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## Old Wine in New Bottles: Protecting IP Rights in Hundreds More Top-Level Domains

Jefferson Scher

### Introduction

**.com .net .org .info .biz .pro .whatever**

Most business owners have little use for multiple top-level domains (TLDs). Finding time and resources to maintain a Facebook page, a Twitter feed, and a .com site (or for not-for-profit entities, a .org site) already presents a significant challenge. Registering under another top-level domain has limited appeal—unless the business faces the common problem that its preferred domain-name choices have already been taken. Numerous companies and investors are betting that despite the lukewarm reception for .biz, .info, and so forth, they can attract businesses to a new TLD in sufficient numbers to turn a profit.

Since 2005, the Internet Corporation for Assigned Names and Numbers (ICANN) has steadily pursued its vision of greatly increasing the number of generic top-level domains (gTLDs). Before year's end, the

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Internet will be radically changed by the introduction of the first of hundreds of new gTLDs, demanding a concomitant increase in the budgets of brand owners to combat fake sites and thwart cybersquatters. Or will it instead turn out to be a tempest in a teapot?

In the United States, domains registered in new gTLDs will be subject to the same statutory regimes as domains registered under existing gTLDs. The laws addressing trademark infringement and unfair competition and the Anticybersquatting Consumer Protection Act (15 USC §1125(d)) provide remedies for fraudulent and confusing use and registration of domain names. Due to the substantial expense of litigation, however, the arbitration remedies available under domain registration agreements—as prescribed in the Uniform Domain Name Dispute Resolution Policy (UDRP)—likely will continue to be the first choice of brand owners seeking to quickly shut down a problem site. To address brand owners' concerns, the new gTLDs are subject to a handful of new rights-protection mechanisms in addition to the UDRP.

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The introduction of new gTLDs also poses the risk of new deceptive marketing campaigns. Already a typical client has received one or more deceptive solicitations from supposedly official registration organizations in China warning that a fictitious third party wants to register a corresponding domain under country- or regional-level top-level domains such as .cn and .asia. It is difficult to imagine that such scare tactics will not be employed to promote new gTLDs.

A web search for ICANN and new gTLDs returns 8 years' worth of obsolete proposals, strident comments, exasperated blog posts, impenetrable jargon, and "inside baseball" organizational politics. The goal of this article is to cut through the clutter and assist counsel in quickly triaging domain registration questions and domain dispute issues once the new gTLDs hit the fan.

**BACKGROUND:  
THE DOMAIN NAME SYSTEM**

All communications on the Internet are routed by numeric addresses known as "Internet protocol" or IP

addresses. The domain name system (DNS) provides for a transparent conversion between a memorable web address such as [www.facebook.com](http://www.facebook.com) and an easily forgettable (and hard to type) IP address such as 69.171.242.27. When a browser requests a page from [ceb.com](http://ceb.com) or a mail server wishes to send a message to [scoop@huffingtonpost.com](mailto:scoop@huffingtonpost.com), one or more DNS servers provide the necessary numeric address to fulfill that request.

host name or fully qualified domain name

**http:// newgtlds.icann.org/**

subdomain      second level domain      top level domain

There is no single DNS server that can resolve all of the world's domain names to their corresponding IP addresses. Instead, the information is divided among numerous servers, each of which is considered authoritative for certain information. Consider the case of "[www.carrferrell.com](http://www.carrferrell.com)." The registry operator for the .com top-level domain refers users to the DNS servers (also known as name servers) maintained by the registrar responsible for [carrferrell.com](http://carrferrell.com), which directs users to the DNS servers for the web hosting company, which ultimately supplies the actual IP address for [www.carrferrell.com](http://www.carrferrell.com).

Any analysis of the rules and procedures for domain name registrations and disputes requires distinguishing the three Rs: registrant, registrar, and registry. An individual or company, the *registrant*, applies for a domain name through a *registrar*, such as Network Solutions or GoDaddy. This generally requires that the registrant enter into a contract with the registrar governing the conditions and duration of use of the domain name. The registrar will secure registration with the appropriate *registry* for the corresponding top-level domain. However, the registrar remains responsible for providing address information that allows Internet users to find the correct servers. The registrar also publishes the registrant's name and contact information for public access through a "WHOIS" search.

**ICANN's Role**

The registry has an agreement with ICANN authorizing it as the authoritative source of DNS services for one or more TLDs. The registrar also has an agreement with ICANN, requiring that it impose certain policies on registrants, most notably the requirement that the registrant accept ICANN'S Uniform Domain Name Dispute Resolution Policy (UDRP).

This web of contracts provides the bulk of the “law” applied to domain names on a day-to-day basis.

