

and services under the agents' own accreditation. A Customer can only order from the "principal", ie a Customer must obtain products and services from the principal's GITC accreditation and not the agent.

It is essential for companies to review their distribution/reseller/agency agreements to determine whether they on-sell or sub-license the products, or whether they supply as agents. Providers of shrink-wrap software should be particularly careful, as they often only have the right to issue the media to a customer, they have no rights to sub-licence the software to a customer. The shrink-wrap licence will usually have the owner of the intellectual property in the software as the licensor.

Conclusion

GITC v5.01 is a mandatory contract for the supply of all ICT products and services to Queensland Government Departments and Agencies.

Seeking accreditation is a simple process, however, great care should be taken where the ICT supplier is reselling or distributing third party products or services to the Customer.

There are significant advantages in terms of costs, risk management and sales process in the GITC v5.01 at the time of accreditation.

Next Issue of Computers and Law

In the next issue of Computers and Law we will provide a high level review of some of the key legal and

commercial issues in GITC v5.01 and some suggested mitigation strategies.

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* *This article is based on a seminar paper presented by the authors at the AIIA "Briefing on GITC v5" in Brisbane on 28 February 2006.*

Free Flights and Sports TV: an Update on Recent .au Administrative Panel Decisions

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On 25 January 2006, the World Intellectual Property Organisation (WIPO) issued a press release alerting the public to a significant increase in cybersquatting activity. WIPO noted a 20% rise in the number of cybersquatting cases filed in 2005 compared to 2004, raising concerns that the incidence of trade mark infringement on the internet is increasing.

Cybersquatting is the abusive registration of trade marks as domain names. It occurs where a party sets out to profit from the goodwill of another party's trade mark by deliberately and unlawfully registering a domain name that incorporates a trade mark that is identical with or similar to a trade mark owned by a third person.

The WIPO Arbitration and Mediation Centre (the **Centre**) offers dispute resolution mechanisms for domain name disputes, which are handled under the Uniform Domain Name Dispute Resolution Policy (the **UDRP**). Disputes concerning .au

domain names are dealt with under an adaptation of the UDRP known as the .au Dispute Resolution Policy (the **auDRP**), which commenced on 1 August 2002.

To bring a successful complaint under the auDRP, a complainant has the onus of proving three elements:

- that the respondent has registered a domain name which is identical or confusingly similar to a name, trade mark or service mark in which the complainant has rights;
- that the respondent has no rights or legitimate interests in respect of the domain name; and
- that the domain name has been registered or subsequently used in bad faith.

If these elements are satisfied, the .au Administrative Panel (the **Panel**) will order that the domain name be transferred to the complainant. The domain name will be transferred to the complainant provided that the complainant is eligible to hold the

domain name according to the relevant eligibility and allocation rules.

The following recent Panel decisions illustrate the kinds of disputes heard under the auDRP and how these elements have been applied in resolving domain name disputes.

***ESPN Inc v IMCO Corporation Pty Ltd*¹**

Background

On 10 November 2005, ESPN Inc (ESPN) filed a complaint against IMCO Corporation Pty Ltd (IMCO) in relation to IMCO's registration of the domain name "espn.com.au".

ESPN is a well known multimedia sports information and entertainment company with numerous television networks internationally, including ESPN Australia. ESPN owns Australian trade mark registrations for the mark "ESPN" across a number of classes.

IMCO, an internet outsourcing company, registered the disputed domain name on 19 October 2004.

IMCO did not reply to any of ESPN's arguments before the Panel.

First element – the domain name is identical or confusingly similar to a name or trade mark

The Panel found that the domain name "espn.com.au" was identical to the ESPN trade mark. In reaching this conclusion, the Panel noted that the second level domain designator, ".com.au", has no material role in the assessment of this issue.

Second element – the respondent has no right or legitimate interest in the domain name

ESPN submitted that IMCO did not have rights in the disputed domain name since it did not own any trade mark registrations for "ESPN". IMCO did not hold itself out as ESPN and was not otherwise known as ESPN. In fact, IMCO used the name "IMCO" to brand its internet outsourcing company. ESPN also asserted that it had not licensed, authorised or otherwise approved IMCO's use of its famous ESPN mark or the disputed domain name.

The Panel agreed that the ESPN trade mark is famous. It found that IMCO was not authorised by ESPN to use the mark in the disputed domain name and that ESPN had established a prima facie case that IMCO did not have any rights or interests with respect to the disputed domain name.

Third element – the respondent has registered or used a domain name in bad faith

ESPN argued that IMCO had both registered and used the disputed domain name in bad faith.

In arguing that IMCO registered the disputed domain name in bad faith, ESPN asserted that considering the worldwide fame of ESPN and the ESPN mark, it was impossible for IMCO to not know of ESPN's mark when it registered the disputed domain name. It was ESPN's view that IMCO deliberately registered the domain name because of the fame of the ESPN mark.

In its argument that IMCO had used the domain name in bad faith, ESPN presented evidence that IMCO used ESPN's reputation misleadingly to divert consumers to two schemes for

IMCO's own commercial gain. ESPN pointed to two examples of such conduct:

- ESPN alleged that until September 2005, IMCO used the domain name to draw ESPN customers into a sweepstakes scheme run by IMCO. When a user went to www.espn.com.au, they were automatically redirected to a sweepstakes promotion and were then enticed into subscribing to a horoscope service for which users were charged a fee.

- ESPN alleged that IMCO also used the domain name as part of a browser hijacking scheme. Under the scheme, users were forced to change their homepage to "www.searchex.com" so that IMCO could directly profit from an affiliate program run by Searchex.

