



CORPORATION SERVICE COMPANY

Strategies & Tactics for Domain Disputes

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Innovating Service and Technology for Over 100 Years.



What we will cover today

- The typical scenarios which trigger the desire to obtain a domain from 3rd party
- Prosecute, Monitor or Recover?
- Legal considerations/methods of recovery
- Acquisition options/methods of recovery
- Determining your “Recovery Strategy”- Business vs. Legal Decisions
- Should you seek help?



Typical Scenarios

- Company Name Change
- New Product Release
- Merger or Acquisition
- Domain Expired and Third Party Acquired
- Unauthorized Transfer Occurred
- Review/Audit of Portfolio



Prosecute, Monitor or Do Nothing?

- To minimize risk and crisis, develop and implement:
 - *Program to detect brand abuse in domain registrations*
 - *Domain Policy that defines categorization & prioritization of brand abuse, specifies responsible parties and escalation procedures*
- When faced with an instance of brand abuse, ask:
 - *What is the impact of the brand abuse?*
 - Financial
 - Reputation
 - Dilution
- Prosecute when there is significant impact
- Monitor when there is marginal impact
- Do nothing when abuse is a nuisance, an exercise of free speech without economic gain, legitimate use or has no impact



Tools for Domain Recovery

- Cease and desist letter
- UDRP or other administrative proceeding
- Court remedies – ACPA
- Domain Acquisition



Cease and Desist Letter

- Generally prepared by an attorney
- Summarizes legal grounds and demands that registrant cease and desist from use of the domain and transfer it
- Typically asserts trademark rights and likelihood of confusion
- Be sure to state date by which need to respond and consequence of not responding
- Risks of sending a cease and desist letter
 - *Identification of interested party*
 - *Laches defense*



UDRP Basics

- UDRP = Uniform Dispute Resolution Policy
- Arbitration proceeding by accredited providers
 - *E.g. WIPO, NAF, CPR Institute*
 - *NEW - Czech Arbitration Court*
- Applies to all gTLDs domains
- Some ccTLDs have adopted the UDRP
 - *E.g. .ac, .ag, .bs, .cy, .gt, .na, .nu, .tt, .tv, .ws*
- Other ccTLDs have implemented their own policies:
 - *Canadian Internet Registration Authority (CIRA) (.ca); .*
 - *.eu Alternative Dispute Resolution Rules;*
 - *Nominet Dispute Resolution Service (.uk)*
 - *Note: see <http://www.wipo.int> for a listing of dispute resolution policies by ccTLD*



UDRP Pros and Cons

- Pros
 - *No discovery, no personal appearances, no trial*
 - *Fees more predictable than litigation*
 - *Don't need personal jurisdiction over registrant*
- Cons
 - *No damages available*
 - *Minimum 60 days to decision, sometimes longer*



Elements of a UDRP Claim

- Identical or confusingly similar to mark in which complainant has rights;
- Registrant has no rights or legitimate interests in the domain name; **and**
- Domain name was registered and is being used in “bad faith”



Defenses to a UDRP Claim

- Before notice, use in connection with a bona fide offering of goods or services;
- Commonly known by the domain name; or
- Legitimate non-commercial or fair use, without intent for commercial gain or to misleadingly divert consumers or tarnish the mark at issue

- ACPA = Anti-cybersquatting Consumer Protection Act
- Section 43(d) of Lanham Act (15 U.S.C.)
- Statutory damages available \$1,000 to \$100,000 per domain name



ACPA Pros and Cons

- Pros
 - *Can recover damages*
 - *Statutory damages available \$1,000 to \$100,000 per domain name*
 - *Can seek TRO or preliminary injunction*
 - *Includes dilution*
 - *In rem jurisdiction*
- Cons
 - *Unpredictable fees*
 - *Generally need personal jurisdiction*



ACPA Elements

- Bad faith intent to profit, **and**
- Register, traffic in or use a domain name that:
 - *is identical or confusingly similar to a distinctive mark;*
or
 - *is identical, confusingly similar or dilutive of a famous mark*



Bad Faith Under ACPA

Court may consider 9 factors:

- 1) Plaintiff's trademark rights
- 2) Defendant's name or nickname?
- 3) Defendant's prior use for bona fide offering of goods or services
- 4) Defendant's bona fide noncommercial use on a website
- 5) Defendant's intent to divert consumers either for commercial gain or with intent to tarnish or disparage the mark or by creating confusion
- 6) Defendant's offer to sell it w/o use or prior conduct indicating a pattern
- 7) Provision of false or misleading contact information
- 8) Registration or acquisition of multiple infringing domain names
- 9) Extent that the mark is not distinctive and famous



ACPA In Rem Action

- Action against the name itself
- File suit where registrar or registry is located
- Must be unable to obtain personal jurisdiction
- No damages available



Acquisition Options

- Auction
- Drop Club/SnapNames
- Direct Purchase from Current Owner
- Indirect Purchase from Current Owner through 3rd Party

