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US: TRADE MARKS

Defensive ownership of domain names



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Companies embarking on a new business venture or undertaking a brand expansion programme under a selected trade mark typically believe that they have taken care of their intellectual property protection needs once they have searched, cleared and made a federal filing for their trade mark. However, these steps do not prevent a third party from securing internet domain names that are identical or confusingly similar. While the steps to protect trade mark rights accord a basis to challenge such third parties, trade mark owners are often surprised at the costs and difficulties that can be associated with enforcing these rights on the internet.

United States internet laws, for example, do not require that a party have a federal trade mark filing in place prior to registering a domain name. A domain name registrant can, therefore, easily register a domain name incorporating another company's trade mark simply by paying a small registration fee.

Due to the lax requirements for registering domain names, an entire industry has emerged whereby a company registers a domain name which contains a

formative of a registered trade mark and uses that domain name to intercept and siphon off internet traffic intended for the web site belonging to the actual trade mark owner and to misdirect such traffic to web sites offering competitors' goods and services. This practice is called cybersquatting. Similarly, it is not uncommon for parties to engage in typosquatting, namely, registering domain names incorporating misspelled variations of registered trade marks. These domain name registrants take advantage of typographical errors that internet users are likely to make when trying to access the trade mark owner's site.

Enforcing proprietary rights against cybersquatters and typosquatters can be both difficult and expensive even though the law favours the trade mark owner. In order to obtain a transfer of the domain name at issue (if the registrant will not amicably agree to such transfer), the trade mark owner's remedy is the relatively costly and time extensive process of filing a Uniform Domain Name Resolution Policy (UDRP) complaint with the World Intellectual Property Organization (WIPO) Arbitration and Mediation Center. The cost of filing such a complaint is \$1,500 and WIPO requires that the trade mark owner send the domain name registrant a cease and desist letter prior to filing the complaint, thereby imposing upon the trade mark owner the need to incur additional legal fees.

There are, however, certain proactive, cost-effective steps that a company can take to minimize the opportunity for

infringement and conserve valuable resources. Specifically, in addition to registering a domain name incorporating the new trade mark, a company can preempt the ability of a third party infringer by registering every top level domain incorporating the company's new mark (.com, .net, .biz, .info, etc) that is available as well as registering domain names incorporating the desired mark in combination with words descriptive of the goods and services that the company offers (such as, for example, for a company in the footwear industry, domain names combining the trade mark with the word "shoes"). In addition, trade mark owners would be best served if they register domain names incorporating common typographical errors that an internet user might make when typing the proper spelling of the trade mark. The trade mark owner can then link each of these domain names to its main website so that if they are, in fact, accessed by an internet user, the user is automatically re-routed to the proper web site.

Although there is a cost associated with registering all of these additional domain names, the cost of registration is minimal (in particular, if evaluated and selected reasonably and judiciously) in comparison to the costs associated with enforcing rights against a third party registrant. Adopting the preemptive domain name registration strategy outlined in this column can save a trade mark owner a great deal of time and money, and minimize injury suffered by third party action.

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