ESPN also pointed to the director of IMCO's history of engaging in similar deceptive conduct, and to a finding by a Panel that the director is a cybersquatter.²

Based on ESPN's evidence and the fact that IMCO did not deny ESPN's assertions, the Panel found that IMCO had registered and used the disputed domain name in bad faith.

ESPN had satisfied all three elements and the Panel ordered that the disputed domain name be transferred to ESPN.

PayBurst Financial Technologies and Gregory Fx Iannacci v Virgin Blue Airlines Pty Ltd³

Background

On 9 January 2006, PayBurst Financial Technologies and its founder and managing partner, Mr Iannacci (**PayBurst**) filed a complaint against Virgin Blue Airlines Limited (**Virgin**) in relation to Virgin's registration of the domain name, "velocityrewards.com.au".

PayBurst was the registrant of the domain name "velocityrewards.com". In August 2005, Virgin registered the disputed domain name "velocityrewards.com.au" and applied to register "Velocity" as a trade mark in Australia in connection with a range of services. A company named Velocity Rewards Pty Ltd was incorporated in Queensland with Virgin as its sole shareholder.

From August until late October 2005 Virgin, under the guise of an individual claiming to be a member of a two man operation based in Melbourne, sought (although unsuccessfully) to purchase the domain name "velocityrewards.com" from Mr Iannacci.

Public use of a website at "www.velocityrewards.com.au" commenced in November 2005. A loyalty program run by Velocity Rewards Pty Ltd and known as "Velocity" was launched on the website. Under the program, users can earn points by using National Australia Bank credit cards and redeem points on car hire and various flights (including Virgin Blue and Virgin Atlantic flights).

Following the launch of the Velocity program, PayBurst made several complaints about the disputed domain name, including directly to Velocity Rewards Pty Ltd.

First element – the domain name is identical or confusingly similar to a name or trade mark

PayBurst argued that it employs the "Velocity Rewards" trade mark and service mark by associating it with payment, incentive and loyalty program applications. It said that it has claimed international intellectual property protection for the mark since 2004.

Virgin noted however that PayBurst has no Australian or international registrations for "Velocity Rewards", and claimed that PayBurst was not using "Velocity Rewards" as a trade mark when Virgin registered the disputed domain name. In addition, Virgin alleged that PayBurst conducts business using only the "Paybrain" and "Payburst" marks, and therefore has no goodwill in the "Velocity Rewards" trade mark.

The Panel noted that PayBurst had provided no evidence to support its claim to have rights in "Velocity Rewards". However, the Panel acknowledged that a printout from PayBurst's "PayBrain" website contained the words "VELOCITY REWARDS TM" and displayed a copyright notice dated 2004-2005. There was also a slogan stating "Accelerate your benefit programs with Velocity Rewards TM" on a print

out from the PayBurst website. On the basis of this limited evidence, the Panel considered that PayBurst had at least some minimal common law rights in the United States in the "Velocity Rewards" trade mark. The Panel accepted that the disputed domain name was essentially similar to the mark.

Second element – The respondent has no rights or legitimate interest in the domain name

PayBurst argued that Virgin has no rights or legitimate interest in the disputed domain name. Amongst other arguments, PayBurst contended that Virgin has never been commonly known by the trade mark in the disputed domain name, has not acquired any legitimate trade mark or service mark rights, and is trading on the goodwill of PayBurst's mark.

In contrast, Virgin claimed that its rights and interest in the disputed domain name arose out of its ownership in Australia of the mark "Velocity", as well as the bona fide operation and promotion of the Velocity program conducted under the mark through Velocity Rewards Pty Ltd.

The Panel noted that prior to notice of the dispute, Virgin had planned, for some time, to use the Velocity mark and the disputed domain name in connection with offering services. Virgin had made bona fide use of that mark and of the domain name for that purpose. The Panel stated:

"This is plainly a case in which [Virgin] has, and is entitled to, its own rights and legitimate interests in Australia in the disputed domain name, independent of whatever rights [PayBurst] may have in the United States of America... there is nothing illegitimate or lacking in bona fides in adopting (even knowingly) the same name for an Australian based business under the <.com.au> country code, when it is clear that the <.com> user is not trading in Australia and shows no evidence of having established any reputation and goodwill which could reasonably be claimed to extend to Australia."

Accordingly, the Panel held that PayBurst failed to establish this second element.

Third Element – the respondent has registered or used a domain name in bad faith

Virgin denied that it had registered or was using the disputed domain name in bad faith, arguing that it only became aware of PayBurst after creating the "Velocity" brand and upon investigating possible domain names.

The Panel found that PayBurst failed to establish this element. Virgin had registered the disputed domain name before the negotiations with PayBurst to acquire the ".com" name commenced and it did so to introduce its bona fide loyalty program. The fact that Virgin conducted negotiations without revealing its identity did not constitute bad faith. Virgin also used the domain name in furtherance of its bona fide loyalty program.

The Panel noted that it was not surprising that the parties may each be using their domain names in relation to reward schemes, given the ordinary descriptive meaning of "rewards". The Panel considered that Virgin had legitimately used its mark "Velocity" in Australia for its loyalty program and the combination of this mark with "rewards" in the disputed domain was entirely logical.

The Panel denied PayBurst's complaint against Virgin since PayBurst had not satisfied the 3 elements of its case.

¹ *ESPN Inc v IMCO Corporation Pty Ltd*, WIPO Case No. DAU2005-0005.

² See *BT Financial Group Pty Limited v Basketball Times Pty Ltd*, WIPO Case No. DAU2004-0001 (1 June 2004) and *Nominet UK v Diverse Internet Pty Ltd* [2004] FCA 1244.

³ *PayBurst Financial Technologies and Gregory Fx Iannacci v Virgin Blue Airlines Pty Ltd*, WIPO Case No. DAU2006-0001.