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Protect your trademarks from domain name Cybersquatters!

What do you do if a Cybersquatter is using your name as a domain name? Cybersquatters (also known as “domain squatters”) are those who use your trademarks or close variations as part of domain names for a variety of purposes, such as, to divert your customers to them, to stop your use of your trademark as a domain name, to generate traffic to their sites, or to trick people into disclosing confidential information. Cybersquatting is big business and a huge problem for many businesses. Court actions often result in less than satisfying or economically viable solutions and you may be left with no jurisdiction in which to bring an action. There are creative avenues for redress.

Background. Many Cybersquatters use actual trademarks or variations of trademarks (sometimes called “Typosquatting”); others use people’s famous names, while others use either but on a second-level domain (called “name-jacking”). They will use any domain name they think will attract visitors to their sites or to their “parking” page (known as “Domain Parking”) to make money from pay-per-click advertising and/or sponsored links. Sometimes a Cybersquatter may be a competitor who uses a domain name to sell competing products or to just leave a web site “in construction” to deprive the real trademark owner from using the domain name. Other times, a Cybersquatter be an unknown third party using a domain name to link to other sites or to collect user-names and passwords from unsuspecting visitors. All of these strategies are harmful to the true trademark/name owner.

Recent cases have strengthened the position of trademark owners and provided increased confidence in actions to protect one’s trademark.

Domain Name Example. In a decision announced November 12, 2009, by the National Arbitration Forum (NAF), FreeCreditReport.com was awarded 1,017 domain names from the Netcorp LLC. The panel stated that Netcorp LLC was using slight misspellings of and add-ons to the registered trademark “FreeCreditReport” in domain names and that such use was not lawful. The NAF panel’s ruling may signal that trademark holders using the proper forum and method can stop not only those using exact

trademarks but also those using misspellings and variations of trademarks in domain names.

Celebrity Name Example. In a recent court case, Chris Bosh, the famous basketball player for the Toronto Raptors, discovered that hoopology.com (Luis Zovallo) was using the domain name ChrisBosh.com. Mr. Bosh filed a lawsuit in California under the Anticybersquatting Consumer Protection Act (ACPA) and obtained a default judgment which included an order to transfer the domain name to Chris Bosh and to pay him statutory damages of \$120,000. To avoid U.S. jurisdiction and enforcement Zovallo reacted by moving the domain name to a registry outside the U.S. Mr. Bosh returned to court and had the court order amended to require VeriSign (the registry operator for .com), which is located in the U.S., to transfer the domain name. The mark was transferred and rights were given to transfer hoopology.com’s other names. This is good news since hoopology.com alone had approximately 780 more domain names mostly using the names of athletes and celebrities.

Analysis. These decisions are good news as the law closes in on Cybersquatters. For lawyers who are experienced in this area of the law, avenues of redress are available. Actions may be commenced in arbitration, state court and/or federal court to enjoin Cybersquatters from using trademarks and famous names and to return domain names to trademark owners and celebrities while seeking statutory and actual damages.

Recommendation. The failure to protect your trademark can be deemed an abandonment of your trademark or name or a waiver against enforcement of your rights. You need to take action to protect your trademarks and name. We recommend you register your trademarks, file your trade names, trademarks, and similar words and misspellings as domain names, and search domain name registries and conduct browser searches for infringers. Be diligent in protecting your trademarks.

If you someone is using your trademark or name, please call Kevin Collette at 206.654.2252 so that we can seek creative methods for redress or protection.