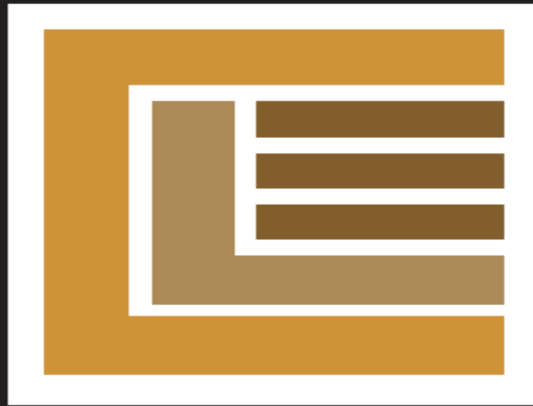


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TRADEMARKS, DOMAIN NAMES, & CYBERSQUATTING

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STATISTICS 2014

1. Approximately 4,000 cases and 9,000 domain names;
2. Approximately 288 million domain names (115.6 million dot com)
3. Infringing domain names amount to approximately .00003% of the total number of domain names currently under registration

- **REGISTRATING A TRADEMARK: GATEKEEPER**
- **BUYING A DOMAIN NAME: NO GATEKEEPER**

WHAT IS A TRADEMARK?

! Anything that indicates the origin/source of a product or service

! Trademarks identify and distinguish the goods or services of one person from the goods or services of another

- WHAT IS A DOMAIN NAME?

An alphanumeric string that enables Internet user to link to website pages

Defining cybersquatting:

- (1) "register well-known brand names as Internet domain names in order to extract payment from the rightful owners of the marks;"
- (2) "register well-known marks as domain names and warehouse those marks with the hope of selling them to the highest bidder;"
- (3) "register well-known marks to prey on consumer confusion by misusing the domain name to divert customers from the mark owner's site to the cybersquatter's own site;" and
- (4) "target distinctive marks to defraud consumers, including to engage in counterfeiting activities."

WHY HAVE TRADEMARKS?

! Consumer protection

! Protect good will, reputation, and other traits of brands that affect consumers' willingness to repeatedly buy/use a product/service

HOW ARE TRADEMARKS CLASSIFIED?

There are four levels of classification, the higher the level the greater the protection

Fanciful (Inherently distinctive)

Arbitrary (Inherently distinctive)

Suggestive (Inherently distinctive)

Descriptive (Does not qualify UNLESS acquired)

Generic (Not registrable)

FANCIFUL: EXXON and KODAK

ARBITRARY: APPLE and IVORY

SUGGESTIVE: CITIBANK (financial services) and **Greyhound** (bus lines),

DESCRIPTIVE: MICRO COLORS, BRIGHT SIGN and ULTIMATE GUITAR

GENERIC: MATTRASS.COM and HOTELS.COM. A generic trademark can not be protected as a trademark because it describes a category of product or service.

Network Solutions Service Agreement, Version 9.27 provides

“You acknowledge and agree that your rights to any domain name registered or renewed by Network Solutions on your behalf or otherwise used in conjunction with the Services are not being granted by Network Solutions but are subject to the rules and regulations of ICANN, the related registry and applicable law. **As such, in addition to this Agreement, you agree to also abide by any and all terms and conditions promulgated by ICANN, as amended from time to time, which are hereby incorporated and made a part of this Agreement by reference, for all domain name registrations or renewals, including but not limited to, the Uniform Domain Name Dispute Resolution Policy.**”

FROM NETWORK SOLUTIONS REGISTRATION AGREEMENT

REPRESENTATIONS AND WARRANTIES. You agree and warrant that: (i) **neither your registration nor use of the any of the Network Solutions services nor the manner in which you intend to use such Network Solutions Services will directly or indirectly infringe the legal rights of a third party,** (ii) you have all requisite power and authority to execute this Agreement and to perform your obligations hereunder, (iii) you have selected the necessary security option(s) for your domain name registration record, (iv) you are of legal age to enter into this Agreement (or you are at least 13 years of age and have your parents' permission to apply for services hereunder); and (vi) **you agree to comply with all applicable laws and regulations."**

Paragraph 2 of the UDRP

2. Your Representations. By applying to register a domain name, or by asking us to maintain or renew a domain name registration, you hereby represent and warrant to us that (a) the statements that you made in your Registration Agreement are complete and accurate; (b) to your knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party; (c) **you are not registering the domain name for an unlawful purpose**; and (d) **you will not knowingly use the domain name in violation of any applicable laws or regulations**. It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights.

