

Domain Names

Before discussing domain names, a little background information on the Internet may be helpful. The Internet is a worldwide collection of interconnected computer networks, and is subject to little control, regulation, or ownership. It functions through the cooperation of thousands of companies, government entities, educational institutions, and numerous local networks located in about 100 countries. The World Wide Web (WWW) is just a single component of the internet, although it is currently the most well known.

An Internet Domain Name is the "address" where the on-line offering or web site is found. The domain name is an alphanumeric device for a series of unique numbers that permit your computer to locate information on another computer or server over the Internet. For example, "www.mcr-ip.com" corresponds to a number, which allows a computer connection. It is important to note that the Internet Domain Name is not an email address (info@mcr-ip.com), nor is it a uniform resource locator (URL) address (http://www.mcr-ip.com). Elements of URL's and emails are not involved in the domain name registration. The domain name is independent of the type of Internet access, and is the "mcr-ip.com" component.

The Internet Corporation for Assigned Names and Numbers (ICANN) was formed by the United States Department of Commerce in 1998 to regulate the domain name industry. ICANN allows competing Registrars to service the domain industry while maintaining a central Registry of all domain names.

The domain names currently consist of two components, a top-level domain (TLD) and a second level domain element. The TLD is the "suffix" of the domain name, and ICANN approved TLD's are currently assigned any one of the following: com - commercial, org - organization, edu - education, net - network service provider, gov-government, .biz businesses, .info information based services, .name individuals, .pro professionals, .aero air travel, .coop cooperatives, .museum museums. These are in addition to the country designations such as .jp for Japan. There are numerous other TLD's available but have not proven to be highly popular.

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The second level domain (AOL, MCR, Microsoft) is where legal battles are occurring. The second level domain name is typically a mnemonic that allows the user to locate the particular goods or services. Because the Internet does not have an all-inclusive directory to find domain names, consumers rely on the domain name mnemonic to locate goods and services. Thus, as a mnemonic, a second level domain name operates as a trademark. For example, if you go to a site with a second level domain name such as "SEARS", you would expect to find products associated with the Sears & Roebuck Company.

A little history is useful back in 1993, the National Science Foundation (Federal agency) granted a five year contract to Network Solutions, Inc. (NSI), to act as the domain name registrar. NSI was a private organization, and instituted an informal registration policy that required: 1) filing an application for domain name on a template (electronic form that can be filled in and returned by email, fax, postal mail), and 2) payment of a processing fee (about \$70) for a new domain name which covered a 2 year period. No searches or likelihood of confusion analysis was required, simply a first come first served registration system. However, NSI was ill equipped to handle the trademark disputes that occurred as a result of this domain name registration process.

Due to the marketing power in the domain name, unwary companies found their registered trademarks appropriated by those that filed first. The second level domain name became a valuable component of a trademark, and the misappropriated domain names posed a serious threat to the registered trademarks because of the instantaneous access to millions of people across the globe via the Internet. A new breed of trademark infringement occurred, touting such names as:

Cybersquatting - taking a registered trademark and registering it as your domain name. One individual registered 100 second level domain names, incorporating famous domain names. Eventually, the federal courts used the antidilution statute to force him to give up the names.

Warehousing - some applicant's began to register all major trademarks used in business and any other marks they were thinking of using in the future, including generic terms. These companies viewed the relatively inexpensive processing fee as a worthwhile investment to hoard a wide range of potential marks.

Reverse Hijacking - attempting to use NSI to force a domain name on hold, even though there was no likelihood of confusion. This practice developed as a result of an early Domain Dispute Policy.

To address the pitfalls in the old system and respond to the complaints from the public, two initiatives emerged. The U.S. Congress enacted the Anticybersquatting Consumer Protection Act (ACPA), and ICANN promulgated the Uniform Domain-Name Dispute-Resolution Policy (UDRP). The UDRP has been much more popular in resolving domain name disputes, while the ACPA has been used effectively in certain litigation circumstances. Both processes have been around long enough and have been self-adjusting in terms of producing generally good results.

The thrust of the policies is to prevent near-do-well practices in dealing with domain names and trademarks. It is not intended as a vehicle to force legitimate domain name owners to relinquish ownership of domain names. Both the ACPA and the UDRP contain somewhat similar standards for assessing whether use of a domain name equates to cybersquatting.

Both laws require a 'plaintiff' to show that it has trademark rights in a distinctive mark and that the defendant has registered or using a confusingly similar domain name in bad faith. The ACPA and the UDRP require the fact finder, whether a judge, jury, or an arbitrator, to determine whether the domain name registrant has acted in "bad faith" and lacks a legitimate interest in the domain name.

The tenets of trademark law in establishing a 'likelihood of confusion' for trademark infringement are different than the standard of confusion with respect to the ACPA and UDRP. Traditional trademark infringement is based on finding another's use of a mark creates "a likelihood of confusion" as to the source or affiliation of goods and services associated with the mark. The ACPA and the UDRP permit liability solely if the defendant has registered a domain name that is confusingly similar to a plaintiff's trademark -even if the defendant does not use the domain name in a manner that creates a likelihood of confusion as to the source or affiliation of goods or services associated with the domain name.

Therefore, Delta Airlines co-exists with Delta Faucets; Cadillac cars co-exist with Cadillac dog food; and Lexus cars coexists with Lexis informational databases. However, as noted with these examples, multiple trademark owners may be competing with each other to extract a domain name from a cybersquatter, and it is generally a 'first-to-file' system under these conditions. For example, the domain name Madonna.com is owned by the singer Madonna and was taken from a cybersquatter that was supposedly attempting to donate the domain name to Madonna Rehabilitation Hospital.

Another difference is that traditional trademark law is intended to protect the public and involved with goods/services in commerce, while the UDRP and the ACPA have jurisdiction even without the domain name holder using the mark in public.

Although the UDRP and ACPA each provide a legal course of action for dealing with cybersquatters the costs in time and money can be excessive. In addition, there is no guarantee of success. Thus, the focus should be on preventative steps to avoid the problems associated with cybersquatting and seek counsel if it occurs.

How to avoid problems with domain names:

- Pick a distinctive mark/domain name
- Clear a mark by doing a search, similar to a trademark search and securing the domain name if clear
- Register the domain name as a trademark and use the domain name as a trademark, like Amazon.com, so that the domain name is the trademark that the public associates with the goods/services.
- Use a trademark/domain name monitoring service to prevent unauthorized usage.

Trademark attorneys can provide assistance in several areas with respect to domain names:

1) If you are establishing a website presence, we can help you select a "good" domain name, and perform a trademark and domain name search. In conjunction with selecting a domain name, we also recommend filing a trademark application, and treating the domain name as a trademark. Trademark attorneys typically perform the required searches, register the domain name, and file the trademark applications.

2) If you are involved in a domain name dispute, you'll need a trademark attorney that has experience in both initiating the domain disputes, and in negotiating settlements. Most importantly, you'll need legal counsel to explain your relative position and strength in the case and to make recommendations based on this analysis.

Legal costs vary immensely from firm to firm. Consult your attorney for current costs and fees. For more information about trademarks, consult our Documents Library.
