

# Cybersquatting eller domænehamstring

DIFO Hearing

6 September, 2000

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# Domain names & IP addresses

- **Domain names** are the familiar, easy-to-remember names for computers on the Internet
  - e.g., amazon.com, icann.org, difo.dk
- Domain names correlate to **Internet Protocol numbers** (IP numbers) (e.g., 192.0.34.64) that serve as routing addresses on the Internet
- The **domain name system** (DNS) translates domain names into IP numbers needed for routing packets of information over the Internet

# Categories of Internet Domains

- **Generic Top Level Domains (gTLDs)**
  - *.com, .net, .org, .gov, .mil, .edu, .int, .arpa*
  - *.com, .net, .org* open for registration by all persons and entities on a global basis
  - Proposals to add many more TLDs (*.shop, .arts, .union, etc.*)
- **Country Code Top Level Domains (ccTLDs)**
  - *.dk, .kr., .uk, .fr, .us, .mx, .ca, .de, etc.*
  - Registration requirements vary by domain

# What's a Cybersquatter?

- Traditionally: Person who registers a domain name, hoping that a trademark owner will ransom the domain name for a high price.
- But ACPA also targets:
  - Speculators (who want to auction generic names to anyone)
  - Competitors seeking to divert customers to their website (*dosney.com*; *microsoft.com*)
  - Fraud & counterfeiting (*attphonecard.com*)

# What's the need for a new law?

- Said US Congress:
  - Currently law does not expressly prohibit cybersquatting
  - Huge numbers of infringements; cost of pursuing litigation; danger of inconsistent rulings
  - Consumer fraud & confusion about source
  - Harm to electronic commerce
  - Loss of revenues and goodwill to trademark holders
  - Difficulty for trademark holders to prevail under existing laws
    - Cybersquatters getting smarter (not offering for sale)
- Real Reason: Deterrence

# ACPA

- Anti-cybersquatting Consumer Protection Act (ACPA):

*“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 –*

# ACPA (continued)

*“(i) has a bad faith intent to profit from that mark, ... And*

*“(ii) registers, traffics in, or uses a domain name that –*

*“(I) in the case of a mark that is distinctive ... is identical or confusingly similar to such mark; [or]*

*“(II) in the case of a mark that is famous ... is identical or confusingly similar to or dilutive of such mark; ....*

# ACPA: Bad Faith I

- 9 flavors of bad faith
  - 4 indicating lack of bad faith
  - 4 indicating bad faith
  - 1 catch-all
- All descriptive, none binding
- List is not exhaustive



# ACPA: Bad Faith II

- 4 factors indicating lack of bad faith:
  - (1) the trademark or other intellectual property rights of the person, if any, in the domain name;
  - (2) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;
  - (3) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
  - (4) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;

# ACPA: Bad Faith III

- 4 factors indicating bad faith:
  - (5) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name ... by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;
  - (6) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;

# ACPA: Bad Faith IV

- (7) [false contact information in registration];
- (8) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive ... without regard to the goods or services of the parties;

# ACPA: Absolute Defense

- No bad faith if registrant reasonably believed that she/he had a fair use (or other legal right) to use the domain name
  - (Even if bad faith factors exist)
- Protects noncommercial uses:
  - Parody
  - Criticism
  - Comparison by competitors

# ACPA: Remedies

- ACPA provides traditional damages
  - Injunction
  - Actual damages (if proven)
- New: Statutory damages
  - At court's discretion, between \$1,000 and \$100,000
  - No need to prove damages attributable to cybersquatter

# ACPA: In Rem jurisdiction

- **In rem** = action against domain name, not registrant
- Available if trademark owner used due diligence, but could not find registrant
- Only remedy: transfer/cancellation

# ACPA: Protection for Registry/Registrar

- No liability for wrongfully canceling, suspending, or transferring a registration:
  - in response to a court order, or
  - under a policy designed to prevent the registration of a domain name that is similar to another's trademark
- Strong incentive to have a policy, and to cancel, suspend, or transfer to trademark holder

# ACPA: So what's New?

- Registration alone creates liability
  - No “use in commerce” requirement
- “Without regard to the goods or services of the parties”
  - Not focused on consumer confusion
- In Rem Jurisdiction
  - Combats false contact information
  - Available if trademark holder is unable to locate domain name holder
  - Only remedy: transfer/cancellation
- Statutory damages
  - Deterrence



# Is ACPA a good idea?

- Is consumer confusion really the problem?
  - DNS is not a search engine
  - Are internet users easily confused?
- Are ACPA's protections for fair use adequate?
- Global internet => national law?
- Are we creating ownership of words?
  - A trademark use that might be non-infringing in the everyday world becomes illegal under the ACPA when used as a domain name.
  - Trademark holders get more control over marks as domain names than for any other use.

# Alternative: ICANN Dispute Resolution

- **Uniform Dispute Resolution Policy (UDRP)**
  - Optional, non-binding alternative to court
  - Average time to resolution: 35-40 days
  - Typical cost: US \$1,000
  - Targets abusive, bad-faith cybersquatting
  - Applies to .com, .net, and .org (not ccTLDs)
  - Globally available; globally enforceable
- **3 Questions:**
  - Does challenger have trademark rights?
  - Does registrant have no legitimate interests?
  - Is there evidence of bad faith?
- **Only remedy:** Transfer/cancellation
- Several ccTLDs have adopted UDRP

# For Further Information:

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