ICANN’s authority over domain names is not absolute. Broadly speaking, top-level domains are divided between “generic” and “country code” TLDs. The country code TLDs (ccTLDs), such as .de (Germany) and .cn (China), are subject to national restrictions on eligibility to register, use of local service providers, and presence of an agent for service of process. Many ccTLDs have liberalized their requirements, but governments continue to play a strong role in ensuring that ccTLDs operate in a manner consistent with national policies. While some ccTLDs have adopted ICANN policies such as the UDRP, many have not.

The gTLDs, by contrast, operate outside the direct control of governments, under the framework hammered out by ICANN and its numerous constituencies. ICANN, a California-based not-for-profit corporation originally anointed by the United States Department of Commerce, must balance principles with politics to stave off a loss of authority: It routinely faces the threat of having its role taken over by the International Telecommunications Union, a U.N. body.

#### **BACKGROUND: DOMAIN NAMES VERSUS TRADEMARKS**

Business owners sometimes are surprised to find that an “available” corporate name cannot be used due to a trademark conflict, and the same complication arises in the context of domain names. A domain name “available” under a new gTLD may be the subject of a trademark registration somewhere in the world or of unregistered (“common law”) trademark rights, creating the potential for losing the domain name after building value in it through use as a website and e-mail address. Companies would be wise to search before committing to a domain name, just as they search before choosing a company and product names.

Domain names, however, are not necessarily protectable as trademarks. Depending on how they are used, domain names may act as identifiers for businesses and services on the web, but they differ fundamentally from trademarks. Domain names are globally unique, allocation is based on a first-come, first-served principle regardless of prior similar domain name registrations, and ownership can be maintained through payment of an annual fee. By contrast, multiple companies can use the same trademark without confusion for different products or in different geographic markets; their rights arise from use and

from registration subject to prior similar marks; and rights may be abandoned through non-use even if registration is nominally maintained. The intersection of these different regimes gives rise to a range of interesting legal problems.

Generally speaking, the principles of trademark, unfair competition, and antidilution law are applied only after domain registration—if a rights holder chooses to challenge the domain. When the usage does not give rise to a likelihood of confusion or dilution, a trademark owner still might prevail in some cases on the grounds that the domain was registered in bad faith. Although the new gTLDs will offer new rights protection mechanisms, this general postregistration approach to reconciling domain names with trademarks will remain unchanged.

#### **STATUS OF THE NEW gTLDs**

On June 13, 2012, ICANN posted a list of 1930 applications submitted by 1155 applicants hoping to operate 1409 different new gTLDs. Not surprisingly, there were multiple applications for generic terms, such as .app, .book, .music, and .shop, that may attract interest from companies in relevant lines of business. At the other end of the spectrum, numerous companies applied for gTLDs that they plan—at least initially—to use for their own internal purposes, ranging from .aaa to .zippo. On August 30, 2013, ICANN announced that 1745 applications had passed initial evaluation, 29 remained on hold in that process, and 32 were eligible for extended evaluation. See <http://newgtlds.icann.org/en/announcements-and-media/announcement-30aug13-en>. However, for many applicants, initial evaluation was only the first of several hurdles before their applications receive final approval.

ICANN allowed for objections based on four different grounds: registered or unregistered trademarks (“legal rights” objections); potential detriment to an identifiable community (“community” objections); violation of norms of morality and public order (“limited public interest” objections); and confusion with another new or existing gTLD (“string confusion” objections). As of September 9, 2013, the World Intellectual Property Organization (WIPO) had disposed of all but 2 of the 69 legal rights objections, upholding only 4 of them. WIPO dismissed numerous challenges to terms that have both a generic and a brand significance, but the DirecTV Group was successful in opposing its competitor Dish Network’s application for .direct. Rulings on the community and limited public interest objections had not yet been revealed to the general public as of September 9,

2013. See <http://newgtlds.icann.org/en/program-status/odr/filings>. For legal rights objections, see <http://www.wipo.int/amc/en/domains/lro/cases/>; for community and limited public interest objections, see <http://www.iccwbo.org/products-and-services/arbitration-and-adr/expertise/icann-new-gtld-dispute-resolution/pending-cases/>.

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String confusion objections are heard by experts with the International Centre for Dispute Resolution (ICDR) of the American Arbitration Association. As of August 13, 2013, ICDR reported rulings on 12 of 67 objections, each of which dismissed the objection. Commentators who gained access to subsequent rulings have noted inconsistencies among ICDR experts facing similar questions: Two objections to .cam as similar to .com were dismissed, but one was upheld; plural domains such as .cars were not found to be confusingly similar to singular domains such as .car, except for .pets and .pet. Aggrieved applicants may well argue that ICANN should reject inconsistent expert determinations. See [https://www.adr.org/cs/idcplg?IdcService=GET\\_FILE&dDocName=ADR\\_STAGE2014024&RevisionSelectionMethod=LatestReleased](https://www.adr.org/cs/idcplg?IdcService=GET_FILE&dDocName=ADR_STAGE2014024&RevisionSelectionMethod=LatestReleased); <http://domainincite.com/14239-string-confusion-in-disarray-as-demands-cam-loses-against-verisigns-com>.

