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DOMAIN NAME ISSUES

Many of the disputes concerning IP and the internet revolve around domain names. Domain names are interesting creatures. Just because you have purchased a domain name does not mean that you have any sort of intrinsic rights, and technically speaking you may not even have a right to use that domain. Disputes surrounding domain names do not really invoke one particular segment of the law, but rather cross over various legal issues. Domain name issues span trademark and its cousin cyber-squatting law, unfair competition, international law and alternative dispute resolution. Which law applies depends on the nature of the dispute. The following is a broad overview of some of the issues that can arise in connection with domain names.

International Law the UDRP

The first issue we should discuss is one of the issues that makes domain name issues so complex - the international aspect. As everyone knows, the internet is not geographically limited to the United States. This fact poses potential problems in determining what law applies to domain names. In order to solve this problem ICANN (the Internet Corporation for Assigned Names and Numbers), the governing body responsible for the global coordination of the Internet's system of unique identifiers (including domain names, country codes, and IP addresses) established the Uniform Dispute Resolution Policy (UDRP) that every domain name registrar and every person that registers a domain name agrees to. This insures a uniform dispute resolution system no matter where the parties are from. The UDRP grants certain rights to holders of trademarks or victims of cyber-squatting to reclaim domain names that were registered by others in bad faith. The process is fairly quick. It should be noted that this procedure does not necessarily pre-empt any right a party would have to sue to attempt to get the domain name if the parties are both located in the United States.

Domain Names and Trademarks

Far and away the most common disputes with domain names revolve around trademark rights. As discussed in our [Trademark Section](#) the rights to trademarks arise from a company or individual's use of certain identifiers of their goods and services in commerce. One of the rights is to prevent others from using a mark that would cause a likelihood of confusion with your mark for similar goods or services. There are two situations that trademarks are involved with domain names 1) where the domain name infringes on an existing trademark and 2) when the domain name itself **becomes** the trademark. It's easy

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to run afoul of trademark law with respect to domain names because of the lack of any oversight or review when registering domain names. When you go to register a domain name no one looks at it and says "I'm sorry you can't register that domain name because it infringes on another companies trademark." Therefore when you go to register a domain name you may be in the situation where you will not be able to use that domain in relation to your business because your use would infringe someone else's pre-existing rights. The second way trademarks affect domain names is that through your use of the domain name to advertise or sell your goods or services may result in you acquiring trademark rights. This is true even if the mark for goods and services you provide is not the same as your domain name. The following example illustrates how this can happen.

ABC Company provides various goods and services in the computer software industry under the mark XYZ, DEF, and GHI. XYZ is a computer program and DEF and GHI are both prepackaged software development service bundles. ABC operates a website at the domain www.JKL.com in which it advertises it's services and has the ability to purchase XYZ via internet download.

In the above illustration www.jkl.com or just even JKL can be a trademark of ABC for the retail sale of software and for software development services. Therefore if someone down the road registers the domain www.jki.com , it could potentially be infringing on ABC's trademark. Likewise, if JKI previously existed and had acquired trademark rights in JKI, ABC's use of the domain JKL could be infringing. Additionally the top level domains (TDL's) of .com, .org, .biz etc. do not serve to distinguish marks and make them non-infringing. Therefore www.jkl.net would also infringe ABC's trademark rights. Additionally, slight changes in spelling, phonetic spelling, the use of "e" to designate electronic commerce (e.g. www.e-JKL.com) or hyphens "-" are not sufficient to distinguish the marks and make them non-infringing.

Therefore, as you can see rights to domain names can rely heavily on trademarks - therefore determining who has senior rights is extremely important. If you encounter these issues you should contact us immediately.

***** PLEASE NOTE WE ARE NOT AFFILIATED WITH JKL INFOTECH, OR JKL.NET IN ANY MANNER, NOR DO WE ENDORSE THEIR SERVICES - THE DOMAINS WERE MERELY CONJURED UP FROM THIN AIR TO ILLUSTRATE THIS POINT*****

Cybersquatting

Cybersquatting is basically the registering of a domain name that is identical or common misspellings of other people's trademarks for the purposes of selling it back to the trademark owner. Basically is extortion on the internet. In 1999 the United States passed the Anti-Cybersquatting Consumer Protection Act.

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Basically the act gives trademark owners certain legal remedies against people who obtain domain names "in bad faith" that are identical or confusingly similar to a trademark or service mark. Basically the key element is that the plaintiff must prove that the defendant registered the domain with a bad faith intent to profit from the domain. Under the statute a plaintiff is not only eligible to get the domain transferred to them, but they are also eligible for sometimes significant damage and attorney's fees. However, unlike like ICANN Arbitrations (discussed below) Anti-Cybersquatting actions are brought as lawsuits and can take years to wind their way through the court system and can be very expensive to pursue.

ICANN Arbitrations

ICANN Arbitrations are tools for the owners of trademarks to recover domains that infringe on their trademarks and have been registered in bad faith by third parties in violation of the UDRP. No damages are available in the arbitrations, but they do allow for a swift decision and transfer of the domain name in the instances where the plaintiff's are successful. The vast majority of the arbitrations are concluded in a matter of months and they are all done by document submission (no in person proceedings) which cuts down on the cost. Additionally, instead of costing tens of thousands of dollars like litigation ICANN arbitrations are around \$5000.00 to do start to finish. They should definitely be in the tool box of any company that operates on the internet.

Unfair Competition/Deceptive Trade Practices

Often times, intentionally registering an identical or confusingly similar domain name to an existing trademark with the intent of trading off of the other person's mark can raise state based unfair competition claims or deceptive trade practice claims that may invoke significant damages. Since each state is different an in depth discussion of these issues is not practical. However if you believe that you have a situation that could trigger these laws, it is advisable that you seek counsel from a qualified attorney.

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Conclusion:

As previously stated domain names can be a potential mine field for the unwary. Competent legal advice is necessary for any company that wishes to have an internet presence or to protect its already existing portfolio of trademark rights.

If you have a domain name dispute, you should contact a qualified attorney immediately. Leyendecker & Lemire, LLC offers all of the services described on this page. While our attorney's are registered to practice law in the State of Colorado, we can represent clients from any state in any matter dealing with federal and international laws including cybersquatting, ICANN Arbitrations, domain name law, e-commerce law, copyright, trademark and patent law.

Leyendecker & Lemire, LLC is a Denver-based law firm offering a full spectrum of Intellectual Property, Business and Entertainment related legal services for entrepreneurs, individual inventors, and businesses of all sizes. We pride ourselves in providing large firm quality, but with personalized service and attention the large firms do not provide to their smaller clients. Our strength is working with a client from the beginning of his/her venture to maximize the venture's value and potential, as well as, help minimize the risk of legal disputes. Call (303) 768-0123 or e-mail us at info@coloradoplw.com today to see how we can help you!

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