

Trademarks vs. Domain Names, Part I: There is a BIG Difference



John W. Boger, Esq.
Heslin Rothenberg Farley & Mesiti P.C.

People frequently talk about their trademarks and domain names as if they are interchangeable. Be careful; they're not! Domain names are used to access the Internet, a server computer hosting a website or the actual website. Typically, domain names include the name of the business, or a product or service provided by the business.

Trademarks serve a distinctly different purpose and function. Trademarks are words, phrases, symbols, designs or combinations of these that identify and distinguish the source or producer of certain goods or services of one party from those of another party. Trademark infringement occurs when a trademark from one party or the use of the trademark by a party causes confusion to the consumer as to the products or services being offered, or the source of the products or services being offered.

Can a domain name also be a trademark? Yes. However, it's not easy to do. In order to register a domain name with the United States Patent and Trademark Office (USPTO), the user will need to show that the domain name functions as a trademark. An example of a domain name that is also a trademark is GODADDY.com®.

Cybersquatting is the act of registering, selling or using a domain name with the intent to profit from the goodwill of someone else's trademark or name.

A prudent step when choosing a domain name is to check the trademark database of the USPTO *before* buying the domain name. Searching the database allows the business owner to view all registered, pending or "dead" trademarks. When performing the search, look for the proposed domain name and variant spellings, misspellings, synonyms and similar-sounding names. If the search turns up possible similar names, then several questions should be asked.

- Will your website offer similar goods or services as those for the found trademark?
- Will you be selling your goods or services through the same or similar channels of trade or distribution chains as the found trademark?

- Is the name found very well-known?
- How similar is your proposed domain name to the registered trademark, and how likely is it that a user may end up on your website by mistake?

If you answer no to all of these questions, then you should feel comfortable buying the domain name. Any yes answers should lead you to seek legal advice before moving forward.

What are your options if the domain name you want is already taken? The easiest thing is to change the name; however, be careful that you don't inadvertently infringe another's trademark with the change. Another option is to register the name under a different top-level domain, such as .net, .biz or org. Again, be careful pursuing this option because only changing the suffix may not avoid an allegation of trademark infringement if the mark and name are close. Finally, it is common practice for domain names to be bought and sold on a regular basis. The option of buying a domain name can be pursued like any other purchase of property.

What happens if there is a dispute over the use of your domain name, or if someone is using your trademark as a domain name? It's tempting to lump both under the heading "cybersquatting," but they are not. Cybersquatting is the act of registering, selling or using a domain name with the intent to profit from the goodwill of someone else's trademark or name.

Disputes over the use of domain names may be initiated by a domain name bully. These are usually larger companies that threaten smaller companies or individuals into giving up a domain name that they believe infringes their trademark or product name. Many times, such allegations are baseless. These inappropriate threats of trademark infringement can be combated using the legal pathways discussed in detail below.

Recognizing cybersquatting vs. legitimate business use of a domain name is fairly straightforward. First, check to see where the domain name takes you. If it does not connect you to a functioning website, that is an indication that it may be owned by a cybersquatter. If you are connected to a site that states, "This domain name is for sale" or, "Can't find server," that's another strong sign of cybersquatting. If you're taken to a site that advertises or sells goods or services that closely relate to your trademark, this also is a strong indication of cybersquatting. Before you take further action, you should take one

more step and attempt to find out who owns the target domain site. The website www.whois.net is an excellent tool to identify the name and address of the domain name owner.

If you have determined that you are a victim of cybersquatting, you have three options:

- Pay the cybersquatter for the desired domain name
- File a lawsuit under the Anticybersquatting Consumer Protection Act (ACPA) (15 U.S.C. § 1125(d))
- File a complaint and use the arbitration system that has been established by the Internet Corporation of Assigned Names and Numbers (ICANN)

The cheapest and fastest option is to file a complaint under ICANN's Uniform Domain Dispute Resolution Policy (UDRP).

ICANN was founded in 1998 by members of the Internet community to manage the Internet domain name system. ICANN adopted the UDRP to provide a mechanism for trademark owners to obtain domain names from cybersquatters. All domain name registrars that have the authority to grant top-level domains (i.e., .com, .net, .org) are required to follow UDRP. (A list of participating domain registrars resides at the ICANN website, www.icann.org.)

