2009); *Internet-Versteigerung III*, I ZR 73/05 (BGH 30 April 2008); and *Internet-Versteigerung*, I ZR 304/01 (BGH 11 March 2004).

Along these principles, for example, DENIC eG as the registry (see *regierung-oberfranken.de*, I ZR 131/10 (BGH 27 October 2011)), hosting providers (see VI ZR 93/10 (BGH 25 October 2011); and VI ZR 144/11 (BGH 27 March 2012)), registrars (see 28 O 11/15 (LG Köln 13 May 2015); and 1 U 25/14 (OLG Saarbrücken 22 October 2014)) as well as telecommunication providers (see I ZR 3/14 (BGH 26 November 2015); and ZR 174/14 (BGH 26 November 2015)) have been held liable in the past for interference under certain circumstances, and liability of an administrative contact has been considered an option (see *Basler Haar-Kosmetik*; and *dlg.de*, I ZR 150/11 (BGH 13 December 2012)).

## 16 What is the burden of proof to establish infringement and obtain a remedy?

The burden of proof depends on the type of rights on which a claim is based.

### Infringement of signs or marks

It is sufficient but not necessary for a finding of trademark infringement that an identical trademark is used for identical goods or services (section 14, paragraph 1 of the Trademark Act). A trademark infringement is also found in cases of confusing similarity between the two marks or signs concerned (section 14, paragraph 2 of the Trademark Act). According to case law, all relevant elements of the individual case must be taken into account. This comprehensive analysis implies an interdependence between the factors at stake, in particular the similarity of the signs or marks and the similarity of the goods or services in question – a lesser degree of similarity of the signs or marks may be compensated for by a higher degree of similarity of the goods and services in question and vice versa.

### Infringement of business signs

Similar to the principles established for the infringement of trademarks, an infringement of business signs may be present where there is a risk of confusion between the two signs concerned. Instead of the similarity of the goods or services, the proximity of the relevant trade sectors is assessed, and with regard to work titles, the similarity of the works or products.

### Infringement of rights in a name

According to the Federal Supreme Court, the registration of a domain name by a person not entitled to do so constitutes the appropriation of a name and thus an infringement of the rights of the bearer of the name under section 12 of the Civil Code. The bearer of the name will succeed in an action against such an appropriation if the use of the name is unauthorised or causes confusion and if the name-bearer's interests worthy of protection are harmed. These conditions are normally met in cases of registration of a domain name corresponding to rights in a name by an unauthorised third party under ccTLDs (see *profitbricks.es*, I ZR 82/14 (BGH 28 April 2016)) and most of the gTLDs (see for example, *solingen.info*, I ZR 201/03 (BGH September 21, 2006); *berlin.com*, 5 U 41/12 (KG Berlin March 15, 2013)). However, a domain owner might rely on third-party rights in a name under special circumstances. See *grundke.de*, I ZR 59/04 (BGH 8 February 2007); *grit-lehmann.de*, I ZR 185/14 (BGH 24 March 2016).

### Infringement of competition law

An infringement of unfair competition law always requires an act of competition in the course of trade, which may influence the competitive situation to the detriment of a competitor (section 3 and section 2, paragraph 1, No. 3 of the Unfair Competition Act). Moreover, competition law claims may be asserted only if the specific act of registration or use of the domain name is not subject to trademark law provisions or if it is accompanied by additional elements of unfairness not covered by the provisions of the Trademark Act. The main objects of unfair competition law are cases of obstructive competition according to section 4, No. 10 of the Unfair Competition Act, including typo squatting, domain grabbing and the repeated registration of a generic term under different top-level domain names or in varying letters with intent to obstruct a competitor. See *Literaturhaus*, I ZR 69/02 (BGH 16 December 2004).

## 17 What remedies are available to a successful party in an infringement action?

German courts deny claims for transfer of a disputed domain name, proceeding on the assumption that if succeeding in an action for transfer the complainant would be placed in a better position as compared to the situation where there is no infringement at all. See *shell.de*.

