

Domain disputes

How to deal with cybersquatters and other domain name issues

INTERVIEWED BY ROGER VOZAR

Anyone surfing the Web has likely come across cybersquatters. The owner of a website stating, “This domain may be for sale,” might not actually have legal rights to the domain name.

“Third parties without any legitimate interest or rights in a domain name will often purchase one knowing that someone else owns the trademark rights to the name. This forces the true owner of the trademark to either purchase the domain name from the third party or seek out another avenue to acquire the domain name,” says Jeff Nein, an associate at Kegler, Brown, Hill & Ritter.

Smart Business spoke to Nein about the process of acquiring a domain name and what to do if someone already has the Web address you want for your business.

What is the most common source of domain name disputes?


Typically, it's cybersquatters. They'll buy domain names with the intent to sell them directly to the trademark owner, which is a blatant example of bad faith registration. Another scenario is called typosquatting — a third party will register a domain name that's similar to the trademark but with a letter or two out of place. In that instance, the third party usually benefits by receiving click-through revenue from links on the page.

How should a business proceed with securing rights to a domain name?

First, be aware that the Internet Corporation for Assigned Names and Numbers (ICANN) has created the Uniform Domain-Name Dispute Resolution Policy (UDRP), which authorizes domain name registrars to forcibly transfer domains in the event an approved dispute resolution service provider determines a domain name was improperly registered. Utilizing this dispute resolution

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process is quick and relatively inexpensive compared to traditional litigation. Any legitimate registered domain name registrar will be subject to the UDRP, which means almost every domain name falls under the governance of ICANN.

Next, evaluate the circumstances. If someone owns a domain name that encompasses your trademark in whole or in part, determine whether your trademark rights predate the current domain name holder's registration. If so, examine how the website at the domain name is being used, if at all. If the website is not being used for a legitimate purpose — say, for instance, there is nothing but text that says ‘coming soon’ — this will work in your favor.

If your trademark rights do not predate the current domain name holder's registration, the likelihood of successful transfer to you from the domain name holder dramatically decreases. Likewise, if the website is being used for a legitimate purpose, and the other party didn't know you had trademark rights in the name and simply registered the domain name before you, there's not much you can do. At that stage, the best option may be an offer to purchase the domain name from the other party.

What if they're not using the domain name?

In those cases, we start by sending a letter outlining our client's rights in order to

effectuate transfer of the domain name without involving any sort of legal authority. If that doesn't work, we file a complaint under the UDRP rules and start the arbitration process.

At arbitration you will need to show that you own the trademark, that the other party has no legitimate rights or interest in the domain name, and that the domain name was registered and used in bad faith. Once the other party is given an opportunity to submit its response, the arbitration provider will make a recommendation and advise the registrar on a course of action to take, which is often to immediately transfer the domain name to the trademark holder. The entire process only takes two to four months.

How can trademark owners stay ahead of the curve?

In light of the impending release of new generic top-level domains, trademark owners that want to avoid disputes should consider taking action now. Trademark owners have the option to register with ICANN's Trademark Clearinghouse, which will verify your rights in any trademarks you submit for approval. Once you receive approval, the Trademark Clearinghouse will provide you with a defined window of time to purchase domain names that encompass your trademark at the new, generic top-level domains before they are publicly available. ●