Paragraph 4(k)

UDRP is a nonexclusive arbitral regime

- Policy compliance is contract-based so UDRP scope is worldwide;
- Assuming complainant prevails respondent can remove the claim to a court of competent jurisdiction before or after the administrative hearing;
- If respondent does not file a complaint within 10 days the domain name will be cancelled or transferred to trademark owner.
- However, failure to act within 10 days does not preclude a later commenced action for declaratory judgment that the registration was not unlawful

UDRP disputes roughly divide into four groups:

- complainants who own strong trademarks prior to domain name acquisition;
- complainants who own weak trademarks prior to domain name acquisition;
- domain name holders who register their choices before a complainant owner's acquisition of a trademark; and
- domain name holders who register domain names after an owner's acquisition of less well known or weak trademarks.

Tripartite Requirement to Establish Abusive Registration

- 1) [Your, that is Respondent's] domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights [Paragraph 4(a)(i)];
- 2) [You, that is Respondent] lacks rights or legitimate interests in respect of the disputed domain name [Paragraph 4(a)(ii); and
- 3) [Your, that is Respondent's] domain name has been registered and is being used in bad faith [Paragraph 4(a)(iii)].

TWO OTHER PARAGRAPHS:

ONE, SETS FORTH CIRCUMSTANCES
THAT DEFEAT A CLAIM FOR
CYBERSQUATTING

THE OTHER, SETS FORTH
CIRCUMSTANCES THAT SUPPORT A
CLAIM FOR CYBERSQUATTING.

In reverse order 4(c) is associated with 4(a)
(ii) and 4(b) is associated with 4(a)(iii)

3 ELEMENTS TO FIRST REQUIREMENT

! Domain name identical or confusingly similar

! To trademark

! in which complainant has a right

IDENTICAL OR CONFUSING SIMILARITY

Confusing similarity is a term of art in the UDRP and ACPA regimes. It is distinct from “likelihood of confusion” which is a test for trademark infringement under the Lanham Act.

A domain name is confusingly similar if on a side by side comparison the second level domain incorporates the trademark or a dominant part of it with changes or additions that do not create a distinguishable identity separate from the mark. For example adding a

- noun or qualifier as in <tmobile**shops**.com>
- geographic indicator as in <asiaapple.com>
- “e” or “i” as in <e-canadian**tire**.com>
- pronoun as in <my**sony**.com>

OR OMITTING LETTERS as in <ros**stores**.com> and ROSS STORES
Which is called Typosquatting.

IDENTICAL OR CONFUSING SIMILARITY

A domain name is confusingly similar where on a side by side comparison it is

- phonetically/phonemically --- adwordz.com and AD WORDS
--- cultbeaute.com and CULT BEAUTY
- visually --- awardsforce.com and AWARD FORCE
- Aurally, or --- ecolab.com and EKOLAB
- Conceptually similar --- tumlr.com and TUMBLR

STANDING FOR COMPLAINANTS WHERE

- TMs ARE ON THE PRINCIPAL REGISTER REGARDLESS OF WHEN THE TM WAS REGISTERED, OR the national register of another country;
- THEY HAVE UNREGISTERED RIGHTS PREDATING DN REGISTRATION

NO STANDING WHERE

- STATE REGISTRATION OF TRADEMARK UNLESS COMPLAINANT PROVES IT HAS COMMON LAW RIGHTS AS WELL; OR
- ONLY ON SUPPLEMENTARY REGISTER AND NO COMMON LAW RIGHT; OR
- INDIVIDUALS WHOSE NAMES ARE NOT INDICATORS OF SOURCE OF GOODS OR SERVICES; (*Ramsey Mankarious v. Stanley Pace*, D2015-1100 (WIPO August 11, 2015) (in Handbook); OR
- GEOGRAPHIC LOCATION (Barcelona case in Handbook)

SECOND REQUIREMENT

[You, that is Respondent] lacks rights or legitimate interests in respect of the disputed domain name [Paragraph 4(a)(ii)].

DEFENSES: Paragraph 4(c)(i), (ii) and (iii) Associated with 4(a)(ii)

- i. “[B]efore any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services.”
- ii. “[Y]ou (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights.”
- iii. “[Y]ou are making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.”

