

Protecting Your Business Name Online

Someone just registered a domain that's awfully similar to your business name. Are they cybersquatting?

Today's Most Read

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Q: What do I do if someone has registered a domain name close to my business, service or product name? Can I stop them from using it?

A: The best way to protect the name of a product or service is through trademarking. Your company's name cannot be trademarked unless it also happens to correspond to your product or service's name.

You may apply for registration of a trademark or service mark, word, phrase or image, after you use the mark to identify a product sold or service performed "in commerce," which means that you have used it for advertising and/or sale to customers. Trademark rights arise upon use in commerce, with or without national registration. However, national registration expands and protects your trademark rights, giving your company a presumption of first use of the mark in association with particular goods or services.

If you have acquired either registered or unregistered ("common law") trademark rights in word, then you have two means to assert rights against someone who registers a domain name using that word.

Under the Anti-Cybersquatting Consumer Protection Act (ACPA), the first means, a trademark holder must show in court that the other party registered the name in bad faith and can bring legal action to (a) have a domain name transferred to the holder or cancelled; and (b) obtain actual damages and costs, or statutory damages of between \$1,000 and \$100,000 per domain name at the court's discretion.

According to the ACPA, a court should consider at least the following factors in deciding whether the registrant had "bad faith":

- Whether the registrant has any trademark rights in the name
- Whether the registrant has any personal name rights in the name
- Whether the registrant had another bona fide noncommercial or fair use of the domain name
- Whether the registrant had an intent to divert consumers from the trademark holder's site for financial gain or to disparage the trademark and create confusion as to the source of the site
- Whether the registrant has offered to transfer, sell or assign the name without having used or intended to use the name or whether the registrant has a prior pattern of such conduct
- Whether the person provided false and misleading contact information to the registrar

ACPA litigation, like most, can be expensive, but sometimes with attorney's fees and the fine you can win, it's worth the cost. At least one court has already awarded \$500,000 to a plaintiff, \$100,000 per

domain name, to deter a known cybersquatter from further squatting and to put him out of business.

The second means is through the ICANN dispute arbitration system, which has pre-approved arbitration organizations. In arbitration, you submit a written argument to one or more arbitrators stating why under trademark or other law you should obtain the name, and you can obtain transfer or nonuse of the domain name.

Under ICANN's system, the arbitrator is to consider the following factors, similar to those used under the ACPA, in making a finding of "bad faith":

- Any circumstances indicating that the registrant acquired the name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the trademark holder or a competitor of the holder
- That the registrant registered the name to prevent the trademark holder from doing so, provided there is a pattern of such conduct
- That the domain name was registered primarily for the purpose of disrupting the business of a competitor; or
- That by using the domain name, the registrant has intentionally attempted to attract, for commercial gain, Internet users to a Web site or other online location, by creating a likelihood of confusion with the trademark holder's mark as to the source, sponsorship, affiliation or endorsement of the site

Arbitration is much less expensive than litigation, usually running between \$500 and \$5,000, depending on the arbitration organization and whether you hire an attorney to write and research your written submission.

Note: The information in this column is provided by the author, not Entrepreneur.com. All answers are general in nature, not legal advice and not warranted or guaranteed. Readers are cautioned not to rely on this information. Because laws change over time and in different jurisdictions, it is imperative that you consult an attorney in your area regarding legal matters and an accountant regarding tax matters.

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