



What Do You Do When Discovering Somebody's Domain Name Includes Your Brand Name?

While cybersquatting has always been a problem, the recent expansion of new generic top-level domains (gTLDs) by the International Corporation for Assigned Names and Numbers (ICANN) has drastically exacerbated the issue. For example, while a company like Apple previously only needed to be concerned with domains like "AppleComputers.com" and "AppleCompany.org," the new gTLD system opened Pandora's box of confusing domain names such as "Computers.apple" and "Apple.phone". With so many new options available, it is increasingly difficult for trademark owners to take a defensive approach of proactively registering all domain names that might be confusingly similar to theirs.

Fortunately for US trademark owners, there are two options for stopping others from using your mark in their domain name: the Anticybersquatting Consumer Protection Act (ACPA) and the Uniform Domain-Name Dispute-Resolution Policy (UDRP).

Understanding the Anticybersquatting Consumer Protection Act

The Anticybersquatting Consumer Protection Act (ACPA), codified under 15 USC §1125(D), was created to address cybersquatting. It allows you to file a federal civil lawsuit against anyone who, in bad faith, registers, traffics in, or uses a domain name that could confuse consumers with your trademark or dilute the distinctiveness of your mark.

Whether a mark is likely to cause confusion or is dilutive of your trademark is based on standard trademark law principles. Here's a simplified explanation:

- **Likelihood of Confusion:** This looks at various factors, such as the appearance, sound, and meaning of the marks, the types of goods and services they cover, and how consumers encounter the marks in the market. The goal is to determine if consumers might be confused about the source of the goods or services.
- **Dilution:** This considers if, after your mark became famous, someone else used a name that either weakens the distinctiveness of your mark or damages its reputation.



Establishing Bad Faith

Not all confusingly similar or dilutive domain names violate the ACPA. The ACPA requires proof that the defendant acted in bad faith when using or registering the domain name. Thankfully, the ACPA provides a list of factors a court can consider to determine bad faith intent, including but not limited to:

- whether the domain name includes that person's actual name;

- whether the person has previously sold goods or services under the name;
- whether the person has offered to sell the domain name without having made bona fide use of the domain to sell goods or services;
- whether the person is attempting to drive traffic away from you, either to profit directly or to disparage you; and
- whether the person has registered multiple domain names confusingly similar to other marks.

Jurisdiction Challenges and Remedies

One of the significant challenges facing trademark owners is that domain name registries often allow registrants to obscure their identities or otherwise remain anonymous, making it hard to identify the actual defendant. Additionally, the defendant may not be in the United States. Fortunately, the ACPA provides two types of jurisdictions to protect your trademark, each with slightly different remedies.

- **In personam jurisdiction** – If you know the registrant's identity and they are subject to US jurisdiction, you can sue them directly. In this type of action, a court can award actual damages or statutory damages of \$1,000-\$100,000 per domain name and order the cancellation, forfeiture, or transfer of the domain name. The court may also award attorney's fees if the case is deemed "exceptional" due to the defendant's bad actions.
- **In rem jurisdiction** – If you cannot find the registrant or they are not subject to US jurisdiction, you can still file a lawsuit if:

The domain name is likely to cause confusion with

your mark or is dilutive of your mark; and,

You either cannot obtain in personam jurisdiction over the defendant, or you cannot find the person who should be the defendant.

The appropriate place to file an in rem action is the judicial district in which the domain name registrar or registry is located. In this type of action, however, a court may only order the cancellation, forfeiture, or transfer of the domain name, and monetary damages are not available.

Understanding the Uniform Domain-Name Dispute-Resolution Policy

The UDRP is an international administrative procedure developed by ICANN to resolve disputes about domain names. The UDRP is administered by several different international bodies, primarily the World Intellectual Property Office (WIPO). UDRP proceedings are often more friendly to trademark owners for a number of reasons:

- Costs are significantly lower than federal civil lawsuits under the ACPA;
- There are no jurisdictional issues;
- Proceedings are conducted via email;
- There are no motions, evidence, discovery, or hearings; and
- UDRP panelists typically have substantial experience in intellectual property law.

However, there are some significant differences between ACPA and UDRP. First, the only remedies offered for a successful UDRP complaint are cancellation, forfeiture, or transfer of the domain name, similar to the ACPA in rem proceeding. There is no remedy for money damages under the UDRP.

Second, unlike the ACPA, where a mark holder only

has to prove bad faith registration or bad faith use, in a UDRP proceeding, the mark holder must prove bad faith in both use and registration. The UDRP is also slightly more limited than the ACPA in the actions considered to constitute bad faith use. The following are regarded as bad faith uses under the UDRP:

- The registrant primarily registered the domain to sell it for profit;
- The registrant registered the domain to prevent the mark owner from using it and has an established pattern of doing so;
- The registrant primarily registered the domain for purposes of disrupting a competitor's business; or
- The registrant intentionally used the domain name to cause confusion with the mark and thereby misdirect users to the registrant's website for commercial gain.

Thirdly, because no discovery is involved in UDRP proceedings, it can be challenging to show bad faith in more complex cases. This may occur when the evidence is circumstantial, when it requires testimony to prove, or when the bad faith is based on a pattern of behavior of violating trademark rights. The complaint must include all available evidence and anticipate potential defenses, as there is no opportunity to present additional evidence later.

Understanding Fair Use

Finally, even if a person uses a domain name that is confusingly similar to or dilutive of your mark, such use might still be allowable under the concept of "fair use." Fair use is a public policy intended to balance the private interest in trademark rights

against the public interest in free speech and the free exchange of information.

Fair use typically arises in the context of domain names in connection with "gripe sites." Gripe sites are websites created to complain about or comment on a mark owner's company or its goods or services. Gripe sites are not typically operated for profit but instead are created by consumers to share information or opinions about another company publicly. While each case will be considered on its own facts, courts are likely to find fair use exists where the gripe site is not commercial in nature, especially if the domain includes additional wording (e.g., "PepsiSucks.com") and is not merely identical to the trademark without something more (e.g., "Pepsi.drink").

Final Thoughts

While it can feel like a game of whack-a-mole trying to keep up with enforcement, trademark owners have two options for combatting abusive domain name registrations: the ACPA and the UDRP. Either procedure can result in cancellation, forfeiture, or domain name transfer. Which action to choose will depend on whether the defendant can be sued in the US, whether monetary damages are desired, and whether complex evidentiary issues are involved, among other factors.

As always, if you are unsure about what trademark rights you own, how to protect your brand or company name, and what actions you can take to stop others from using your name or mark, you should consult an intellectual property attorney.