Applicants that survive the evaluation and objection phases may nevertheless be blocked by a privileged objection from ICANN'S Government Advisory Committee (GAC) whose advice, although not

binding, creates a strong presumption that the application should be rejected. Already, the GAC has objected to .amazon (as well as the equivalent Chinese and Japanese TLDs), .gcc (an apparent reference to the Gulf Cooperation Council), .thai, and one of two applications for .africa. Several more proposed new gTLDs are still under consideration by the GAC.

Finally, the surviving applicants seeking to operate identical or nearly identical new gTLDs will compete in a "string contention" phase. Applicants representing a community will have priority over noncommunity applications—depending on the results of a new round of scoring. ICANN is encouraging a negotiated settlement among competing applicants, but should that fail, the ultimate winner would be chosen through an auction. As a result, the most popular gTLDs may be the last to come online.

### The First Seventeen

On July 15, 2013, ICANN announced the signing of the first four new gTLD registry agreements. Each is for a string in a non-Latin character set, known as an Internationalized Domain Name (IDN) (see table below). While second-level IDNs have been available under .com, .net, and .org, having an IDN at the top level may make these TLDs especially attractive to native speakers. See <http://newgtlds.icann.org/en/announcements-and-media/announcement-15jul13-en>.

On August 30, 2013, ICANN announced the signing of registry agreements for .bike, .camera, .clothing, .equipment, .estate, .guru, .holdings, .lighting, .singles, .tattoo, .ventures, .voyage, and the Chinese characters for enterprise. With about 50 Contracting Information Requests (CIRs) issuing per week, the momentum will only increase. See <http://newgtlds.icann.org/en/announcements-and-media/announcement-3-30aug13-en>; <http://www.icann.org/en/about/agreements/registries>.

gTLD	Meaning	Operator
شبكة	"web" or "network" in Arabic	International Domain Registry Pty. Ltd. of Melbourne, Australia
ОНЛАЙН	"online" in Russian	CORE Association of Geneva, Switzerland
сайт	"web site" in Russian	CORE Association of Geneva, Switzerland
游戏	"game" in Chinese	Spring Fields, LLC, of Bellevue, WA

All 17 of these new gTLDs are subject to final approval by the ICANN board and by the United States Department of Commerce.

### It's Not Over Until the Domains Go Live

With so many competing interests, ICANN continues to tweak the policies and timeline for the launch of new gTLDs. On August 5, 2013, ICANN identified two proposed new gTLDs (.home and .corp) as posing a high risk of intercepting requests intended to stay within a computer network rather than being routed on the Internet, and suggested that about 20 percent of the proposed new gTLDs be delayed for further study. Public comments were to be accepted through September 17, 2013, and whether those or any other gTLDs will be delayed in order to address this issue will be determined after that date. See <http://www.icann.org/en/news/public-comment/name-collision-05aug13-en.htm>.

### JUMPING THE QUEUE: SUNRISE REGISTRATIONS FOR TRADEMARK OWNERS

Domain registries generally operate on the simple principle of registering domain names in the order requested. However, during the initial start-up of the registry, special procedures may be provided to protect intellectual property rights prior to a "land rush" phase of intense competition for the best domains. This phase has come to be known as the "sunrise" period. The sunrise period represents an opportunity for brand owners to register domain names corresponding to their trademarks before the general public has an opportunity to register them. Many trademark practitioners and their larger clients view sunrise registrations less as a service to brand owners and more as kind of legalized extortion: an offer they cannot refuse.

All new gTLDs that are open to the general public must offer a sunrise period of at least 30 days' duration. Unlike earlier launches, ICANN has created a central mechanism for the authentication of trademark claims, the Trademark Clearinghouse (TMCH), operated by Deloitte and IBM. The TMCH provides data services to registries to verify claimed trademark rights; its sunrise services went live in August 2013. Since it began accepting applications on March 26, 2013, the TMCH has registered approximately 5900 trademark claims as of July 17, 2013. About 45 percent of the claims are based on U.S. trademarks; about 35 percent are

based on trademarks registered in one or more European countries. See <http://durban47.icann.org/meetings/durban2013/presentation-tmch-17jul13-en.pdf>; <http://durban47.icann.org/meetings/durban2013/transcript-tmch-17jul13-en.pdf>.

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The TMCH accepts marks that are currently registered at a national (*e.g.*, United States) or regional (*e.g.*, European Union) level, or that have been validated by a court or other judicial proceeding, or that are currently protected by a statute or treaty (*e.g.*, various Olympics marks). To be eligible for sunrise registrations, the trademark owner also must submit proof of current use of the mark. Although this type of submission is routine in U.S. trademark practice, it appears to present a serious challenge for TMCH filers: As of July 17, 2013, approximately 50 percent of applications had failed to meet the requirements on the first try. Because only one round of corrections is allowed, applicants would benefit from working with an experienced agent and having their regular trademark counsel involved as well.