FIRST TEST: RIGHTS OR LEGITIMATE INTERESTS ARE TIED TO EITHER ACTIVE OR DEMONSTRABLE NON-INFRINGEMENT USE OF THE DOMAIN NAME

Telstra Corporation Limited v. Nuclear Marshmallows., D2000-0003 (WIPO February 18, 2000) (WHERE DOMAIN NAME INCORPORATING WELL KNOWN TRADEMARK IS HELD PASSIVELY AND THERE COULD BE NO USE THAT WOULD NOT BE INFRINGING RESPONDENT HAS NO RIGHT OR LEGITIMATE INTEREST

Warehousing Domains for Selling or monetizing counts as active use. See *Vanity Shop of Grand Forks, Inc. v. Domain Administrator / Vertical Axis Inc.*, FA1412001595932 (Forum January 15, 2015) (VANITY SHOP and <vanityshop.com>)

SECOND TEST: COMMONLY KNOWN BY THE NAME

Modelfine S.A. v. A.R. Mani, D2001-0537 (WIPO July 20, 2001)
(ARMANI and <armani.com>, initials of given and middle names plus surname) (Handbook).

Aena, S.A., ENAIRE v. John Hamblin, All England Netball Association, D2015-0996 (WIPO July 17, 2015)

A string of letters that by happenstance is a trademark for complainant (AENA) is an acronym for respondent (“All England Netball Association”).

THIRD TEST: NONCOMMERCIAL OR FAIR USE OF THE DOMAIN NAME

- USE OF DOMAIN NAME FOR NONCOMMERCIAL PURPOSES SUCH AS EMAIL ADDRESS
- FAIR USE CAN INCLUDE NOMINATIVE FAIR USE.
- CONSTITUTIONAL PROTECTION OF FREE SPEECH FOR COMMENT OR CRITICISM. SUCCESSFUL DEFENSE READ SUTHERLAND IN HANDBOOK.

REJECTED DEFENSES LIKELY BASIS FOR BAD FAITH

Defenses: Non-commercial or Fair Use (Free Speech)

- ***The Reverend Dr. Jerry Falwell and The Liberty Alliance***

Two UDRPs against different respondents, one finding free speech and denying complaint (over dissent), the other rejected on free speech grounds but ultimately vindicated in an ACPA action in the Fourth Circuit Court of Appeals (UDRP and federal decisions in the Handbook) (both cases in the Handbook)

- ***Philip Morris USA Inc. v. Lori Wagner*** (Free speech defense rejected)

THIRD REQUIREMENT

[Your, that is Respondent's] domain name has been registered and is being used in bad faith [Paragraph 4(a)(iii)].

PARAGRAPHS 4(b) (i - iv)

- (i) “[C]ircumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to complainant who is the owner of the trademark or service mark or to a competitor of that Complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name.”
- (ii) “[Y]ou have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct.”
- (iii) (you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.

Bad Faith: Intentions Matter

- In general, a finding of bad faith requires a complainant's trademark rights to have been acquired prior to respondent registering the domain name
- Priority a significant factor. Read *Emazing* in the Handbook---domain name registered years prior to Complainant acquiring its trademark. Complaint denied; found reverse domain name hijacking

BAD FAITH IS POSITED ON KNOWLEDGE

- Depending on strength of mark Panel does NOT look for absolute knowledge; awareness is sufficient to satisfy the bad faith requirement when it finds that denial of knowledge is implausible
- Illustrated in *San Francisco Bay Area Rapid Transit District* (implausible denial) and *Pick Enterprises, Inc.* (plausible denial) both cases in the Handbook

FIRST TEST: INTENTION TO SELL TO COMPLAINANT

- Offering domain name to complainant supports violation of paragraph 4(b)(i); bad faith is inferred. *World Wrestling*
- No inference of bad faith where the offer to purchase is initiated by complainant. Discussion in *East End* and *Nucell*.

SECOND TEST: PREVENTING TM OWNER FROM REFLECTING ITS TM WITH CORRESPONDING DOMAIN NAME

PROOF OF VIOLATION COMES WITH THE PROVISIO
“THAT YOU HAVE ENGAGED IN A PATTERN OF SUCH
CONDUCT.”

- THIS CAN BE EITHER **HORIZONTAL OR VERTICAL.**

THIRD TEST: DISRUPTING BUSINESS OF COMPETITOR

THIS TEST APPLIES TO PERSONS WHO REGISTER DOMAIN NAMES OF THEIR COMPETITORS AND REDIRECT THEM TO THEIR OWN WEBSITES.

FOURTH TEST: INTENTIONALLY ATTEMPTING TO ATTRACT FOR COMMERCIAL GAIN

The Policy is violated if

- the domain name is impermissibly used for the purpose of taking advantage of complainant's trademark for commercial gain;
- the domain name creates a likelihood of confusion with the complainant's mark;
- The domain names misleads consumers as to the source, sponsorship, or affiliation with complainant's mark.

