

## Domain Name Law and Practice

16 August 2005	UK	Part IV Court Litigation
	<p><b>Type of update: Case law:</b> <a href="#">Tesco Stores Limited v (1) Elogicom Limited (2) Robert Ray [2006] EWHC 403 (Ch)</a></p>	
	<p>Tesco granted Summary Judgment for trade mark infringement and passing off against an Affiliate over registration and use of ‘Tesco’ related domain names.</p> <p>Elogicom, entered into an agreement with an internet trading company named ‘TradeDoubler’ in relation to Tesco web-adverts. Under the terms of the agreement, Elogicom became a Tesco ‘affiliate’ (as Tesco was TradeDoubler’s client) and Tesco adverts were then permitted to be placed on various websites owned by Elogicom. Customer sales on Tesco’s website which were referred via Elogicom’s links were tracked by TradeDoubler, who would invoice Tesco for commission to be paid to Elogicom.</p> <p>Under the terms of the agreement with TradeDoubler, Elogicom was permitted to associate numerous domain names with its TradeDoubler account. However, Tesco (as TradeDoubler’s client) could only see the top two domain names associated with Elogicom’s account (names which did not feature ‘Tesco’). As a result, Tesco was unaware that Elogicom took advantage of this provision by registering and linking to its account a number of domain names incorporating the word “Tesco”, including tesco-diet.co.uk and tesco-dvd.co.uk. Each time a customer accessed one of Elogicom’s “Tesco” url’s, they were immediately redirected to the supermarket’s own website, and Tesco would be invoiced for Elogicom’s commission fee. This strategy proved potentially lucrative for Elogicom as, in the space of a month, Elogicom’s commission payments soared from £75 to over £25,000. However, this sharp rise in commission payments resulted in Tesco investigating the matter - and finding out about the various referrals from Elogicom’s ‘Tesco’ domain names.</p> <p>Soon after Tesco discovered Elogicom’s activities Tesco issued a letter before action and TradeDoubler terminated Elogicom’s account. Having issued the letter before action to Elogicom requesting undertakings, but not having received a satisfactory response, Tesco issued proceedings against Elogicom and applied for Summary Judgment for trade mark infringement and passing off. In finding for Tesco, the Judge held that even though Elogicom had not attempted to direct consumers away from Tesco, the use of the various “Tesco” domains was an infringement of the Tesco trade mark and constituted passing off.</p> <p>The Judge found that the registration and use of the numerous ‘Tesco’ domain names by Elogicom to generate traffic (and therefore comiision) was use of marks similar to the Tesco trade marks - in respect of identical and/or similar services for which they were registered. Further, the use by Elogicom took unfair advantage of the reputation and strength of the Tesco brand and could be considered to be detrimental to the Tesco trade marks. The judge rejected Elogicom’s claimed defence under s10(6) Trade Marks Act 1994 (use of a trade mark for the purpose of identifying a trade mark proprietors goods or services). In so doing, the judge held that the use of the related domain names was not in accordance with</p>	

	<p>'honest practice in commercial matters' and was without due course took unfair advantage of the distinctive character of Tesco's trade marks. The judge ordered summary judgment and injunctive relief under ss10(2) and (3) Trade Marks Act 1994 and passing off. In so doing, the judge applied principles established under the leading UK domain name case <i>British Telecommunications plc and Others –v- One in a million Ltd and Others</i> [1999] FSR 1 CA.</p>
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