



# Defining digital identity: the intersection of domain names and IP

**Manuel Fernandez-Stoll Zar, Attorney at Colmenares & Asociados Law Firm, explores the evolving role of domain names as crucial identifiers in the digital marketplace, examining the implications of their use in relation to trademarks.**

I chose this topic due to my interest in how domain names have become a key element in industrial property and economic activity in the digital marketplace. Although many authors do not consider them to be distinctive signs, I believe this view is limited as it fails to recognize their fundamental role in online business, personal, and social interactions.

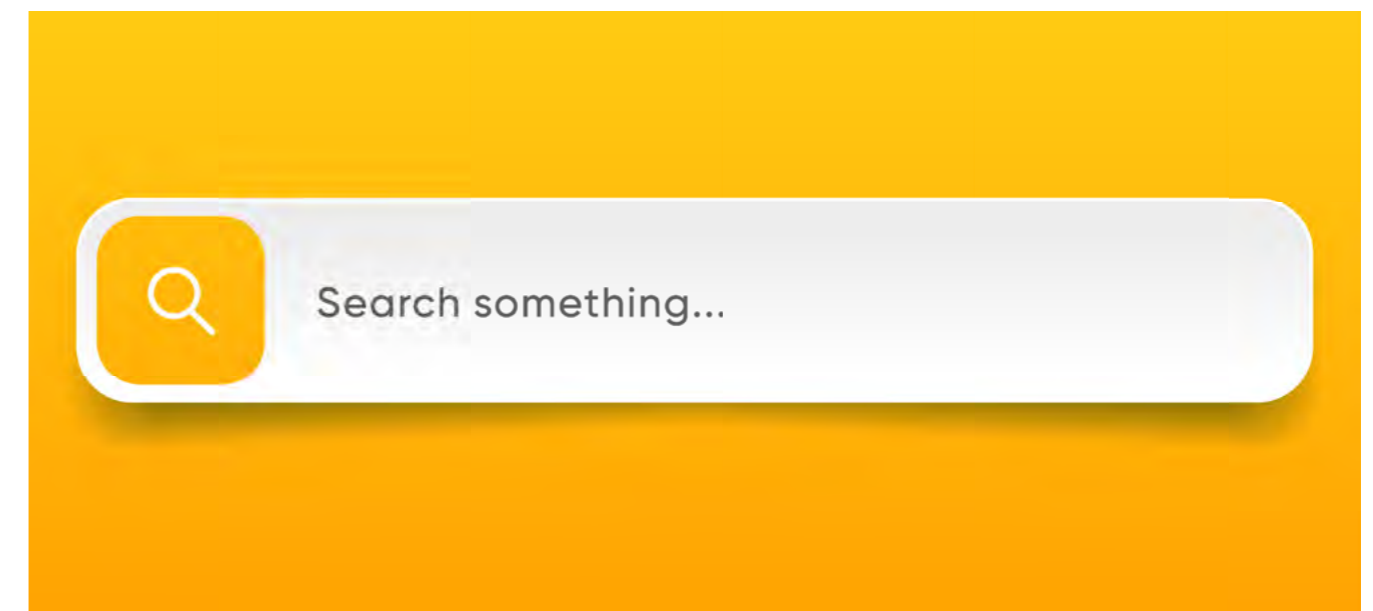
The fast-developing world of the Internet and the emergence of domain names as new identifiers in the digital marketplace have led to conflicts between traditional trademarks and domain names. In this brief work, I seek to present my opinion on the nature of domain names, addressing it primarily from a legal perspective and considering a technical approach.



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It is usual to have domain name applications using third-party trademarks. Trademarks and domain names are key assets in a globalized and competitive market; they are fundamental in an environment where consumers are increasingly demanding. This can be considered an unfair practice and may lead to legal actions.

The Internet has gained significant global relevance, becoming an essential element in both professional and personal life. It facilitates tasks in a quick, global, and efficient manner, as well as being a constant source of information. In recent decades, the development of the Internet has made domain names crucial for businesses, especially since the 1990s, as they were the first identifiers for companies in the digital market.





## Résumé

**Manuel Fernandez-Stoll Zar, Attorney**  
Manuel graduated from the University of Lima, Faculty of Law. He has participated in various specialized programs organized by the Peruvian University of Applied Sciences (UPC), the University of the Pacific (UP), and the National Institute for the Defense of Competition and the Protection of Intellectual Property (INDECOP) in intellectual property, unfair competition, consumer protection, and free competition. He completed the postgraduate course "Negotiation and Mediation: Strategies and Practices for Conflict Management and Resolution," organized by the University of Castilla-La Mancha, Toledo, Spain (2016). Manuel obtained a Master's degree in Intellectual Property and Digital Innovation, Magister Lvcentinvs, from the University of Alicante (Edition N° 29). He is a Member of the Peruvian Association of Intellectual Property (APPI) and the Inter-American Association of Intellectual Property (ASIPI).

