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Domain Name Protection

By Eric Moran and Dennis Crouch

Introduction

Most businesses consider their domain name one of their most valuable assets. Indeed, the first contact many consumers have with a particular business is through the company Web site. Critically, domain names enable consumers and potential customers to quickly and easily connect with a particular business over the Internet.

To assist clients in policing their intellectual property on the Internet, MBHB attorneys regularly set up watch services to identify potentially adverse domain names and trademark uses. These services periodically search for identical or confusing domain names (and other trademark uses) and provide information regarding the registrant. By proactively identifying potentially adverse domain names, we often successfully resolve domain name disputes with a carefully worded letter to a registrant.

Other cases require resort to the courts or to other proceedings. Below is an overview and comparison of four methods for resolving domain name disputes: ICANN anticybersquatting proceedings, the Anticybersquatting Consumer Protection Act, the Lanham Act, and the Federal Trademark Dilution Act. ICANN provides the simplest and quickest method of resolving domain name disputes, but is limited in its available remedies.

ICANN Anticybersquatting Proceedings:

Upon registration of a domain name, each registrant now agrees to submit to the jurisdiction of the ICANN (Internet Corporation of Assigned Names and Numbers) arbitration regime. To arbitrate disputes, ICANN employs the Uniform Domain Name Dispute Resolution Policy ("UDRP"). The UDRP provides for mandatory arbitration proceedings for registrants of domain names. Information on the UDRP, and the ICANN regime in general, can be found at <http://www.icann.org/udrp/>.

To bring a complaint against a domain name registrant under the ICANN regime, a complainant must be prepared to show that (i) a registered domain name is identical or confusingly similar to the trademark in which the complainant has rights; (ii) the registrant has "no rights or legitimate interests" in the domain name; and (iii) the domain name has been registered and is being used "in bad faith." UDRP 4(a). Rights or legitimate interests are identified under the UDRP as (i) a registrant's bona fide use of (or intent to use) the domain name; (ii) the registrant is commonly known by the domain

name; or (iii) the registrant is making legitimate noncommercial or fair use of the domain name. UDRP 4(c). The UDRP defines bad faith as (i) acquiring a domain name primarily to sell for profit the domain name to the complainant or a competitor of the complainant; (ii) registering a domain name to deprive a trademark owner from using the domain name, provided that there is a pattern of such conduct; (iii) registration to disrupt the business of a competitor; or (iv) use of the domain name to attract, for commercial gain, users to the domain name by creating a likelihood of confusion with a trademark. UDRP 4(b).

When filing a complaint, a party can file with any one of four approved dispute-resolution providers that all follow UDRP rules. Each provider has its own supplemental rules and published decisions. In all cases, an ICANN proceeding allows for one paper from each party—the complaint and a response. There is no discovery and no oral hearing.

Once a complaint is filed, the complaint is "quickly" forwarded to the domain name registrant. Upon forwarding, the registrant has twenty days to file a response. Once the response is filed, a panel of arbitrators is chosen within five days and, in general, a decision is rendered within an additional fourteen days. The parties are notified approximately three days after the decision.

There is no appeal process under ICANN. In case of an unsuccessful ICANN decision, a complainant can still file a complaint in District Court under the ACPA, and the District Court will hear the dispute de novo.

Although the remedies available under the ICANN regime are limited to only transfer or cancellation of the domain name, ICANN is a low-cost, efficient option for trademark owners who seek the quick transfer or cancellation of a domain name.

Anticybersquatting Consumer Protection Act:

The Anticybersquatting Consumer Protection Act ("ACPA") permits claims by an owner of a "distinctive" or "famous" trademark against an owner of a domain name that is "identical or confusingly similar" to that mark, if the trademark owner can show that the domain name owner has "a bad faith intent to profit from that mark." 15 U.S.C. § 1125(d)(1)(A). If the mark is "famous" and not just "distinctive," the trademark owner can also bring an ACPA claim if the offending domain name is "dilutive" of the trademark. *Id.* Notably, courts have analyzed the ACPA's "confusingly similar" requirement differently than the Lanham Act's "likelihood of confusion" standard, focusing more on a superficial comparison of the marks.

