

Domain Name Dispute

Dallas, Texas, October 2, 2009

Summary

This white paper discusses cybersquatting, the practice by which third parties try to profit from others' trademarks by registering domain names and then offering them for sale to the trademark holder. A discussion of the trademark holder's recourse follows.

Domain names are intended to be easily identifiable, easy to remember, and eventually act as business identifiers for an online business. Thus, some online businesses use existing trademarks as their domain names to attract potential customers to their websites. Third parties often try to profit from this practice by preemptively registering domain name incorporating the trademarks by third parties and then sell those domain names to the highest bidder. This practice is known as cybersquatting.

Every year, cybersquatters exploit the system and register numerous potentially valuable domain names and often put the domain names up for auction, or offer them for sale directly to the company or person involved. Other cybersquatters keep the registration and use the domain name to attract business to their own sites using the goodwill associated with the other person's business. In such cases, businesses may file a complaint under the Uniform Dispute Resolution Policy (UDRP) to gain ownership of the cybersquatted domain name.

The UDRP was originally conceived by ICANN and includes a set of rules aimed at resolving ownership disputes over a particular domain name namely global top level domains such as: .aero, .biz, .com, .coop, .info, .museum, .name, .net, and .org. In most cases, the UDRP does not generally apply to country-code top-level domains. Registrants of global top-level domains agree to the terms of the UDRP as a prerequisite of the domain name registration agreement. UDRP enables trademark holders to retrieve domain names without having to go through a lengthy and expensive legal process through the court system. Instead, the UDRP governs an administrative or arbitration procedure before one of four of the following organizations: (1) the World Intellectual Property Organization (WIPO) in Switzerland; (2) the National Arbitration Forum (NAF) in the U.S.; (3) eResolution in Canada; and (4) the CPR Institute for Dispute Resolution (CPRADR) in the U.S.

Under UDRP procedures, the trademark owner must file a complaint with one of the four organization described above and prove: (1) that the domain name is identical or confusingly similar to a trademark in which it has rights; (2) the current domain name holder has no rights or legitimate interests in the domain name; and (3) the domain name has been registered and is being used in bad faith. In most cases, the arbitration body will issue a ruling within a few months. To initiate a UDRP proceeding, a trademark owner should select a dispute-resolution provider from the list above, and then follow the requirements and instructions on the provider's website to submit a complaint. Advice of intellectual property counsel is prudent when preparing UDRP complaints.

In addition, the trademark owner could bring an action in a U.S. federal court under the Anticybersquatting Consumer Protection Act. This Act generally prohibits using a domain name containing another's trademark with intent to profit. Under this Act, anyone who in bad faith uses, sells, or tries to sell a domain name that infringes another's trademark, may be subject to penalties of up to \$100,000 per domain name abuse incident. The use of a domain containing another's trademark also may also violate other trademark and unfair competition laws. Advice of intellectual property counsel is prudent when assessing the best avenue of protection afforded to a trademark owner.

If you are interested in additional information on the topic of domain name disputes and UDRP, or if you have any questions, please contact a K&K attorney. K&K offers an array of services in the areas of intellectual property including patents, trademarks, copyrights, trade secrets as well as intellectual property litigation and enforcement. Further information on these and other services is available at www.kk-llp.com.

About Klemchuk Kubasta LLP

Klemchuk Kubasta LLP is an IP boutique law firm offering a full array of intellectual property related services, including litigation and enforcement of all forms of intellectual property, as well as registration and licensing of patents, trademarks, trade dress, and copyrights. The firm also provides legal services relating to trade secrets, unfair competition, domain names, e-commerce, privacy policies, Internet law, commercial litigation, and business litigation. Located in Dallas, Texas, Klemchuk Kubasta LLP supports a diverse client base ranging from individuals and startups to established market-leading companies. Through its Virtual IP CounselSM and Virtual General CounselSM programs, the firm also has experience with technology incubators and pre-first round financing technology start-ups. Klemchuk Kubasta LLP also serves as local counsel for IP and commercial litigation cases pending in Texas, including the federal courts in the Northern and Eastern Districts of Texas. Additional information about the firm and its attorneys may be found at www.kk-llp.com.

About Darin M. Klemchuk

Mr. Klemchuk, an intellectual property trial lawyer, focuses his practice on patent, trademark, copyright, trade secret, and other intellectual property litigation and enforcement. In addition, Mr. Klemchuk has extensive experience representing clients in commercial and business disputes, particularly software development, trade-secret, and non-compete disputes. Named by D Magazine as one of the "Best Lawyers in Dallas," in Intellectual Property for the third year in a row (2007-09), Mr. Klemchuk also focuses on intellectual-property licensing and technology agreements and serves as local counsel for out of state plaintiffs and defendants involved in patent, trademark, copyright, IP, and commercial litigation in the state and federal courts in Dallas, Texas. Learn more about

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About Kelly J. Kubasta

Mr. Kubasta, an intellectual property attorney, has substantial experience in all aspects of IP, with a particular emphasis on patent, trade dress, trademark, and unfair competition litigation. Mr. Kubasta is also skilled in counseling clients on strategic development and utilization of IP assets; negotiating and drafting technology transfer agreements such as software, dealer/franchise, and co-branding agreements; developing and maintaining patent, trademark, and copyright portfolios; constructing Internet e-commerce policies; and resolving domain name disputes through ICANN or the ACPA. In addition, Mr. Kubasta serves as local counsel in patent, trademark, trade dress, copyright, and unfair competition litigation in the federal courts in Dallas, Texas. Learn more about

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