### Sunrise Surprises

Despite the apparent simplicity brought about by the TMCH, the gTLD registries likely will vary in their procedures. A registry oriented toward particular industries or communities is entitled to exclude from sunrise registration trademark holders whose rights fall outside the mission of the registry, thus leaving open to registration domains that others are not, under applicable law, entitled to operate. To address this potential gap in coverage, registries may (but are not required to) offer purely "defensive" or "blocking" registrations that do not connect with a website but which protect against third party registrations. For disputes over sunrise registrations, ICANN has required each registry to offer a Sunrise Dispute Resolution Policy. Because there is no mandatory template for this policy, differences are likely to abound, needlessly complicating the process.

## NOTIFICATION OF POTENTIALLY INFRINGING DOMAINS

After its sunrise period, each new gTLD eventually will open for general registration (assuming it is not reserved for a single company). Traditionally, a new domain registration containing a particular trademark might come to the owner's attention through a web search, a Google Alert, complaints about spam or phishing, or a private watching service. For the first time, the new gTLD operators will be required to notify rights holders about new registrations—at least during the first 90 days after the opening of general registration.

This new trademark claims service operated by TMCH has a second aspect that might discourage some infringing domain registrations in the first place: The domain applicant will be notified of the trademark owner's rights and given the opportunity not to complete the registration. To participate in this service, the trademark owner must register a trademark claim with the TMCH. See <http://newgtlds.icann.org/en/about/trademark-clearinghouse/faqs>.

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## DOMAIN NAME DISPUTES

Learning about a conflicting trademark might deter some, but many others will proceed to register the domain. Challenges to domains based on trademark rights arise in a variety of contexts. In some cases, the registrant is another, coexisting trademark user, with an arguably equal right to the domain. At the other extreme, the domain may be used by nefarious competitors to divert customers or by cybercriminals to commit fraud, including “phishing” scams. More ambiguous cases have involved unauthorized use by resellers and use by “domainers” to earn pay-per-click advertising revenues from confused web users. Finally, some cases have involved unofficial “fan” sites and “protest” sites, operated by customers or community members, which raise questions about the balance between protection for trademarks and protected speech. The term “cybersquatting” now transcends the practice of warehousing

a domain for future use or resale and is applied to a wide variety of practices deemed to constitute bad faith, which are sometimes termed “cyberpiracy.”

Registrations in the new gTLDs are subject to the existing legal regimes governing domain registrations, as well as ICANN's new Uniform Rapid Suspension System (URS). The most appropriate forum for disputing a domain will depend on the facts of the case, as well as the budget of the rights holder.

## Likelihood of Confusion

Sections 32 and 43(a) of the Lanham Act (15 USC §§1114 and 1125(a)) provide remedies for the infringement of registered and unregistered marks. California law provides similar remedies under Bus & P C §14245. Relief will be granted if the domain name creates a likelihood of confusion with respect to the source, sponsorship, or affiliation of the registrant's goods and services. As in offline cases, courts apply the traditional multi-factor test, considering the similarity of the asserted mark and domain name in appearance, sound, and meaning; the parties' respective goods, services, and marketing channels; the distinctiveness and renown of the mark; the nature and sophistication of the target customers; evidence of actual confusion; and other factors. See, e.g., *Network Automation, Inc. v Advanced Sys. Concepts, Inc.* (9th Cir 2011) 638 F3d 1137, 1145.

In the Ninth Circuit, courts have often placed special emphasis on three of the factors: similarity of the marks, relatedness of goods and services, and “the simultaneous use of the Web as a marketing channel.” *Perfumebay.com Inc. v eBay Inc.* (9th Cir 2007) 506 F3d 1165 (upholding finding of infringement by perfumebay.com). Because an actively used domain name establishes use of the web as a marketing channel, the plaintiff need prevail on only two of the traditional eight factors to create a strong presumption of infringement. In the context of an online advertising case, the Ninth Circuit recently explained that the likelihood of confusion analysis must be applied flexibly to avoid overlooking relevant factors, limiting use of the three-factor approach outside the domain name context. *Network Automation, Inc.*, 638 F3d at 1148.

In many cases, even the truncated likelihood of confusion analysis may fail to establish infringement, either because there is no active website or because the site's contents are unrelated. Accordingly, trademark owners have reached for many other theories of liability to combat cybersquatting.