This has led to constant conflicts between trademarks and domain names.

As Professor Otero Lastres reflects, the relationship between the Internet, domain names, and law is dynamic: "Reality is always ahead, and the law is always behind, but what matters is that the law keeps modernizing, so that there is not too wide a gap between what is experienced in reality and what is written in the laws".<sup>1</sup>

### Domain names

#### Origin:

Domain names work thanks to the DNS system, a database that uniquely associates IP addresses with domain names, which may include alphabetic, numeric, or combined characters, always following the relevant syntax rules.<sup>2</sup>

The DNS system emerged in the 1970s when computers were connecting in a network, but it wasn't until the 1990s that it became popular. Initially, the problem was that users had to memorize the numerical addresses of computers, which was complicated due to the large number of connected devices. Thus, experts created the DNS system to facilitate the association of easily memorable names with IP addresses.

In this regard, Professor Pilar Iñiguez emphasizes that "Therefore, in order to facilitate the easy location of available resources on the network for non-specialized users, the domain name

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Second-level domain names are designated by the user themselves and constitute the distinctive part of each electronic address.”



system was developed and implemented".<sup>3</sup>

Thus, through the DNS, IP addresses are translated into domain names, facilitating their memorization and identification. Its main advantage is the use of names instead of numbers, making internet access easier and more accessible.

The IP address is unique, numeric, and complex, making it difficult for users to remember, unlike domain names, which are more accessible and manageable. Due to the growth of the Internet, the IANA was created to manage domain names, and later, ICANN took over this task, responsible for the global allocation of domain names and IP addresses through a contract with the US government.

#### Concept

Regarding the definition of domain names, Professor Mercuralli states the following:

"It is an Internet address expressed with words, a sequence of letters or numbers in a simple manner to facilitate the user's association of that address with the name, trademark, or concept corresponding to a person, company, or organization".<sup>4</sup>

In the same line, Professor Manuel Lobato defines domain names as follows:

"Domain names are codes composed of a variable number of letters from the English alphabet (an alphanumeric series corresponding to a numerical address on the Internet, which is easier to remember than a number) that serve to identify the user's terminal on the global network, the terminal through which they access the network".<sup>5</sup>

On a personal level, I believe that an accurate way to understand domain names is to view them as easy-to-remember electronic addresses that allow users to locate websites on the Internet.

#### Nature

Domain names have two facets: a technical one, as previously mentioned, and a legal one. The latter is relevant because, like trademarks, domain names serve a distinctive function, identifying the owner of a website and the content, products, or services it offers.

Domain names are not just Internet addresses, but tools that identify the owner, their activity, the products or services they offer, and their website. For this reason, *I believe that domain names can fulfill an identifying and differentiating function, acting as a distinctive sign in the digital marketplace, which allows them to be classified as an "atypical" distinctive sign.*

A common mistake is to equate second-level domain names with a telephone or fax number, which may be true in terms of their technical function of "quick and easy localization of computer systems." However, today, domain names not only serve this function but also have

an identifying and differentiating role. Unlike telephone or fax numbers, which are not chosen by the user, second-level domain names are designated by the user themselves and constitute the distinctive part of each electronic address.<sup>6</sup>

Despite the above, domain names do not always fully fulfill their distinctive function regarding the products, services, or information on a website. They can be used both as a simple electronic address from a technical perspective and as an identifying element in the digital marketplace from a legal standpoint. The latter function is key, as it gives rise to conflicts between trademarks and domain names, because without it, there would be no controversy.

In this regard, Spanish case law itself has acknowledged that domain names have a dual nature, which is highlighted by Professor Garcia Vidal:

"(...) It is therefore possible for *domain names to assume a dual function. On one hand, they are addresses that allow the localization of resources on the Internet. On the other hand, they can assume a distinctive function comparable to that of other distinctive signs. This dual nature is evident when a domain name corresponds to already existing distinctive signs*".<sup>7</sup> (emphasis added.)

Domain names can distinguish an economic agent, even without commercial activity. Some experts believe they can have distinctive functions in the market, even if they are not considered distinctive signs. These functions are not limited to trademarks but also include trade names, personal names, corporate names, and titles of works protected by copyright.

In this way, various authors agree that domain names share characteristics with distinctive signs, but they point out that they can represent a typical distinctive sign, an atypical one, a sui generis sign, a quasi-distinctive sign, or a new form of industrial property.

