

# *Trademarks And The Internet*

## Resolving Domain Name Disputes

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# *Domain Name Disputes*

- Traditional Theories - Infringement and Dilution
- New Cybersquatting Options
  - ICANN Mediation
  - Anticybersquatting Consumer Protection Act (ACPA)

# *Trademark Infringement*

- Likelihood of Confusion Analysis
  - Strength of Plaintiff's Mark
  - Similarity of the marks
  - Similarity of the goods and services
  - Similarity of marketing and trade channels
  - Defendant's Intent - Good or Bad Faith
  - Actual Confusion

# *Trademark Dilution*

- Protects Famous Marks Against Dilution by Similar Marks
- Fame can be regional
- Blurring or Tarnishment
- Likelihood of Confusion need not be proven

# *Domain Name Arbitration*

- Almost all domain names are subject to mandatory arbitration
- Determine what arbitration policies apply by looking at the TLD (e.g., .com, .biz, .us)
- Arbitration *may* be faster and cheaper than going to court
- Other inherent risks

# *Which Policy Applies?*

- .com, .net, .org, .info: UDRP
- .biz: UDRP and Restrictions DRP
- .name: UDRP and Eligibility Restrictions DRP
- .us: usDRP and Nexus Dispute Policy
- country codes (e.g., .tv, .ws): UDRP or similar *may* apply

# *UDRP*

- Intended purpose: cybersquatting
- Applies to: .com, .org, .net, .biz, .info, .name, some ccTLDs
- Elements:
  - TM is confusingly similar to domain name
  - domain name owner has no legit. interest
  - domain name registered and used in bad faith

# *UDRP: Identical or Confusingly Similar*

- The domain name is identical or confusingly similar to a trademark or service mark in which complainant has rights (¶ 4(a)(i))
- Must show:
  - (1) trademark rights - may be registered or common law mark
  - (2) confusing similarity - compare mark and domain name (not web site), e.g., typos, different punctuation, mark plus common word



# *UDRP: No Legitimate Interests*

- The domain name registrant has no rights or legitimate interests in the domain name (§ 4(a)(ii))
- Complainant must make prima facie showing
- Respondent may then defend by showing:
  - use of (or preparations to use) the domain name for legitimate business – intent not enough
  - that it was commonly known by domain name, regardless of trademark rights
  - legitimate noncommercial or fair use such as commentary – intent is not enough

## *UDRP: Bad Faith*

- Respondent registered *and* used the domain name in bad faith (¶ 4(a)(iii))
- May show one of listed factors
  - registration for purpose of selling, renting or transferring to trademark owner for profit
  - preventing trademark owner from registering mark as domain name (must show pattern of behavior)
  - intent to disrupt competitor's business
  - diversion of Internet traffic
- May infer from other circumstances

## *RDRP for .biz*

- Restrictions Dispute Resolution Policy
- Intended purpose: enforcement of commercial use restriction of .biz
- Applies to: .biz only
- Must show: domain name is not being used for bona fide commercial purpose

## *RDRP: Bona Fide Business Use*

- Examples of bona fide business or commercial use:
  - exchange of goods, services or property of any kind
  - use in the ordinary course of trade or business
  - to facilitate the exchange of goods, services, information or property of any kind in the ordinary course of trade or business

# *RDRP: Not Bona Fide Business Use*

- Examples of use that are not bona fide business or commercial use:
  - selling, trading, leasing the domain name for \$
  - unsolicited offering to sell, trade, lease the domain name for \$
  - exclusively personal, non-commercial use
  - exclusively for expression of non-commercial ideas (criticism etc.)

# *usDRP for .us*

- usTLD Dispute Resolution Policy
- Intended purpose: cybersquatting
- Applies to: .us only
- Elements: same as UDRP except
  - need to show only bad faith registration OR use
  - additional defense: beneficiary or owner of a mark that is identical to domain name

# *Nexus Dispute Policy for .us*

- Intended purpose: enforcement of U.S. nexus restriction
- Applies to: .us only
- Must show: no nexus with U.S.
  - not U.S. citizen, permanent resident, primarily domiciled in U.S.
  - not an entity incorporated or otherwise constituted under U.S. law (or non-profit org. located in U.S.)
  - not foreign entity/person with real and substantial lawful connections with, or lawful activities in, the U.S.