### Initial Interest Confusion

The Court of Appeals for the Ninth Circuit pioneered the theory of “initial interest confusion” in Internet cases, which in essence constitutes a modern variation on “bait and switch.” This theory holds that even if a user is no longer confused about the source of a website once he or she reaches the webpage, the *initial* confusion that led the user there may be actionable. However, to obtain relief, the defendant’s site must have the potential for diverting business from the trademark holder’s site due to a similarity in goods and services. *Interstellar Starship Servs., Ltd. v Epix, Inc.* (9th Cir 2002) 304 F3d 936, 942 (parties offered different services to different target markets; EPIX mark not highly distinctive). There is no per se rule that users expecting to find Company X at companyx.com have suffered initial interest confusion by making that guess. See 304 F3d at 945. Over the years, courts have become more skeptical of the “initial interest confusion” doctrine, as documented by Professor Eric Goldman. See [http://blog.ericgoldman.org/archives/2012/06/more\\_evidence\\_t.htm](http://blog.ericgoldman.org/archives/2012/06/more_evidence_t.htm); [http://blog.ericgoldman.org/archives/2012/02/talk\\_notes\\_deat.htm](http://blog.ericgoldman.org/archives/2012/02/talk_notes_deat.htm). Nevertheless, such claims continue to survive motions to dismiss because, like more traditional likelihood of confusion claims, they pose factual questions not easily resolved on the pleadings.

### The Defense of Fair Use

Courts have recognized that the principles protecting fair use of a descriptive term in its ordinary descriptive sense—and nominative or referential fair use of a mark to refer to a trademark owner or its products—may be valid defenses to infringement claims, even in the context of a domain name. Brand owners seeking to prevent all use of a mark in any domain may face serious hurdles when the domain accurately corresponds to the content of the site and the usage does not appear to be exploitive. See, e.g., *Toyota Motor Sales, U.S.A., Inc. v Tabari* (9th Cir 2010) 610 F3d 1171 (vacating injunction against use of buy-a-lexus.com and buyorleaselexus.com on grounds of nominative fair use). Noncommercial sites dedicated to commentary or complaints (often called “gripe” sites or “sucks” sites) may be allowed to keep their similar domains by courts emphasizing First Amendment interests. See, e.g., *Lamparello v Falwell* (4th Cir 2005) 420 F3d 309, cert denied (2006) 547 US 1069 (allowing defendant to retain misspelled domain fallwell.com). Courts have been less receptive to domains claimed to represent a protest or parody message, ruling that visitors must be

informed by the domain itself that the site is a parody and holding sites to stringent requirements for noncommercial use. See, e.g., *People for the Ethical Treatment of Animals v Doughney* (4th Cir 2001) 263 F3d 359, 366 (peta.org not a parody because it did not convey two contradictory messages, i.e., that it was the original and also that it was a parody of the original).

### Bad Faith Registration or Use: The UDRP and ACPA

Sidestepping the complexities of the full “likelihood of confusion” analysis, ICANN’s dispute policy, the UDRP (available at <http://www.icann.org/en/help/dndr/udrp/policy>), offers a remedy based on bad faith inferred from a variety of circumstances, including a pattern of piratical registrations or intentional interference with a competitor’s business. The UDRP has generally worked well for trademark owners—as long as their complaints addressed all of the elements required to show that a domain name was registered and has been used in bad faith. The two most frequently used service providers are WIPO, with 2884 complaints filed in 2012, and the National Arbitration Forum (NAF), with 2060 complaints filed in 2012. Over 90 percent of decisions by WIPO in 2012 were in favor of the complainant, and NAF panelists are reputed to be even friendlier to trademark owners.

Statistics for 2012	WIPO
Cases Filed	2,884
Total Domain Names Challenged	5,084
Decision for Complainant (in whole or part)	2,054
Decision for Registrant	207
Proceeding Terminated Without Decision (mostly settlements between the parties)	623

Sources:

<http://www.wipo.int/amc/en/domains/statistics/>;  
[http://www.wipo.int/pressroom/en/articles/2013/article\\_0007.html](http://www.wipo.int/pressroom/en/articles/2013/article_0007.html).

However, the UDRP is not a panacea. With no discovery process or cross-examination, the arbitration panel cannot resolve close cases with contested facts. The UDRP also was not designed to address novel theories, and because the panel can order only the transfer or cancellation of a domain name, no

relief is available for monetary or reputational damages. A more powerful, albeit more expensive tool, is the Anti-Cybersquatting Consumer Protection Act (ACPA), incorporated into the Lanham Act as §43(d) (15 USC §1125(d)). The ACPA provides a cause of action for holders of both registered and unregistered trademarks.

Although the ACPA and UDRP were developed in parallel during the summer and fall of 1999, the two legal regimes impose considerably different requirements on mark holders. In particular, the UDRP requires a complainant to prove both (1) that a domain was registered and used in bad faith *and* (2) that the registrant has no rights or legitimate interest in the domain. By contrast, the ACPA requires proof that the registrant registered, trafficked in, *or* used the domain with a bad faith intent to profit from the mark, which is determined by a multi-factor balancing test. Thus, under the ACPA, a registrant could have a legitimate interest in the domain that nevertheless is outweighed by other factors. A more detailed comparison of the UDRP and ACPA is set out in Appendix A.