However, some authors argue that domain names present a series of obstacles to being considered distinctive signs, including: (i) the registration of a domain name does not grant exclusive rights, (ii) they contravene the principles of specialty and territoriality of trademark law, and (iii) while trademarks distinguish products or services, domain names only link resources on the network to the user.

In light of the foregoing, I hereby express my position on the nature of domain names:

- a. I believe that domain names can be classified as "atypical" distinctive signs, as they, like trademarks, perform several essential functions: (i) they allow for the identification of the products or services offered by their holder on the internet, (ii) they facilitate the differentiation of

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The registration of a domain name may be considered unfair competition if it affects another party's Trademark.”



their holder from competitors in the digital market, (iii) they enable the holder to identify themselves to the online consumer public, (iv) They provide advertising or goodwill to the products or services offered by their holder in the virtual market, and (v) in some cases, they may even indicate the geographical location of their holder, although this function is relatively limited."

- b. The fact that the registration of a domain name does not grant its holder the right of exclusivity (ius prohibendi) should not be considered an obstacle to qualifying it as an "atypical" distinctive sign. Although this restriction limits its function, it does not undermine the essence of domain names, which are new identifiers of products, services, or economic agents in the digital realm.

#### Levels

Top-level domain names are classified into two main types:

- a. **Geographic or territorial (ccTLDs):** composed of two letters, they indicate a specific territory or country, such as ".es" for Spain or ".pe" for Peru. They are managed by entities designated by the IANA, and their requirements vary depending on the country.
- b. **Generics (gTLDs):** composed of three or more letters, they are not associated with a country, but rather with the activity or nature of the owner. Some are open to any user (such as ".com" for commercial purposes or ".org" for non-profit organizations), while others require certain qualifications (for example, ".aero" for the aerospace industry). Some, such as ".edu" or ".gov,"

<sup>1</sup> Reference: <https://www.laopinioncoruna.es/sociedad/2019/06/04/derecho-detras-sociedad-debe-adaptarse-23767216.html>  
<sup>2</sup> ARIAS POU, María., Resolución de conflictos en materia de nombres de dominio, En: Revista de la Contratación Electrónica, N° 76, 2006, p. 4.  
<sup>3</sup> IÑIGUEZ ORTEGA, Pilar., La responsabilidad de los prestadores de servicios de intermediación de nombres de dominio por infracciones de terceros: especial referencia a derechos exclusivos marcarios, En: Revista de Privacidad y Derecho Digital, Vol. 6, N° 21, 2021, p. 7  
<sup>4</sup> MERCURALLI, Carlos., El desafío de las marcas en internet, En: Revista Derecho Intelectuales, Volumen N° 9, 2001, pp. 74-75.  
<sup>5</sup> LOBATO GARCÍA-Miján, Manuel., Nombres de dominio y extensión del derecho de marca, En: Revista Jurídica Universidad Autónoma de Madrid, N° 5, 2001, p. 108.  
<sup>6</sup> CARBAJO CASCÓN, Fernando., Conflictos entre signos distintivos y nombres de dominio en internet, Editorial Thomson Reuters Aranzadi, 1999, pp. 44-45.  
<sup>7</sup> GARCÍA VIDAL, Ángel., Derecho de marcas e internet, Editorial Tirant Lo Blanch, Valencia, 2002, pp. 68-69.



are restricted to specific groups, such as educational or government institutions.

The main difference is that geographic domains indicate the origin of the product or service, while generic domains relate to the activity or sector of the owner.

**Second and third-level domain names:**

- a. **Second-level domain names (SLD):** they come before the ".com" or any other top-level domain and must be unique globally, as they distinguish the electronic address of each computer. Each primary domain can have several second-level domains, but only one can exist for each top-level domain. They are available to anyone, as long as they are not already registered.
- b. **Third-level domain names:** "subdomains" are extensions of a second-level domain, as in the case of domains provided by an internet service provider. They are assigned according to the order of request and may include indicators such as ".com.es," ".org.es," and ".gob.es," among others.

**Conclusions**

- 1. The advancement of the internet and the creation of domain names have driven business development, but they

“**Domain names, like trademarks, identify products or services and are considered “atypical” distinctive signs due to their technical and legal nature in the digital environment.**”

have also become a source of conflicts between them and trademarks.

- 2. Nowadays, we live in a competitive and globalized environment where consumers are increasingly demanding.
- 3. The registration of a domain name may be considered unfair competition if it affects another party's Trademark.
- 4. The DNS allows the use of names instead of numbers.
- 5. Domain names, like trademarks, identify products or services and are considered "atypical" distinctive signs due to their technical and legal nature in the digital environment.
- 6. Domain names, due to their dual nature (technical and legal), can be classified as "atypical" distinctive signs.

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