According to the Federal Supreme Court, claims for deletion of a disputed domain name will generally only succeed if the registration of the disputed domain name itself and not only its use establishes an infringement. As a result, claims for deletion only exist in cases where the complainant enjoys rights corresponding to the disputed domain name in an individual name under section 12 of the Civil Code or in a business sign under section 5 of the Trademark Act, and if the registration of its name as an internet address is excluded because of the registration by the infringing party. In addition, the registration of a domain name can imply an infringement for other reasons: for example, if the disputed domain name is seen by the public as belonging to the well-known or famous sign or mark of the complainant, because the distinctiveness of the sign is adversely affected by the fact that the consumer is misled by the mere use of the domain name by the infringing party, excluding the rights holder from the use of its sign or mark as a domain name and regardless of the content made available at the disputed domain name. A claim for deletion will also be successful if the registration of the domain name constitutes an anti-competitive obstruction with intent under section 3, in conjunction with section 4, No. 10 of the Unfair Competition Act or leads to immoral damage under section 836 of the Civil Code.

An infringement generally entails claims for forbearance with regard to the specific infringement that can be attributed to the infringing party (see question 18 for the scope of claims for forbearance).

Moreover, there may be additional claims in each individual case (eg, for information, damages or removal).

## 18 Is injunctive relief available, preliminarily or permanently, and in what circumstances and under what conditions?

Regardless of whether a rights holder is entitled to deletion or transfer of a domain name, an infringement resulting from the registration or use of a domain name always attracts claims for forbearance.

According to case law, in the context of an unlawful registration or use of a domain name, the risk of repetition is (refutably) presumed with regard to infringements of competition law, industrial property rights or other provisions of civil law that have occurred, and give rise to a claim for forbearance, regardless of fault. In individual cases, even the risk of a first offence can justify a claim for forbearance. The claim for forbearance corresponds to the specific risk of repetition or first offence and refers to the actual type of infringement, which may be generalised only to the extent typical of the actual infringing activity. See *Schuhpark*, I ZR 49/05 (BGH 3 April 2008); *Dorf Münsterland II*, I ZR 31/02 (BGH 9 June 2004); *Römer GmbH*, I ZR 85/91 (BGH 1 April 1993); and *St Petersquelle*, I ZR 96/86 (BGH 9 November 1988).

The risk of repetition may be eliminated by the infringing party by making a satisfactory declaration of forbearance, including a contractual penalty clause. See *Dax*, I ZR 42/07 (BGH 30 April 2009); *Haus & Grund III*, I ZR 21/06 (BGH 31 July 2008); and *comtes/ComTel*, I ZR 90/97 (BGH 14 October 1999). In the event of a risk of first offence, case law is often less strict as to the requirements for removal of the risk since there is no general presumption that a risk of first offence continues to exist; therefore, behaviour contrary to an infringing action may be sufficient in lieu of a declaration of forbearance with a contractual penalty clause. See *Metrosex*, I ZR 151/05 (BGH 13 March 2008); and *Underberg*, I ZR 94/06 (BGH 4 December 2008).

If no pre-court settlement is reached, the infringing party can file an action to enforce its claim for forbearance.

## 19 How is monetary relief calculated?

In addition to the obligation of forbearance and reimbursement of lawyers' costs (see question 26), the infringing party must also pay damages under certain circumstances. With regard to domain names, claims for damages will normally only succeed in case of fault, while the requirements for fault may be very low and negligence will be sufficient. Damages may be computed through three different methods: lost profits, infringing party's profits or a fictitious licence fee. See *Zerkleinerungsvorrichtung*, X ZR 60/06 (BGH 25 September 2007);

*Objektive Schadensberechnung*, I ZR 16/93 (BGH 2 February 1995); and *Tchibo/Rolax II*, I ZR 107/90 (BGH 17 June 1992).

## 20 What criminal remedies exist, if any?

In addition to civil law claims, there are also criminal sanctions in cases of trademark infringements with intent (section 143 of the Trademark Act). Inter alia, anyone who in the course of trade unlawfully uses a trademark or business sign and with intent may be punished by up to three years' imprisonment or a fine. Unfair competition law also stipulates that particular anticompetitive acts may be subject to imprisonment not exceeding two years or a fine.

