



DOMAIN NAME DISPUTES

Frequently, a client will come to our office having just received a cease and desist letter from a trademark/servicemark owner demanding that the client cease using the domain that the client has registered and/or that they transfer ownership of the domain name to the trademark/servicemark owner. Conversely, many of our clients have asked us to send such letters to the owners of domains who have registered our client's trademark/servicemark as a domain. In such cases, how does one determine whose rights are superior?

In today's market, a company's domain name is a valuable business asset. The general rule is that the first to register the domain owns it. However, in the United States, trademark/servicemark rights are secured by the first user of the trademark/servicemark. Therefore, if your client has registered a domain name that is the same or substantially similar to a mark owned by a person or entity who has obtained federal, state or common law trademark/servicemark rights to that mark, then your client as the domain owner may be infringing that person's or entity's rights.

Disputes over domain names are often resolved administratively by the Internet Corporation for Assigned Names and Numbers ("ICANN") under its Uniform Domain Name Dispute Resolution Policy ("UDRP"). The owner of a trademark/servicemark may file a Complaint against the domain owner, thereby initiating a UDRP arbitration proceeding. The complaining party must prove each of the following in order to win a UDRP arbitration:

1. The domain name is identical or confusingly similar to a trademark/servicemark in which the complaining party has rights;
2. The domain owner does not have any rights or legitimate interest in respect of the domain name; and
3. The domain owner registered the domain name and is using it in "bad faith."

Once a UDRP proceeding is instituted, the responding party will have twenty days in which to respond to the Complaint. Although it is up to the complaining party to prove the three elements above, the domain owner may establish rights and legitimate interests to the domain name by demonstrating the following:

1. the domain owner's 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 before receiving any notice of the dispute; or
2. the domain owner (as an individual, business, or other organization) has been commonly known by the domain name, even if the domain owner has acquired no trademark/servicemark rights; or
3. the domain owner is 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/servicemark at issue.

Alternatively, the domain owner may show that he/she/it actually has trademark/servicemark rights that are superior to the accuser.

In addition to or in lieu of filing a Complaint with ICANN, the owner of the trademark/servicemark may also choose to file a lawsuit for trademark infringement and/or violations of anti-cybersquatting laws in state or federal court. As you can imagine, such lawsuits can be very costly and in some cases the prevailing party may be entitled to recover its attorneys' fees. However, it is generally less expensive and faster to file a UDRP proceeding. Of course, it is better to avoid these disputes altogether by performing the proper due diligence.

CONCLUSION

To avoid a domain name dispute, trademark/servicemark and domain name searches should be performed to ensure that the domain owner is not infringing on another's trademark/servicemark rights. These searches should be performed before expending time and money on the creation and maintenance of a website. However, once a dispute has arisen, a UDRP arbitration proceeding under the ICANN is a less expensive and quicker alternative to litigation.

Performing trademark/servicemark and domain name searches to determine the availability of a domain name for use and determining and defending the domain owner's rights in domain name disputes is a service that is offered by the Livingston Firm.

Livingston Loeffler specializes in all areas of intellectual property law including patents, trademarks, copyrights, trade secrets, franchising, litigation and business law. As the largest full-service intellectual property law firm in Southwest Florida with over seventy years of combined experience, Livingston Loeffler can be there to assist you from beginning to end with protecting your ideas and inventions and getting those ideas and inventions to market.

Thank you for taking the time to read this edition of Protecting Your Creativity. If you are in need of our services then please contact us to schedule an appointment.

Livingston Loeffler, P.A.

U.S. Registered Patent Attorneys who are Board Certified in Intellectual Property Law

239-262-8502

ip@lloplaw.com

The information contained in this newsletter is intended to convey general information. It should not be construed as legal advice or opinion. It is not an offer to represent you, nor is it intended to create an attorney-client relationship.