UDRP is an arbitration procedure that provides relief to the complainant if they win. The panel may instruct the registrar to cancel the domain name, transfer it to the complainant or change the domain name registration. If the defendant in the action wins, nothing will happen. In this event, the complainant has a second chance to obtain the disputed domain name by filing a lawsuit under the ACPA.

To commence an action, the trademark owner files a complaint with one of the four designated dispute resolution service providers. Each sets their own fees for filing the complaint based on the number of panelists and the number of domain names being challenged. For example, WIPO charges \$1,500 for a single panelist and up to five domain names, and \$4,000 for three panelists and up to five domain names.

Administrative panels of one or three members hear the case and act as both judge and jury. The complainant has the burden to show that:

- The domain name is identical or confusingly similar to complainant's trademark
- The domain name owner does not have any rights or legitimate interests with respect to the domain name
- The domain owner registered the domain name and is using it in "bad faith"

The UDRP provides some guidance as to what "bad faith" is. For example, "bad faith" may be when the domain name owner registered the name for the primary purpose of selling or renting it to the complainant or a competitor of complainant for more than the owner's out-of-pocket expenses directly related to the domain name.

The process and time table for UDRP arbitration includes the respondent having to file a written response within 20 days of the complaint being filed. The provider must submit

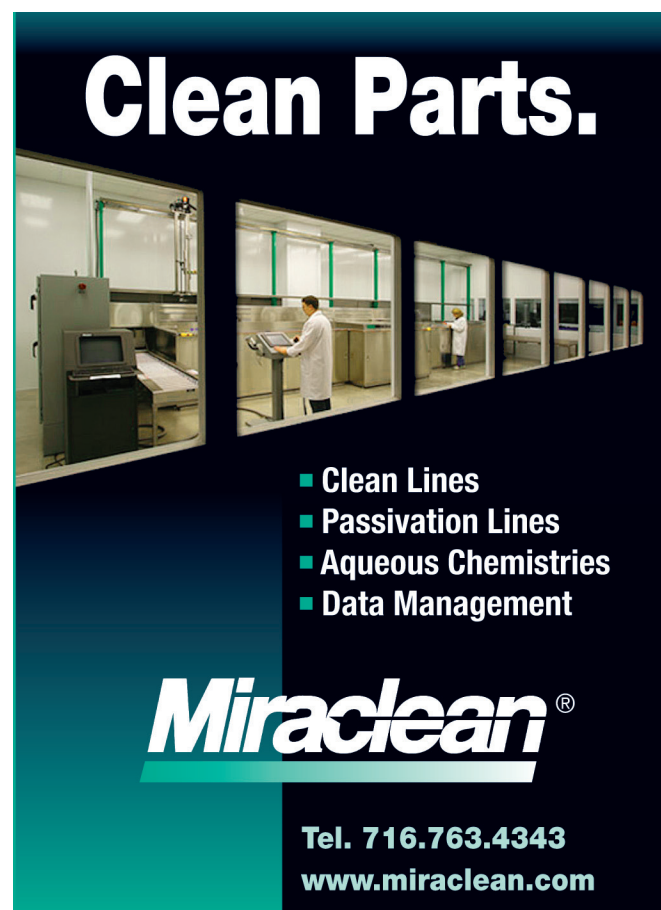
the matter to the panel within five days of the filing of the respondent's response. Most decisions are based on the contents of the complaint and response. The panel must submit its decision to the provider within 14 days of being appointed to hear the dispute, and the provider must notify the parties and ICANN within three days of receiving the decision from the panel. Typically, it takes between 35-45 days from the date of the complaint filing to having a decision rendered.

The second legal avenue available for cybersquatting victims is to file a lawsuit under the ACPA. Details about this Federal law will be explained in the second part of this series on domain names and trademarks.

Please remember that this article is for informational purposes only and should not be interpreted as legal advice.

John W. Boger is a partner with the Upstate New York law firm of Heslin Rothenberg Farley & Mesiti P.C. and is the Chairman of the firm's Medical Products and Technology Practice Group. Before attending law school, Mr. Boger worked for eight years with a large orthopaedic device manufacturer in various product development and marketing positions. He can be reached at 518-452-5600 or at jwb@hrfmlaw.com.

Heslin Rothenberg Farley & Mesiti P.C.
www.hrfmlaw.com



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