## *ERDRP for .name*

- Eligibility Requirements Dispute Resolution Policy
- Intended purpose: enforcement of name requirement
- Applies to: .name only
- Must show: violation of eligibility requirement



# *ERDRP: Name Requirement*

- .name eligibility requirement is met if the domain name is:
  - the registrant's legal name
  - the name of a fictional character in which the registrant has trademark rights
  - a name by which the registrant (as an individual) has been commonly known

# *When to Arbitrate and When to Sue?*

- Arbitration may be better if:
  - facts fall within the intended scope of the Policy
  - facts are straightforward and one-sided
  - transfer of domain name is all that is needed
  - no personal jurisdiction in US courts
  - you can wait 2 months for a decision
- Otherwise, go to court

# *Anticybersquatting Consumer Protection Act (ACPA)*

- U.S. statute for redressing cybersquatting in federal court
- Personal jurisdiction or *In Rem* jurisdiction (jurisdiction over the domain name)
- Greater flexibility in building a case
- Greater expense

# *Jurisdictional Bases Exclusive*

- *In rem and in personam jurisdiction mutually exclusive. Alitalia-Linee Aeree Italiane S.p.A. v. Casinoalitalia.com, 128 Supp.2d 340 (E.D. Va. 2001)*

# *Basis for In Rem Jurisdiction*

- Unable to assert personal jurisdiction over known defendant
- Through due diligence unable to find a putative defendant – *Heathmont A.E. Corp. v. Technodome*, 2000 U.S. Dist. LEXIS (E.D. Va. 2000)

# *Due Diligence*

- Must show due diligence in proving a lack of personal jurisdiction – *Heathmont A.E. Corp. v. Technodome.com*, 2000 U.S. Dist. LEXIS (E.D. Va. 2000)

## *Venue in In Rem Actions*

- *In rem* jurisdiction exists only in the judicial district of domain name registry, registrar, or other domain name authority. 15 U.S.C. § 1125(d)(2)(A)  
*Fleetboston Financial Corp. v. Fleetbostonfinancial.com*, 2001 U.S. Dist. LEXIS 4797 (D. Mass. Mar. 27, 2001)

# *Bad Faith Required*

- Must plead and prove bad faith in *in rem* actions.  
*Harrods Ltd. V. Sixty Internet Domain Names*, 110 F.Supp.2d 420 (E.D. Va. 2000)



# *ACPA Elements*

- Bad faith intent to profit
- Registration, trafficking in, or use of domain name
- Identical or confusingly similar to plaintiff's mark
- Plaintiff's mark - distinctive or famous

# *ACPA Bad Faith Factors*

- Trademark or other IP rights
- Legal name or used to identify registrant
- Prior use with bona fide offering of goods or services
- Intent to divert consumers
- Offers to transfer domain name for money

## *ACPA Bad Faith Factors (cont)*

- Material or misleading false contact information
- Registration of multiple domain names which are identical, confusingly similar to, or dilutive of others' marks
- The distinctiveness and fame of the Plaintiff's trademark

# *Application*

- Fame yields bad faith
- Commercial use reflecting intent to divert customers
- Offers to sell at high prices
- Pattern of registering well known marks

## *Tarnishment → Bad Faith*

- *Mattel* – use of BARBIESPLAYPEN.COM in connection with porn site
- *Morrison & Foerster* – linking to anti-Semitic or pornographic content
- *E. & J. Gallo* – Use of ernestandjulio.com for anti-wine site
- *Ford Motor* – Using fordrecalls.com to sell hard porn

## *Other Evidence of Bad Faith*

- Post-registration transfer of domain name to related company
- Request for continued use of domain name and covenant not to sue
- Post-registration adoption of assumed name similar to domain name
- Posting a website at the domain after lawsuit

## *Other Bad Faith (Cont.)*

- Registering numerous trademarks as domain names
- Registering under fictitious names
- Offering dubious explanations
- Failing to seek advice of counsel before registering domain names
- Evil Intent: "To see these people squirming around over 70 bucks, that's enjoyable."

# *Retroactivity and Damages*

- ACPA applies retroactivity, but only for prospective injunctive relief
- Damages available for post-enactment registration, trafficking or use
- *Mattel* – continued use of web site post-ACPA triggered damages



# *Statutory Damages*

- *\$1,000 to \$100,000*
- *Electronics Boutique v. Zuccarini*, \$500,000 total (\$100,000 per)
- *Gallo* - \$25,000
- *Shields v. Zuccarini* - \$10,000 per (\$50k)
- *United Greeks* - \$2,000 per (\$10k)

# *Personal Liability of Corporate Officers*

- *Mattel* – Registrant Internet Dimensions, and Benjamin Schiff, sole officer, director, shareholder, and employee
- Schiff personally liable without piercing corporate veil

# Officer Liability

- “A corporate officer who directs, controls, ratified, participates in, or is the moving force behind the infringing activity, is personally liable for such infringement without regard to piercing the corporate veil.” *Mattel* (quoting *Babbit Electronics, Inc. v. Dynascan Corp.*, 38 F.3d 1161, 1184 (11th Cir. 1994)).

# *ACPA Advantages*

- Damages and Statutory Damages (\$1,000 to \$100,000)
- Corporate officers who direct or control the infringing activity can be held personally liable
- Bad faith registration, trafficking or use
- Registrant's legitimate interests do not preclude liability

## *ACPA Advantages (Cont.)*

- Discovery is available
- Broad equitable relief
- Contempt powers
- Federal courts, generally, may weigh trademark rights more heavily
- Greater consistency

# *Conclusion*

- Consider differences between UDRP and ACPA
- Use care in linking to other sites and in framing site content
- Scrutinize metatag usage - your company's and your competitors'
- Metatag use of trademarks can be bad faith

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