PARAGRAPH 4(a)(iii)

IF COMPLAINANT IS ONLY ABLE TO PROVE BAD FAITH USE BUT NOT REGISTRATION IN BAD FAITH THE COMPLAINT MUST BE DISMISSED.

IF COMPLAINANT SUCCEEDS ON ALL THREE REQUIREMENTS THE PANEL IS AUTHORIZED TO ORDER THE REGISTRATION OF THE DISPUTED DOMAIN NAME EITHER CANCELLED OR TRANSFERRED TO COMPLAINANT AS REQUESTED IN ITS COMPLAINT.

- Consensus view is that bad faith is measured from date of registration; not renewal of registration, and that later change of use to bad faith is not sufficient for cancellation or termination.
- But there is an opposing view expressed in ***Eastman Sporto*** and rejected in ***East End***, both in the Handbook.

Paragraph 2 of the UDRP

2. Your Representations. By applying to register a domain name, or by asking us to maintain or renew a domain name registration, you hereby represent and warrant to us that (a) the statements that you made in your Registration Agreement are complete and accurate; (b) to your knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party; (c) **you are not registering the domain name for an unlawful purpose**; and (d) **you will not knowingly use the domain name in violation of any applicable laws or regulations**. It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights.

RULE 15(e) REVERSE DOMAIN NAME HIJACKING

“If after considering the submissions the Panel finds that the complaint was brought in bad faith, **for example in an attempt at Reverse Domain Name Hijacking or was brought primarily to harass the domain-name holder**, the Panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding.”

An element of abusive use of the UDRP proceedings is complainant’s knowledge, either actual or in willful disregard of respondent’s right, that it could not succeed on its complaint.

NO DAMAGE AWARD FOR RDNH

Rules 3(b)(xiv)

Complainant required to certify that its “assertions in this Complaint are warranted under these Rules and under applicable law, as it now exists or as it may be extended by a good-faith and reasonable argument.”

THIS CERTIFICATION APPLIES TO BOTH COMPLAINANT AND RESPONDENT BUT IT HAS PARTICULAR RELEVANCE TO COMPLAINANT FOR REVERSE DOMAIN NAME HIGHJACKING

Reverse Domain Name Hijacking

Pick Enterprises, Inc. v. Domains by Proxy, LLC, Domains ByProxy.com / Woman to Woman Healthcare / Just Us Women Health Center f/k/a Woman to Woman Health Center, D2012-1555 (WIPO September 22, 2012).

NO EVIDENCE OF KNOWLEDGE; COMPLAINT DISMISSED

“[t]he Policy has been in force for more than a decade and the thousands of cases decided under it now constitute a workable body of (to use a legal term) precedent. **In my opinion any complainant, and even more so any professional representative of a complainant, should be at least minimally versed in the Policy, the Rules, their scope, and their limits. It is no excuse that a party or its representative is unfamiliar with clear Policy precedent....**

THE AWARD

IF THE AWARD IS IN COMPLAINANT'S FAVOR THE REGISTRAR AUTOMATICALLY REMOVES THE DOMAIN NAME FROM THE REGISTRANT BY EITHER CANCELLING THE REGISTRATION OR TRANSFERRING THE REGISTRATION TO COMPLAINANT, AT COMPLAINANT'S OPTION



**THE ANTICYBERSQUATTING
CONSUMER PROTECTION ACT
OF 1999**

Anticybersquatting Consumer Protection Act

Sec. 1125(d)(A)(1)

A person shall be liable in a civil action by the owner of a mark, **including a personal name which is protected as a mark under this section**, if, without regard to the goods or services of the parties, that person

(i) has a bad faith intent to profit from that mark, **including a personal name** is protected as a mark under this section; and

(ii) **registers, traffics in, or uses a domain name** that –

(I) in the case of **a mark that is distinctive at the** time of registration of the **domain name**, is identical or confusingly similar to that mark;

(II) In the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark....

Definition of “Traffic”

1125(d)(E)

As used in this paragraph, the term “traffics in” refers to transactions that include, but are not limited to, sales, purchases, loans, pledges licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

RELIEF TO COMPLAINANT, TRADEMARK OWNER

15 U.S.C. § 1125(d)(1)(C)

In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

Statutory Damages

15 U.S.C. Sec. 1117(d)

In a case involving a violation of section 1125 (d)(1) of this title, the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits, an award of statutory damages in the amount of not less than \$1,000 and not more than \$100,000 per domain name, as the court considers just.

