

How Agreements for Sale or Purchase of a Domain Name

Protect You and Your Business

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When purchasing or selling a domain name, the proper agreement can help ensure that both parties get what they expect from the sale¹.

Selling a Domain Name

If you are selling a domain name, your main goal is to get your money quickly and not hear from the purchaser again.

Escrow

Due to the inability of exchanging money and a domain name simultaneously, parties often use an escrow service, such as www.escrow.com. Using an escrow service means that the purchase money is held by a neutral third party until the name transfer has occurred and then released to the Seller. Depending on the level of savvy and trust between the parties, this process can help greatly. Be wary of using parties for this process who are not truly disinterested or one untrustworthy, such one party's attorney or corporation, or the registrar. The procedures for picking, using and paying for the escrow process should be set forth in the agreement. If you are selling a name, you should state a time limit by which the money should be paid after transfer of the name.

Warranties

If the purchaser requests warranties of full ownership of the name, and the lack of any pending litigation or disputes about ownership of the name, or that the name does not infringe any trademark or violate any third party's rights (discussed below under "Purchasing a Domain Name"), be sure that the wording reflects that these warranties only cover what you are aware of at the time of signing the contract. Otherwise, you may be held contractually responsible for future ownership disputes, regardless of whether you had any knowledge of them.

Miscellaneous

In order to lessen any future litigation costs regarding the sale and increase all legal benefit to you, the Seller should designate the place where any disputes regarding the sale will be litigated (the venue), the state law which will apply and whether attorneys fees may be awarded to the winner.

Buying a Domain Name

¹ Readers are cautioned not to rely on this article as legal advice as it is no substitution for a consultation with an attorney in your state. Based on jurisdiction and time, the law varies and changes.

If you are buying a domain name, your main goal is to get the name and clear title to the name transferred to you promptly.

Transfer

The Purchaser should ensure that all possible title and interest are transferred, including any language requirements under trademark law, and a waiver of any future right to dispute the sale by the Seller.

Escrow

Using an escrow process is often beneficial for the Purchaser. The procedures for picking, using and paying for such a process should be set forth in the agreement. If you are buying a name, you should be sure that the process for transfer is set forth and compatible with that required by the registrar and that your payment is not released until confirmation of successful transfer from the registrar or your receipt of notarized transfer documents.

Warranties

If you are purchasing a domain name, you will, at least, want the Seller to warrant to you that there is no ownership dispute about the name, that the Seller is authorized to sell the name and that the sale will not violate any third party's rights.

Miscellaneous

As it is for the Seller, it is also helpful to the Purchaser to determine beneficial venue, state law and attorney's fees provisions.

Notarized Signature

The Purchaser should request that the Seller have her signature witnessed by a notary so that there is a witness if the Seller should later dispute the contract or the sale.

Conclusion

Buying or selling a domain name can be a smooth process with the right agreement. Without one, both sides risk failing to have their expectations met. You can buy Domain Name Purchase or Domain Name Sale Agreement legal forms from the author [here](#).