

PROCEDURE PROVIDES LITIGATION ALTERNATIVE IN DOMAIN-NAME CONFLICTS

BY JASON R. FULMER

In most situations, cyber piracy can be addressed without resorting to expensive litigation. Here's the situation: You discover that someone has registered a domain name that incorporates your company's trademark (or a close derivative) (i.e., yourtrademark.com), and that it has posted content on the site that may be diverting customer traffic and potential sales away from your business. Further, the unauthorized Web site is causing your company's Web page not to be listed as high in search listings. What can be done to stop this?

When someone registers a domain name, he agrees to be bound by certain terms and conditions, including agreeing to participate in an administrative procedure brought by a trademark owner. All Internet Corporation for Assigned Names and Numbers-accredited registrars have adopted what is known as the Uniform Domain-Name Dispute-Resolution Policy (UDRP).

In a UDRP proceeding, neither damages nor attorneys' fees can be recovered. In fact, the only available remedies under the UDRP are cancellation of the domain name from the registrar or transfer of the domain name to the trademark owner. However, these are powerful remedies; once the company has control of the domain name, it controls the content.

Typical UDRP cases are decided based solely on written submissions of the parties and are completed in 60 days. Filing fees vary depending on the number of domain names at issue and the desired number of panelists. For example, to have a single-member panel review and decide a case involving one or two disputed domain names, the filing fee is \$1,300. For more information on the dispute procedure visit the National Arbitration Forum's Web site at www.arb-forum.com.

ELEMENTS OF PROOF

To succeed under the UDRP, the trademark owner must prove three things:

1. *The trademark owner has rights in trademarks or service marks, and the domain name at issue is identical or confusingly similar to those marks.* Generally, this first factor is the easiest to satisfy, given that the UDRP adopts a liberal standard for finding a domain name identical or confusingly similar to the trademark owner's mark. Demonstrating the owner's trademark rights can be done by providing evidence of the owner's registered trademarks, such as a certificate of registration from the U.S. Patent and Trademark Office.

However, there is no requirement that the mark be registered to prevail under the UDRP. Common law, unregistered trademarks can likewise be asserted, provided that the owner adequately proves that the mark has become a distinctive identifier associated with the owner and its goods/services. Once the owner has demonstrated its trademark rights, it must then demonstrate that the domain name is identical or confusingly similar to those marks. Confusingly similar in this context is limited to the visual comparison of the trademark and the domain name. If the domain name includes the trademark or a confusingly similar approximation, it meets the standard.

2. *The domain name owner has no "rights or legitimate interests" in the domain name.* Rights or legitimate interests in a domain name can exist when the domain is used in connection with a bona fide offering of goods or services or the use is considered to be a legitimate noncommercial or fair use.

For example, a domain name owner may be able to demonstrate it has rights to a domain name containing the term "apple" if it is used for an apple farm business but not if it is aimed at selling computers. Also, a reseller of a trademark owner's products may be able to demonstrate it is using the domain name in connection with a bona fide offering but only if the use meets certain

criteria such as: the site is used only to sell trademarked goods (not goods of some other competitor); and the content of the site accurately discloses the domain owner's relationship with the trademark owner. If a domain name owner is using a domain name solely for the purpose of providing links to third-party Web sites, numerous panels have held this does not constitute sufficient rights or legitimate interests in a domain name.

3. *The domain name was registered and is being used in bad faith.* Of the three elements, this factor is probably the most difficult to prove, but in many cases, it can be shown by circumstantial evidence.

The types of conduct the UDRP considers to be bad faith include registration of a domain name primarily for the purpose of selling it back to the trademark owner or a competitor for money and evidence showing that the domain owner is intentionally attracting, for commercial gain, Internet users to an alternative Web site by using the trademark owner's mark.

The UDRP also requires the registrar, after being notified of the dispute, to lock the domain name to prevent a transfer by the owner until the dispute has settled. It is not uncommon for a domain name owner to simply not respond to a UDRP action, which can also be advantageous.

The next time you have a domain name issue, consider filing a UDRP action. It will likely enable you to address the situation quickly and inexpensively.

Jason R. Fulmer is a senior associate with Gardere Wynne Sewell's intellectual property practice group in Dallas. His e-mail address is jfulmer@gardere.com.