Case Citations (all in Handbook)

Lahoti v. Vericheck, C06-1132JLR (WDWA, 2007), aff'd 586 F.3d 1190 (9th Cir. 2009). Not only was the trademark owner awarded the domain name, but also damages for \$75,000 dollars.

The Lahoti dispute started in UDRP as Vericheck, Inc. v. Admin Manager, FA0606000734799 (Nat. Arb. Forum August 2, 2006).

No Bad Faith Use under UDRP – Cybersquatting under ACPA

Newport News, Inc. v. Vcv Internet, AF-0238 (eResolution July 18, 2000) denied the complaint for <newportnews.com> on the grounds that the respondent/registrant had a right or legitimate interest in the domain name.

Ten years later in *Newport News Holdings Corporation v. Virtual City Vision, Incorporated, d/b/a Van James Bond Tran*, 650 F3d 423 (4th Cir. 2011) the court held that the “**record conclusively shows that in making changes to its website in 2007, VCV shifted its focus away from the legitimate service of providing information related to the City of Newport News and become instead a website devoted primarily to women's fashion.... Not only was the site dominated by advertisements for apparel, it also contained dozens of links to shopping websites.**”

RELIEF TO RESPONDENT

15 U.S.C. §1114(2)(D)(iv). “[T]he person making the knowing and material misrepresentation shall be liable for any damages, including costs and attorney’s fees, incurred by the domain name registrant as a result of such action.”

ACPA cases with consent judgements in Handbook:

Telepathy, Inc. v. SDT International SA-NV, 14-cv-01912 (D. Columbia July 9, 2015) (\$50,000) and *Hugedomains.com, LLC. v. Wills*, 14-cv-00946 (D.Colorado July 21, 2015) (\$25,000).

REMEDIES: Injunctive Relief to DN Holder

15 U.S.C. § 1114(2)(D)(v),

A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this chapter. **The court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.**

Some Disadvantages of Choosing Federal Action over UDRP

- Requires the legal fees and expenses for a full federal court action including:
- Preparation of complaint with sufficient factual allegations as to parties, jurisdiction, and violation of 1125(d)(1).
- of related filing documents (summons, cover sheet, Rule 7.1 statement, \$400 U.S. filing fee).
- on defendant or registrar if in rem.
- If defendant does not default but answers, full federal court litigation with discovery, motions and possible trial and appeals.
- Usually more time to reach final judgment, even if the defendant defaults.

Some Advantages of Choosing Federal Action over UDRP Arb.

- 1. Defendants will have to incur significant expense to retain counsel and defend the case. Defendants which are truly “cybersquatters” looking for a quick “profit” will be unlikely to make that investment and may default.
- 2. *In Personam* cases can include claims for damages, attorneys fees and costs. *In rem* cases are limited to the domain names.

Some Advantages of Choosing Federal Action over UDRP Arb.

3. Federal court has broad power in awarding damages and other equitable remedies, (except that the *in rem* jurisdiction remedy is limited to DN forfeiture, cancellation or transfer to the trademark owner.)

- 1125(d)(2)D)(i)

The remedies in an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

In Rem Remedies

An example of very broad relief of damages, attorneys fees and costs and wide-ranging injunctive relief against defaulting defendants who were both DN cybersquatters and using the DN's to infringe plaintiff's brand, including orders for turnover of defendant's account monies and protection against future infringement is in the Default Judgment in *Tory Burch LLC et al. v. Yong Sheng Int'l, et al.*, 10 Civ. 09336 (S.D.N.Y.) Docket #29, 5/13/11.

Assessing whether conduct is cybersquatting

(V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site [equivalent to paragraph 4(b)(iv) of the U.D.R.P.];

(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of this section [**implicit in paragraphs 4(b) and 4(c) of the Policy**].

Case Citations

DSPT International v. Nahum, 624 F.3d 1213 (9th Cir. 2010)

“Even if a domain name was put up innocently and used properly for years, a person is liable for cybersquatting if it subsequently uses the domain name with a bad faith intent to profit from the protected mark by holding the domain name for ransom.”

Cyberpiracy Protection for Individuals

15 U.S.C. 8131 (Cyberpiracy protections for individuals)

Any person who registers a domain name that consists of the name of *another living person, or a name substantially and confusingly similar thereto, without that person's consent, with the specific intent to profit from such name by selling the domain name for financial gain to that person or any third party, shall be liable in a civil action by such person.*

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