### Supplementing the UDRP with the URS

Faced with the prospect of filing cases under hundreds of new gTLDs, rights holders sought a quicker and less expensive alternative to the UDRP. After lengthy negotiations to find a balance between efficiency and fairness, ICANN settled on an arbitration process similar to the UDRP—the Uniform Rapid Suspension System (URS). However, the URS imposes a much higher “clear and convincing” standard of proof, offers a less drastic remedy of suspending the domain name for the duration of its registered term, and creates a new first level of appeal to a panel of arbitrators. See <http://newgtlds.icann.org/en/applicants/urs/procedure-01mar13-en.pdf>. A more detailed comparison of the UDRP and URS is set out in Appendix B.

No cases have yet been filed under the URS, so it remains to be seen whether the promise of a quick remedy for cybersquatting will be put out of reach by the stringent standard of proof—at least in cases where the registrant does not default.

### Dilution

The Federal Trademark Dilution Act (FTDA), incorporated into the Lanham Act at §43(c) (15 USC §1125(c)), provides remedies for the dilution of famous marks. California law furnishes similar remedies under Bus & P C §14247. Before the passage of the ACPA, the broad language of the FTDA pro-

vided a powerful weapon against cybersquatters; courts almost automatically ordered the transfer of a domain identical to a famous mark. However, subsequent revisions to the FTDA raising the standard for a mark to be considered “famous,” combined with the ready availability of relief based on the registrant’s bad faith, have reduced the importance of the FTDA in domain disputes—or even rendered it obsolete. See 4 McCarthy, *McCarthy on Trademarks* §24:71 (2012).

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### Relief Based on Personal Names

The names of individuals, particularly athletes, musicians, and other celebrities, have been popular among cybersquatters and loyal fans alike. Celebrities historically have had a poor track record under the UDRP, and the URS will not make such challenges any easier. Because these names may not have been protected as trademarks at the time the domain was registered, both Congress and the California Legislature have enacted provisions protecting personal names. See 15 USC §8131, Bus & P C §§17525–17528.5. Both statutes create exemptions for the names of literary characters to avoid any conflict with copyright law.

The scope of protection under the federal statute is somewhat narrow: Relief is available only when a domain constitutes the name of a living individual and was registered with the specific intent to resell the domain. 15 USC §8131. By contrast, California law protects both living individuals and deceased personalities and applies a flexible balancing test for bad faith similar to the test applied to trademark claims under the ACPA. See Bus & P C §§17525–17528.5.



### Problems With Registrars and Privacy Services

Any enforcement regime depends to a great extent on the compliance of intermediaries. Over the years, rights holders have encountered registrars that seemed to be colluding—or perhaps affiliated—with the registrant. Privacy services that a registrant can employ to shield its true identity and location did not always cooperate in revealing the true registrant, even when issued a subpoena. WHOIS records that purport to identify the true owner often contain obviously fictitious details. ICANN, under pressure from the International Trademark Association and other interests, is considering proposals to improve transparency and hold registries and registrars accountable for the accuracy of WHOIS records and compliance by privacy service operators.

### CONCLUSION

It is not clear that any of the new gTLDs will capture the public's imagination and draw a significant number of registrations. According to VeriSign, as of December 31, 2012, some 44 percent of all domain names ended with .com. Its nearest gTLD rival, .net, accounted for less than 6 percent of the

world's domains. The fastest growing TLD of 2012, .tk, appears to owe its newly attained fourth-place ranking to its policy of giving away 95 percent of domain registrations for free. See <http://www.verisigninc.com/assets/domain-name-brief-april2013.pdf>; <http://www.dot.tk/en/aboutdotk.html>. The anticipated wave of new domain registrations might consist largely of trademark owners defending their brands against a threat that never actually materializes.

Yet, despite the fizzling out of many past domain launches, there are reasons to believe that this new round of domain introductions will be different. Various large companies plan to use new gTLDs to consolidate sites for multiple locations, resellers, and licensees into a coordinated branded zone. Presumably, their advertising will draw the attention of the public to the oft-ignored TLD. And we can only speculate how the world's search results will change once Google begins operating up to 98 new gTLDs: Might a site's TLD suddenly take on new significance in calculating its relevance for a given query? On the cusp of a new era, we have answers to many questions, but perhaps still more questions than answers.