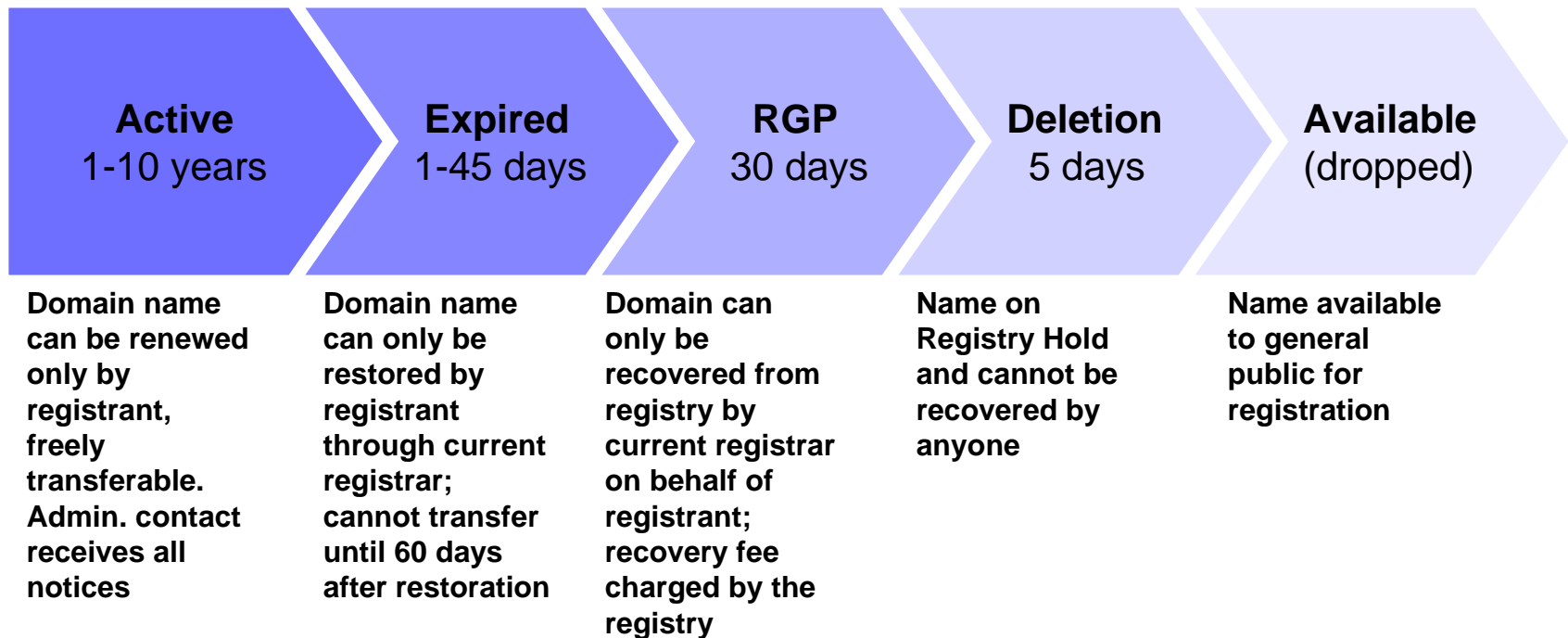


Domain Auctions

- Monetization of Domain Names is Big Business
- Types of Names Auctioned
 - *Currently registered*
 - *Expired*
 - *Names in RGP*
- Types of Auctions
 - *eBay® -style*
 - *Live*
 - *Member-only*

Drop Clubs

- Retail Registrars often have “Drop Clubs”
- Focus on names that have expired and are in a “pending delete” phase at the registry





Domain Name Purchase

- Possible Options:
 - *Direct from Owner*
 - *Through a 3rd Party*
- Understand the Market
 - *Current Prices*
 - *Type of Name*
 - *Potential Uses*
- The Need for Speed!



Determining your “Recovery Strategy”- Business vs. Legal Decisions

- **Legal**

- Risk Analysis – What harm/exposure does not getting this domain cause?
- Rights Review – what “rights” to the name do you have and do you meet the requirements for a cause of action under administrative rules/statute?

- **Business**

- Business purpose of domain & urgency of getting it
- What is the budget to get the name?



Should You Seek Help?

- Outside Counsel
- Registrar
- Brand Advisor
- Caution!!!!
 - *Domain Name Sellers are very sophisticated*
 - *Need to avoid the appearance of “deep pockets”*
 - *Just because someone has a website doesn’t mean they are legitimate*
 - *Unique legal issues – beware of novices!*



About CSC

- Privately-held, 108 year old company headquartered in Wilmington, DE
- CSC operates offices in the US, Canada, Germany, France and the UK and employs over 1,000 people worldwide
- CSC is dedicated **reducing risks and costs** for our clients by providing:
 - Corporate Identity Protection Services
 - Corporate Governance & Compliance Services
 - Litigation & Matter Management Services
 - Deal & Transaction Support Services.
- CSC is the trusted partner of 47 of the Top 100 Best Global Brands* for global domain name registration and management
- For more information about Trademark, Domain and Brand Monitoring Services & Solutions offered by CSC, visit: <http://www.cscglobal.com> or call Neal Smith at 800.927.9800