How Manufacturers and Brands Can Overcome Cybersquatting

Related Attorneys

T. Blake Finney

Related Services

eControl

AUTHORED ARTICLE | 2.14.2017

Cybersquatting and Typosquatting Barred by Federal Law

Cybersquatting generally refers to "bad faith registration of another's trademark in a domain name." It often involves registering a domain name with the intent to either: A) sell the domain back to the owner of the mark, or B) divert customers to a competing website/company.

By way of example, our law firm registered the Vorys.com domain nearly 20 years ago. But imagine if someone—aware of our well-established law firm, but with no connection to the firm or the name "Vorys"—first purchased the domain with the intent to sell it to us. Or, with the goal of attracting prospecting clients to a competing law firm.

Knowing that we would want to own and use that domain, this person might have attempted to sell it to us for thousands of dollars. Clearly, he or she would have had no interest in actually using Vorys.com; instead, he or she would have bought it solely to make money from our firm. This is cybersquatting.

Although many cybersquatters simply wish to sell a domain back to the rightful brand owner, others actively use their domains – particularly to capture web traffic and offer their own products or services. This, too, is illegal, thanks to the "Anti-Cybersquatting Consumer Protection Act" (ACPA).

Anti-Cybersquatting Consumer Protection Act

In enacting the ACPA in 1999, codified as 15 U.S.C. § 1125(d), Congress sought to protect trademark holders from bad faith domain registrations. Specifically (in relevant parts), the ACPA states:

> *A person shall be liable in a civil action by the owner of a mark . . . if, without regard to the goods or services of the parties, that person . . . has a bad faith intent to profit from that mark . . . and . . . registers, traffics in, or uses a domain name that . . . is identical or confusingly similar to that mark.*

In determining "bad faith intent" of a domain registrant, courts analyze a person's "intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark . . . for commercial gain . . . by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site." 15 U.S.C. 1125(d)(1)(B)(i)(V).

A court can also infer bad faith when a person has registered or acquired "multiple domain names which the person knows are identical or confusingly similar to marks of others." 15 U.S.C. § 1125(d)(1)(B)(i)(VIII).

Violating the ACPA can result in potentially losing rights to a domain, but also potentially statutory damages of up to $100,000 per domain. *See* 15 U.S.C. § 1125(d)(1)(C) ("In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark."); 15 U.S.C. 1117(d) (in lieu of actual damages and profits, a plaintiff may elect to recover statutory damages of up to $100,000 per domain).

UDRP Proceedings

In addition to a federal lawsuit, a manufacturer can also submit a Uniform Domain-Name Dispute-Resolution Policy (UDRP) – a process described generally in the following blog post.

In short, a trademark owner must demonstrate the following: 1) that the domain in question is identical or confusingly similar to its mark; 2) that the registrant does not have a legitimate interest in the domain; and 3) that he or she is using it in bad faith.

If a trademark owner wins a UDRP proceeding, the domain registrant must transfer the domain. Alternatively, a trademark owner can attempt to appeal via a separate federal lawsuit.

For a recent example, on January 31, 2017, FIFA–soccer's international governing body– won the rights to FIFA.net. The domain registrant, who did not respond to the cybersquatting complaint, had previously lost on several prior cybersquatting claims, according to Domain Name Wire.

Typosquatting

"Typosquatting" is a specific type of cybersquatting.

Typosquatting involves purchasing domains very similar to well-known marks/domains that contain typos. Similar to generic cybersquatting, typosquatters try to capitalize financially on human typing errors.

For example, a typosquatter might register a misspelled domain for the purpose of selling it. Alternatively, he or she might use the infringing domain to redirect internet users to his or her own website. This scheme can involve directing consumers to competing products or services, or to the websites that are be entirely unrelated.

Courts have also found that typosquatting violates the ACPA. *See, e.g., Verizon Cal.* Inc. v. Navigation Catalyst Sys., 568 F. Supp. 2d 1088, 1094 (C.D. Cal. 2008) ("The ACPA has also been interpreted as prohibiting 'typosquatting'—that is, registering intentional misspellings of famous trademarks or names.").

Monitoring for cybersquatting/typosquatting—and taking action to address infringing domains—is an essential pillar of a brand's online brand enforcement strategy

For more information, contact Vorys' Online Seller Enforcement team or call us at 877.545.6905.