

Domain Name Protection Strategy

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For many companies, making it easy for customers to find them, their products and services on the Web is increasingly important to business success. Many client inquiries follow the same pattern. The typical inquiry and responses, may save clients from following an unproductive strategy.

Typical client inquiry:

“In the past we have purchased .net and .org domains to protect our .com domains when they are domains like our company name, store and product names. This may or may not be correct, but my understanding is that it is “first in time in use” which has the protection. So, if someone gets the .net and .org domains after we have been using the .com domain, we can go after them to protect our .com domain if they are competing with us? Again, this is my understanding of how it works and it may not be accurate but if we have domainname.com up as of January 1, 2011 selling a product and someone buys domainname.net and has it up and running selling the same product on Feb 1, 2011, we could get them shut down and they could be forced to sell us the domain for the registrar price. However, if they are selling car parts using that domain we have little recourse. The reason for this inquiry is to limit the number of domains we own to just what we need to own.”

Breaking down each question, the response could include the following:

Q. In the past we have purchased .net and .org domains to protect our .com domains when they are domains like our company name, store and product names. This may or may not be correct, but my understanding is that it is “first in time in use” which has the protection.

A. That is correct, the first person/company to obtain a domain registration has ownership of that domain and domain registrars will not issue that same domain to a subsequent applicant unless the domain registration is allowed to expire. However, there is nothing presently in the ICANN rules that prohibits registration of identical domain names in different "top level" domains such as .com, .net. and .org and there is nothing to prevent confusingly similar domains like “domainname2.com” from being registered.

Q. So, if someone gets the .net and .org domains after we have been using the .com domains, can we go after them to protect our .com domain if they are competing with us?.

A. Going after them in a trademark infringement law suit (State or Federal Court) is possible if they are using the name as a trademark (a brand name for products or services), in addition to using it as a domain name. It is also possible to file an anti-cyber

squatting lawsuit or combine the anti-cyber squatting lawsuit and the trademark infringement lawsuit. The other remedy is to initiate a UDRP proceeding (an arbitration under ICANN rules). This is possible if the infringer's domain is confusingly similar to an established trademark, and they adopted their domain name in "bad faith". The most common form of bad faith is adopting someone else's domain with knowledge of their prior ownership of a trademark (use-based or registered) on the domain name .

Q. Again, this is my understanding of how it works and it may not be accurate but if we have a "domainname.com" up as of a certain date, selling product and someone buys "domainname.net and has it up and running selling the same products on a later date, we could get them shut down and they could be forced to sell us the domain for the registrar price.

A. If you can establish ownership of a trademark in a domain name such as by first adoption and use, plus advertising and sales sufficient to have a substantial segment of the relevant populace recognize the name as a brand, then you should be able to stop the infringers in court or in a UDRP arbitration. Having a federal trademark registration makes proof in a UDRP much less expensive. If the UDRP is successful, the domain is transferred to you by ICANN at no cost from the registrar unless you want to move the domain to your own domain registrar.

Q. However if they are selling unrelated products using that domain do we have little recourse?

A. Every trademark infringement case has to consider similarity of goods along with six other factors. If the other factors collectively make confusion likely, you can still be successful in acquiring their domain even if the goods are different.

Q. What can we do to limit the number of domains we need to own to protect our domain .

A. The best way to reduce the number of domains you need to obtain is to obtain a federal trademark registration on the "domainname" portion or on the entire domain name "domainname.com". A trademark registration makes a UDRP less than one half as expensive, and a favorable outcome more certain than if ownership of the mark has to be proved by sales, advertising, length of use, etc. If a domain owner also has a federal trademark registration on the name of the domain, a UDRP can cost as little as \$5000 even if the infringer responds to the filing of the UDRP (doesn't default).

For more complete answers to your domain name questions, contact an attorney in the Gordon & Rees, LLP Intellectual Property