## 21 Is there a time frame within which an action must be initiated?

Claims for forbearance, information and damages are subject to the general statutory period of limitation of three years as established by section 195 of the Civil Code. Under section 199, paragraph 1 of the Civil Code, the limitation period normally starts at the end of the year the claim arose and the complainant had knowledge of the circumstances justifying the claim and the identity of the defendant (or should have had knowledge of them had he or she not acted with gross negligence). In cases of continuing offences, however, the limitation period will only start to run once the infringing situation has come to an end. In cases of an infringing registration of a domain name, the statutory period of limitation will as a result only start when the infringing party no longer owns the domain name concerned; in cases of an infringing use of a domain name the period starts at the end of the use.

The granting of an interlocutory injunction is subject to certain additional limitation periods; interlocutory actions will only be admitted if a matter is urgent. Generally, urgency is accepted if not much time has elapsed between the applicant first gaining knowledge of the infringement and the filing of a legal action with a court. In this context, most courts will tolerate a period ranging from one month to three months. Therefore, pre-court action (such as sending a cease-and-desist letter) should not be delayed.

## 22 Can a registrant's rights in a domain name expire because of non-use. Can a registrant be estopped from bringing an infringement action? In what circumstances?

Ownership of a domain name is conceived as the sum of all contractual claims that the owner of a domain name can assert against the registry based on the registration agreement. This includes in particular a claim for registration in the DENIC-register and the primary name server, the claim for continued registration in the primary name server as a prerequisite for the continued functionality of the domain name, the claim for adjustment of the register to change personal data and the claim for allocation to a different computer by changing the IP number. See VII ZB 5/05 (BGH 5 July 2005). These contractual rights in the domain name in relation to DENIC eG exist regardless of the use of a domain name. As a result, the non-use of a domain name does not affect the rights of the owner of a domain name.

Still, there are a number of reasons precluding the enforcement of rights. All claims are subject to the defence of estoppel according to section 242 of the Civil Code if the rights holder has not asserted its rights for a long time and if the infringing party has relied on these conditions and was justified in assuming – according to the overall conduct of the rights holder – that the latter would no longer assert its rights. As a rule, estoppel will be considered only after a long period of time, exceeding the statutory period of limitation (see question 21). Further, section 21 of the Trademark Act stipulates the principle of estoppel specifically for trademark claims: the owner of a trademark or business sign may not bring an action against the acts of use of a third party if he or she knew of and tolerated such a use during a period of five consecutive years.

Trademark claims may also be precluded by prior rights of the owner of a domain name. With a view to rights in a name, claims for deletion of a domain name may not succeed if the rights in a name or sign of the complainant came into existence only after the registration of the domain name by the defendant or if the domain name is automatically considered as being generic by the public (see *afilias.de*). With regard to unfair competition claims, the Federal Supreme Court recently found that the use and registration of a 'typo domain name' was lawful in a specific case where the user of the typo domain name informed internet users by way of a clearly visible disclaimer that this

## Update and trends

An interesting question deals with infringements of rights in city names under new top-level domain names. Until now, courts have proceeded on the assumption that confusion (necessary for the finding of an infringement of rights in a name) is present where a denomination protected by rights in a name is registered without any additional element as a domain name. Consequently, confusion has been found with regard to .de, .com, .net, .org and .info (see for example, *solingen.info*; *berlin.com*). An exception to this rule was considered, however, for individual top-level domain names if the public expects only information about, but not necessarily provided by, the bearer of the name, as for example at .biz or .pro (see for example, *solingen.info*). In this context, it is to be expected that a multitude of the new top-level domain names currently being implemented will by themselves eliminate confusion, in particular endings with a strong commercial character such as .estate, .florist or .boutique, or endings which for other reasons imply that a relation to the bearer of the name is unlikely as e.g. .buzz, .guru, .ninja or .cool.

In general, it remains to be seen whether some of the new top-level domain names will be taken into consideration when discussing a risk of confusion. So far, infringements have always been considered with a view to the second-level domain name and its relation to the rights of the infringed party only. Now it seems possible that top-level domain names will become part of the evaluation.

was not the website available at the almost identical name spelled correctly. See *wetteronline.de*, I ZR 164/12 (BGH 22 January 2014).

