

## AntiCyberSquatting Consumer Protection Act (ACPA)



- McCarthy: “new category of ‘dilution’”
- Problems of LofC, dilution and unfair competition law with respect to domain names
- ACPA:
  - Bad faith registration liability for registrant, not registrar
  - In rem action
  - Statutory damages
  - New cause for registering non-TM name of others w/out consent w/ intent to profit by resale
- Just domain names, i.e., those registered, whether second level or more

## ACPA

- 15 U.S.C. 1125(d)(1)(A):

A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person -

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that -

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or

(III) . . .

# ACPA

- Nine bad faith factors (nonexclusive list)
  - I. Trademark or other IP rights in the domain name
  - II. Extent of domain name use to identify a legal person
  - III. Bona fide offering of goods or services
  - IV. Bona fide noncommercial or fair use of the mark in a site accessible under the domain name
  - V. Intent to divert customers from the mark's owner online location to a goodwill-harming site
  - VI. Offer to sell without having made bona fide use
  - VII. Material and misleading false contact information when applying for the mark
  - VIII. Keeping multiple domain names and knowing that they are identical or confusingly similar to others' marks
  - IX. Extent to which the mark incorporated into the domain name is or is not distinctive or famous

# ACPA

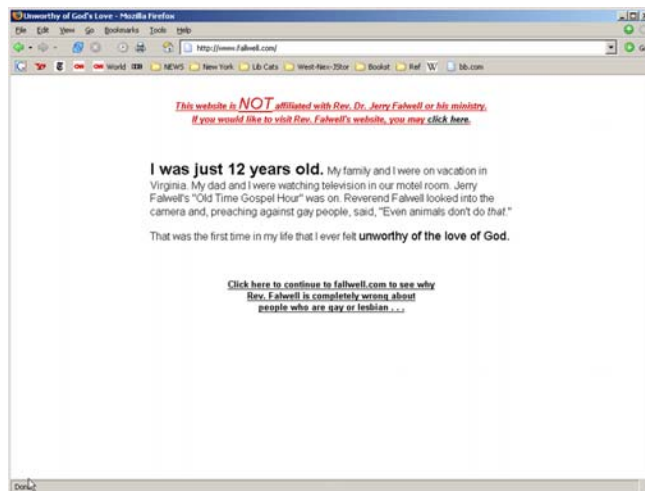
- Safe harbor
  - Believed and had reasonable grounds to believe that use was fair use or otherwise lawful
- Remedies
  - Pre-enactment
  - Post-enactment
- Intent analysis
  - Circumstantial evidence
  - Direct evidence

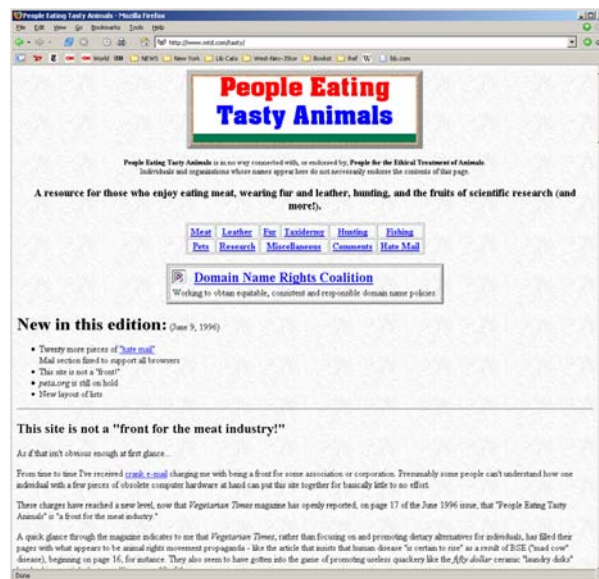
## Lamparello v. Falwell 420 F.3d 309 (4th Cir. 2005)

- Reverend Jerry Falwell
- Lamparello registered www.fallwell.com in response to Falwell interview
- Dist. Ct. gave summary judgment to Falwell
- Commercial speech issue . . .
- But, Circuit Ct. thinks no likelihood of confusion
  - Reverend Falwell's mark is distinctive, and the domain name of Lamparello's website, www.fallwell.com, closely resembles it. But, although Lamparello and Reverend Falwell employ similar marks online, Lamparello's website looks nothing like Reverend Falwell's; indeed, Lamparello has made no attempt to imitate Reverend Falwell's website. Moreover, Reverend Falwell does not even argue that Lamparello's website constitutes advertising or a facility for business, let alone a facility or advertising similar to that of Reverend Falwell. Furthermore, Lamparello clearly created his website intending only to provide a forum to criticize ideas, not to steal customers.
  - Most importantly, Reverend Falwell and Lamparello do not offer similar goods or services. Rather they offer opposing ideas and commentary . . .
- Initial interest confusion issue . . . viability of that doctrine in the 4<sup>th</sup> circuit
- ACPA claim by Falwell – bad faith intent element not proved