**Appendix A: Comparison of the UDRP and ACPA**

UDRP	ACPA
<b>Applicability</b>	
All gTLDs, selected ccTLDs.	All domains.
<b>Relief Available</b>	
Transfer of the domain to the complainant, or deletion of the domain (eventually made available for registration again).	Transfer of the domain to the complainant, or cancellation of the domain; monetary damages (actual, treble, or statutory), costs and fees when the court has <i>in personam</i> jurisdiction.
<b>What Complainant Must Allege and Prove to Win</b>	
<p>(1) Domain identical or confusingly similar to complainant’s registered or unregistered mark (any “mark in which the complainant has rights”);</p> <p>(2) Registrant registered, <i>and</i> the domain is being used, in bad faith; and</p> <p>(3) Registrant has no rights or legitimate interests in the domain.</p>	<p>(1) Domain identical or confusingly similar to complainant’s registered or unregistered mark <i>distinctive at the time the domain was registered</i>; or domain dilutive of a mark <i>famous at the time the domain was registered</i>;</p> <p>(2) Registrant registered, trafficked in, <i>or</i> used the domain with a bad faith intent to profit from the mark.</p>
<b>Circumstances Tending to Show Bad Faith (Nonexclusive)</b>	
<p>(1) Registered or acquired the domain primarily for the purpose of selling/renting/transferring it to complainant or its competitor for valuable consideration in excess of registrant’s documented out-of-pocket costs directly related to the domain;</p> <p>(2) Registered the domain to prevent the TM owner from reflecting the mark in a corresponding domain, <i>provided</i> registrant has engaged in a pattern of such conduct;</p> <p>(3) Registered the domain primarily to disrupt the business of a competitor;</p> <p>(4) By using the domain, registrant has intentionally attempted to attract, for commercial gain, users to its website/other on-line location, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of its website/location or of a product or service on its website/location.</p>	<p>(5) Intent to divert consumers to a site that could damage goodwill, by creating source or sponsorship confusion either for commercial gain, or with the intent to tarnish/disparage the mark;</p> <p>(6) Offer to transfer domain for financial gain without making (or having had the intent to make) legitimate commercial use</p> <p>– or –</p> <p>prior conduct indicating a pattern of such conduct;</p> <p>(7) Providing “material and misleading” false contact information in registering the domain, or intentionally failing to keep it accurate</p> <p>– or –</p> <p>prior conduct indicating a pattern of such conduct;</p> <p>(8) Pattern of intentional registration or acquisition of domains confusingly similar to (dilutive of) the distinctive (famous) marks of others — regardless of goods/services; or</p>

**UDRP**

**ACPA**

(9) Extent to which the mark is distinctive and famous.	
<b>Circumstances Tending to Show Rights or Legitimate Interests</b>	
<p>Complainant must “prove a negative” and if any one of these is proven, registrant prevails:</p> <p>(1) Before any notice of the dispute, registrant used or made demonstrable preparations to use, the domain in connection with a bona fide offering of goods or services;</p> <p>(2) Registrant has been commonly known by the domain name, even if it has acquired no trademark or service mark rights;</p> <p>(3) Registrant is making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.</p>	<p>Circumstances tending to show no bad faith, to be balanced with other facts in assessing overall conclusion on bad faith:</p> <p>(1) TM or other IP rights in the domain;</p> <p>(2) Domain is registrant’s legal name or name by which registrant is commonly known;</p> <p>(3) Prior use of the domain for legitimate commercial activities;</p> <p>(4) Noncommercial or fair use of the mark at a site hosted under the domain name;</p> <p>(5) Extent to which the mark is <i>not</i> distinctive</p>
<b>Forum and Appeal</b>	
<p>Four approved providers; document-based proceedings; online filing.</p> <p>Appeal to U.S. District Court via trial de novo under the ACPA if applicable, or to a court in another jurisdiction (complainant elects location of registrant or registry when filing the complaint).</p>	<p>Suit may be brought where there is <i>personal</i> jurisdiction. If personal jurisdiction cannot be obtained, then suit may be brought against the domain <i>in rem</i> at the site of the registry (for .com domains, Northern Virginia).</p> <p>Appeal to Circuit Court of Appeals.</p>

**Appendix B: Comparison of the UDRP and URS**

UDRP	URS (3-01-2013)
<b>Applicability</b>	
All gTLDs, selected ccTLDs.	New gTLDs only (for now).
<b>Relief Available</b>	
Transfer of the domain to the complainant; or deletion of the domain (eventually made available for registration again).	Suspension of the domain (does not resolve for the remainder of the registered term, extendable by one year upon payment by complainant).
<b>What Complainant Must Allege and Prove to Win, and Burden of Proof</b>	
<p>(1) Domain identical or confusingly similar to complainant's registered <i>or</i> unregistered mark (any "mark in which the complainant has rights");</p> <p>(2) Registrant registered, <i>and</i> the domain is being used, in bad faith; and</p> <p>(3) Registrant has no rights or legitimate interests in the domain.</p>	<p>(1) Domain identical or confusingly similar to complainant's registered <i>and</i> in-use <i>word</i> mark (or a word mark "validated through court proceedings" or "specifically protected by a statute or treaty");</p> <p>(2) Registrant registered, <i>and</i> the domain is being used, in bad faith; and</p> <p>(3) Registrant has no legitimate right or interest to the domain {<i>same meaning?</i>}.</p>
Prove each of the three elements by a preponderance of the evidence (standard civil trial burden).	Prove "there is no genuine issue of material fact" by "clear and convincing evidence".
<b>Circumstances Tending to Show Bad Faith (Nonexclusive)</b>	
<p>(1) Registered or acquired the domain primarily for the purpose of selling/renting/transferring it to complainant or its competitor for valuable consideration in excess of registrant's documented out-of-pocket costs directly related to the domain;</p> <p>(2) Registered the domain to prevent the TM owner from reflecting the mark in a corresponding domain, <i>provided</i> registrant has engaged in a pattern of such conduct;</p> <p>(3) Registered the domain primarily to disrupt the business of a competitor; or</p> <p>(4) By using the domain, registrant has intentionally attempted to attract, for commercial gain, users to its website/other on-line location, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of its website/location or of a product or service on its website/location.</p>	Same.