Showing "bad faith intent" might be the most difficult aspect of an ACPA claim. To assist an analysis of bad faith, the ACPA enumerates nine factors to consider: (1) any trademark or other intellectual property rights of the domain name owner in the domain name; (2) whether the domain name is the legal name of the domain name owner; (3) the domain name owner's prior use, if any, of the domain name in connection with the bona

bona fide offering of any goods or services; (4) the domain name owner's bona fide noncommercial or fair use of the trademark in relation to the domain name; (5) the domain name owner's intent to divert consumers from a trademark owner's Web site (including "typosquatting"); (6) the domain name owner's offer to sell the domain name for profit (without bona fide intent to use or use of the domain name); (7) whether the domain name owner provided false or misleading registration information; (8) a pattern of cybersquatting or similar behavior; and (9) the distinctiveness or fame of the trademark. 15 U.S.C. § 1125(d)(1)(B). Lastly, a domain name owner has a defense under the ACPA if it reasonably believes its use of the domain name was fair or otherwise legitimate use. *Id.*

Federal Courts have subject matter jurisdiction over ACPA claims. Remedies available under the ACPA include the transfer or cancellation of the domain name, attorney's fees, actual or statutory damages, and injunctive relief. Statutory damages can range from \$1000 to \$100,000 per domain name. 15 U.S.C. § 1117(d).

Lanham Act:

The 1946 Lanham Act provides a statutory basis for the protection of trademarks and service marks. 15 U.S.C. §§ 1051-1128. Although passage of the Act predates even the concept of domain names, the Lanham Act can provide protection for a party who uses its domain name as a trademark. A trademark holder can bring Lanham Act claims for both infringement and unfair competition. 15 U.S.C. §§ 1114(1)(a), 1125(a)(1).

Under the Lanham Act, a trademark holder can obtain an injunction and/or damages when another's commercial use of the mark creates a likelihood of confusion among consumers with respect to the source of the goods or services in question. However, no claim arises unless the potential defendant actually uses the mark in commerce. Defendants in Lanham Act actions have several available defenses, which include fair use (including protected free speech and parody), laches, acquiescence (if the parties are in a business relationship, for example), and abandonment of the mark.

Federal Trademark Dilution Act:

Where it is difficult to prove likelihood of confusion under the Lanham Act, the Federal Trademark Dilution Act ("FTDA") of 1995 can provide relief for dilution of famous marks. 15 U.S.C. § 1125(c)(1). The theory of dilution is that a famous mark can lose its distinctive quality if used improperly. Under the FTDA, an owner of a famous mark can obtain relief against another's commercial use of the mark, when the use blurs or tarnishes the distinctive quality of the mark. Like under the Lanham Act, a trademark owner can obtain an injunction and/or damages under the FTDA. Under both Acts, a court may order the transfer or cancellation of the disputed domain name.

Both Lanham Act and FTDA claims arise under federal law and may be filed in federal district courts. Although they have the potential benefit of monetary damage awards, litigation can be expensive and time consuming.

Moreover, the “use in commerce” requirement for both Lanham Act and FTDA claims can allow some cybersquatters to avoid liability. For example, an individual who simply holds a valuable domain name may escape prosecution. In addition, the requisite personal jurisdiction and service of process may be difficult to obtain over foreign defendants. Dispute resolution through the more recently enacted ACPA and the ICANN arbitration proceedings can avoid these perceived problems, however.

Conclusion:

Deciding whether to invoke one of the above dispute resolution methods depends on the facts related to each particular adverse domain name or domain name registrant. It also requires a balancing of the desired remedies with the interest in quickly resolving the dispute. In any case, vigilance in policing potentially adverse domain names allows a business to retain the advantage in identifying and stopping adverse users.

	ICANN	ACPA	Lanham Act	FTDA
Remedies	Transfer/cancellation of domain name	Transfer/cancellation of domain name; Actual or statutory damages; Fees; Injunction	Damages/fees; Injunction; Transfer/cancellation of domain name	Damages/fees; Injunction; Transfer/cancellation of domain name
Defenses	Legitimate use or intent to use domain name; No bad faith	Lack of fame or distinctiveness; Domain name owner's prior bona fide use; Domain name owner's reasonable belief in legitimate use	No commercial use; Fair use; Free speech; Parody; Laches; Acquiescence; Abandonment	Lack of fame; No commercial use
Causes of Actions	Cybersquatting on a domain name that is identical or confusingly similar to a mark	Cybersquatting on a domain name that is identical to, confusingly similar to, or dilutive of a mark	Trademark infringement; Unfair competition	Trademark dilution

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