## 23 What is the typical time frame for an infringement action at first instance and on appeal?

There is no alternative dispute resolution procedure and no other opposition procedure for .de.

An action at first instance normally takes from three to 12 months, depending on whether the defendant files a reply and on the scope of evidence that needs to be taken. The duration of the proceedings at second instance, which is normally from six to 12 months, also depends on these factors.

## 24 Is a case law overview available on procedural or substantive issues? Does the case law have a precedential value?

Courts are not bound by precedent, and precedent is conceived as an aid for interpretation only. Precedent will generally only be considered by German courts if an upper court makes a fundamental ruling with regard to the interpretation of statutory law. Strictly speaking, there is no precedent under German law, with the exception of certain decisions by the Federal Constitutional Court, when it nullifies a statute for unconstitutionality or establishes an interim substitute regulation.

## 25 Can parties choose a panellist in an ADR procedure involving a ccTLD? Can they oppose an appointment?

There is no alternative dispute resolution procedure and no other opposition procedure for .de.

## 26 What is the typical range of costs associated with an infringement action, including pre-litigation procedures, trial or ADR, and appeal? Can these costs be recovered?

### Cost of pre-court action

Before filing an action with the courts, the rights holder normally sends a cease-and-desist letter to the infringing party (ie, the domain owners or the users of the domain name concerned), notifying them of the infringement based on the registration or use of the rights holder's domain name and asking it to sign a declaration of forbearance including a contractual penalty clause.

The computation of lawyers' fees in relation to a pre-court action directed against the owner of a domain name can be based on a fee agreement or on the Legal Counsel Fees Regulation. The latter relies on the value of the lawsuit (ie, the value of the interest that the rights holder attributes to the act of forbearance). There are no regular flat fees; the value of the lawsuit always depends on the specific circumstances of the individual case. For example, in a case regarding the infringement of a sign or mark the value of the sign or mark and the

degree of the infringement would be taken into consideration. Still, it can be assumed that the value of the lawsuit will amount to at least €50,000 in trademark actions; €30,000 in actions for unfair competition; and €25,000 in actions for the infringement of a business name or €10,000 for a private name. Based on these assumptions, the lawyers' fees that a rights holder must pay in relation to a pre-court action directed against the owner of a domain name will range from approximately €700 to €1,500, but may be considerably higher in cases of well-known signs or marks.

However, if the cease-and-desist letter is justified, the lawyers' fees paid by a rights holder in relation to a pre-court action directed against the owner of a domain name must be reimbursed to the rights holder by the owner of the domain name (infringing party) up to the amount calculated under the Legal Counsel Fees Regulation. The same rule applies in cases of successful court actions. Other than in extremely urgent cases it is therefore advisable to engage in a pre-court action as described above and send a cease-and-desist letter for cost reasons before an action is filed with the courts.

#### Cost of court actions

In the absence of a fee agreement, lawyers' costs in court actions also follow the Legal Counsel Fees Regulation. In a court action, based on the above-mentioned values of the lawsuit, each party must normally

pay fees of between €1,400 and €3,000. Again, these sums may be much higher in cases of well-known signs or marks, and fees may increase or decrease if, for example, a judgment for default is rendered or if the matter is settled.

In case of an agreement on fees, the lawyers' fees charged for legal representation at court may not fall below the legal fees according to the Legal Counsel Fees Regulation.

In addition to these fees there will be court fees in accordance with the Court Fees Act, which, based on the approximate values of the lawsuit as set out above, will be between €723 and €1,638.

Again, lawyers' fees paid by a rights holder in relation to a court action directed against the owner of a domain name must be reimbursed to the rights holder by the owner of the domain name (the infringing party) up to the amount prescribed under the Legal Counsel Fees Regulation. The total cost risk for a legal action in court (including the costs of both parties' lawyers as well as court fees) will amount – on the basis of the above-mentioned values of the dispute – to approximately €3,600 to €7,500.

#### Contingency fees

Contingency fee arrangements are only admissible on very strict conditions (ie, if a client would otherwise have been prevented from initiating legal proceedings due to his or her economic situation).

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