## Lamparello v. Falwell, 420 F.3d 309 (4th Cir. 2005)





## ICANN UDRP

- Checking mechanisms on those implementing UDRP decisions over domain names
  - Built into the system's document ("creational")
  - External - national courts
  - Internal – compare to traditional arbitration panels
- Standardization of procedures for challenging panelist partiality?
- External review by national courts
  - 10 days
  - Cause of action under local law?
  - Review jurisdiction by national court?
  - Unlikely to develop expert courts as registry companies disperse
  - Automatic enforcement w/out national courts
- Internal review
  - Selection of panelists
  - Published opinions

# Uniform Dispute Resolution Procedure

- Domain name holders are subject to the UDRP through the terms of their domain name registration contract with domain name registrars.
  - Registrars must require the UDRP in order to qualify with ICANN as domain name registrars.
- UDRP Paragraph 4
  - 4(a): Complainant must prove: (1) identity or confusing similarity, (2) respondent has “no rights or legitimate interests in respect of the domain name”, and (3) respondent has registered the domain name and is using it in bad faith.
  - 4(b): Bad faith factors
  - 4(d): Complainant selects DRSP
  - 4(i): Remedies
  - Statistics: <http://www.wipo.int/amc/en/domains/statistics/>
- Opinions
  - Telstra.org: passive holding constitutes use
  - Madonna.com: panel can make findings of fact

## Section 43(d) (a.k.a. ACPA)

- 43(d):
  - (1) 43(d)(1)(A)(i) “bad faith intent to profit”, and
  - (2) 43(d)(1)(A)(ii) “registers, traffics in, or uses” a domain that is “identical or confusingly similar to” plaintiff’s mark
  - Bad faith intent factors: 43(d)(1)(B)(i)
- People for the Ethical Treatment of Animals v. Doughney, 263 F.3d 359 (4th Cir. 2001)



## Eastman Sporto Group LLC v. Jim and Kenny Case No. D2009-1688 (WIPO Mar. 1, 2010)



- Jim and Kenny registered sporto.com in 1997
  - Differing uses at different points in time, some use to resolve to sites that sell footwear
  - “August 21, 2009, Respondent offered to sell the disputed domain name to a third party for USD 100,800”
- Eastman owns SPORTO mark
- Bad faith registration and use factors
- Bad faith at time of registration versus later in time bad faith at a time of use
  - *Mummygold* approach: a panel may determine that registration in bad faith under paragraph 4(a)(iii) may be established “retroactively” by subsequent bad faith use
  - But, “the most formidable obstacle to the *Mummygold* approach is the language of paragraph 4(a)(iii) itself. The operative verbs in that provision are clearly conjunctive – registered *and* used.”
- “unless bad faith use subsequently to registration forms a basis for an inference of Respondent’s bad faith *at the time of registration*, it cannot alone satisfy the complainant’s burden of proof under paragraph 4(a)(iii) of the Policy.”
- Effect of domain name renewal? Versus transfer of ownership? What if cybersquatting at the time of renewal?

## The Uniform Rapid Suspension System (URS)

- Process to apply for gTLDs (\$185,000 per gTLD) – similar to a mark registration
  - URS applies only to second-level domains within new gTLDs established since 2013
  - Burden is CCE
  - Remedy, after short term lock, is suspension, not transfer
- [1] that the registered domain name is identical or confusingly similar to a word mark:
- (i) for which the Complainant holds a valid national or regional registration and that is in current use; or
  - (ii) that has been validated through court proceedings; or
  - (iii) that is specifically protected by a statute or treaty in effect at the time the URS complaint is filed.
- a. Use can be shown by demonstrating that evidence of use — which can be a declaration and one specimen of current use in commerce — was submitted to, and validated by, the Trademark Clearinghouse.
- b. Proof of use may also be submitted directly with the URS Complaint.
- and
- [2] that the Registrant has no legitimate right or interest to the domain name; and
- [3] that the domain was registered and is being used in bad faith.

## Facebook Inc. v. Radoslav (Nat'l Arb. Forum, Sept. 27, 2013)

- Domain at issue is facebok.pw
  - Confusingly similar to FACEBOOK
- “The Domain Name points to a web page listing links for popular search topics which Respondent appears to use to generate click through fees for Respondent’s personal financial gain. Such use does not constitute a bona fide offering of goods or services and wrongfully misappropriates Complainant’s mark’s goodwill.”
- Pattern of similar one-letter-off registrations
- [www.trademark-clearinghouse.com](http://www.trademark-clearinghouse.com)