**UDRP**

**URS (3-01-2013)**

<b>Defenses to Bad Faith</b>	
<p>None specified (past decisions may be considered persuasive authority in new cases).</p>	<p>(1) Fair use of a generic or descriptive domain;</p> <p>(2) Associated sites are operated solely in tribute to or in criticism of a person or business, and found by the Examiner to be fair use;</p> <p>(3) An express term of a written agreement entered into by the parties, and still in effect, authorizes registrant to hold the domain; or</p> <p>(4) The domain is not part of a pattern of abusive registrations because the domain is of a significantly different type or character than registrant's other domains.</p>
<b>Circumstances Tending to Show Rights or Legitimate Interests — If Any One of These Is Proven, Registrant Prevails</b>	
<p>(1) Before any notice of the dispute, registrant used or made demonstrable preparations to use, the domain in connection with a bona fide offering of goods or services;</p> <p>(2) Registrant has been commonly known by the domain name, even if it has acquired no trademark or service mark rights; or</p> <p>(3) Registrant is making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.</p>	<p>(1) Before any notice of the dispute, registrant used or made demonstrable preparations to use, the domain in connection with a bona fide offering of goods or services;</p> <p>(2) Registrant has been commonly known by the domain name, even if it has acquired no trademark or service mark rights; or</p> <p>(3) Registrant is making a legitimate or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.</p>
<b>Penalties for Abuse of the Process</b>	
<p>None specified (a finding that the complainant sought to commit "reverse domain name hijacking" has no effect beyond the particular case).</p>	<p>"Abusive Complaints"— complaints filed solely for improper purpose such as to harass, cause unnecessary delay, or needlessly increase the cost of doing business; and either (i) the claims or other assertions were not warranted by any existing law or the URS standards; or (ii) the factual contentions lacked any evidentiary support. A finding of <i>two</i> such complaints bars complainant from using the URS for one year.</p> <p>"Deliberate Material Falsehood"— an assertion of fact, which at the time it was made, was made with the knowledge that it was false and which, if true, would have an impact on the outcome on the URS proceeding. A finding of <i>one</i> such falsehood bars complainant from using the URS for one year; a</p>

**UDRP**

**URS (3-01-2013)**

	finding of a second such falsehood <i>permanently</i> bars complainant from using the URS.
<b>General Timeline and Route for Appeal</b>	
<p>20 days to answer (any extensions are discretionary with the provider or panel).</p> <p>Up to 22 days for panel decision.</p> <p>10 days to appeal to court.</p>	<p>14-21 days to answer (if extension is requested) (<i>or up to 1 year from Notice of Default</i>).</p> <p>Up to 5 days for examiner decision.</p> <p>14 days to appeal to provider.</p>
<p>Registrant may sue complainant in a competent court either at the location of the registrant or of the registry, <i>as elected by the complainant</i> in the complaint.</p> <p>Complainant may sue registrant wherever there is jurisdiction.</p>	<p>Either party can seek de novo review with the same provider (based on the existing record unless fees are paid to submit additional evidence).</p> <p>Neither party waives other relief, e.g., UDRP or judicial action wherever there is jurisdiction.</p>
<b>Arbitration Forum and Minimum Fee</b>	
<p>Four approved providers; document-based proceedings; online filing.</p> <p>Complainant: NAF \$1300; WIPO \$1500. Respondent: none unless requesting 3-person panel.</p>	<p>Two approved providers; document-based proceedings; online filing.</p> <p>Complainant: NAF \$375. Respondent: none unless 15+ domains.</p>
<b>Status of Domain During the Proceeding</b>	
<p>Registrant can change WHOIS information or delete the domain, but assuming the current registrar learns of the UDRP proceeding, cannot transfer it to a third party or a different registrar.</p>	<p>Locked by Registry Operator to prevent changes to registrant information, or transfer or deletion of the domain.</p>

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