

# PROPERTY UPDATE

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### The defense of a domain name under ICANN's dispute resolution policy

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Internet domain names which act as representations of an electronic address of a Web page or a Web site, are subject to a mandatory dispute resolution procedure by the Internet Corporation for Assigned Names and Numbers, universally known as ICANN (icann.org-) (herein "-" is used to deactivate the Internet address as a hyperlink in the text). Disputes arise due to conflicts between the registered owner of the domain (i.e., the web site owner) and an owner of a trademark (typically a federally registered trademark) because the trademark owner-complainant believes that the domain is identical or confusingly similar in sight, sound or appearance to the trademark. This article outlines the dispute procedure and several defense strategies.

Statistics reveal that the defense of a domain name is difficult. The 10-month-old ICANN Uniform Domain Name Dispute Resolution Policy generated 175 decisions during the first five months of 2000 by the World Intellectual Property Organization (WIPO), wherein 32 complaints were denied and 143 complaints were granted resulting in the transfer of domains to complainants. At the outset, it should be noted that domain registrants who acquire domains which are identical or similar to registered trademarks with the sole or primary intent to sell the domains to others almost universally lose. This observation is contrary to the popular belief that a person can significantly profit from the registration of a "great" domain name widely known and used by a trademark owner. In the intellectual property legal community, it is a generally accepted principle that a domain name owner will not prevail if his or her intent is to trade off of the good will or reputation of a trademark owner.

The domain name dispute is

initiated by the trademark owner filing a complaint with an ICANN dispute resolution provider, such as WIPO under ICANN's Uniform Domain Name Dispute Resolution Policy and pursuant to ICANN's Rules for Uniform Domain Name Dispute Resolution Policy and WIPO's supplemental rules. The procedure is moderately simple in that a complainant files a complaint under Rule 5, pays the "provider" (WIPO) fee, and sends a copy of the complaint to the respondent-domain name owner. WIPO initially sends a copy of the complaint to respondent. WIPO reviews the complaint and, if in regulatory compliance, sends a notice of commencement to respondent directing a response in 20 days. Failure to respond results in entry of a default. Rule 5(e). After the 20-day time period, with or without a response, WIPO selects a panelist (i.e., an arbitrator), sends the panelist the complaint and responsive papers. The panelist comments on each ICANN Policy provision, enters findings and rules on the dispute. The decision dismisses the complaint or directs the transfer of the disputed domains to complainant-trademark owner. No monetary damages or fees are assessed. Statistically, the defense of a domain appears quite difficult, however, a large percentage — estimated to be about 90 percent or higher by the author — are default decisions. Since each decision is published (Policy 4(j)) and the decision typically sets forth supporting legal principles, respondent should check complainant's cited decisions to insure that the cited case was contested rather than a default decision. Compare *Draw-Tite Inc. v. Plattsburg Spring Inc.*, WIPO Case No. D2000-0017, March 14, 2000, respondent contested complaint and won; and *YAHOO! Inc. v. Eitan Zviely, et al.*, WIPO Case No. D2000-0273, June 14, 2000, respondent filed no

answer to the complaint and lost domain.

Respondent has 20 days from the WIPO's notice of commencement to gather evidence and submit a 5,000-word response, Rule 5(a)-(b) and WIPO Suppl. Rule 1(b). Presentation of evidence is critical. Extensions of time are available for cause or upon agreement, Rule 5(d). The assigned WIPO case administrator is usually responsive to e-mail inquiries. WIPO, Suppl. Rule 6. The response need not be prepared by an attorney, although background knowledge of trademark principles greatly assists in the formulation of a defense. A review of the few domain name decisions where the domain owners have prevailed reveals that the submission of evidence under Rule 5(b)(ix) to support factual allegations in the response is critical. In the absence of evidence, the respondent typically loses. Factual allegations in the complaint and response are certified as being "to the best of respondent's knowledge, complete and accurate," hence affidavits are not necessary, Rule 5(b)(viii).

The respondent must respond to all factual and legal allegations in the complaint, otherwise, the panelist may assume that respondent admits those allegations, Rule 5(b)(i). The response is presented in summary form rather than pleading form. Denials of statutory violations of the AntiCybersquatting Consumer Protection Act, 15 USC, sec. 1125(d); Federal Trademark Dilution Act, 15 USC., sec. 1125(c); and the Lanham Act, 15 USC, sec. 1000, et seq. are strongly recommended. Specific denials of the following underlying facts and conclusions are also recommended: (a) registration of the domain as part of "a pattern of registering domains that infringe on the trademarks of others;" (b) use of the domain creates "a likelihood of confusion" between respondent and complainant; (c) respondent's

Web site is "confusingly similar" to complainant's; (d) if reasonable, a general denial of complainant's conclusory evidentiary statements (i.e., advertising expenditures, sales of trademarked goods), which are unsupported by documentary evidence; and (e) an argument that respondent cannot contradict, due to an absence of discovery and due process, unsupported, conclusory evidentiary statements. Admitting certain facts lends credibility to respondent's position however those facts, when admitted, may



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have some impact later on in future litigation.

The policy provides that the complainant shall submit proof that the domain name is identical or confusingly similar; the respondent has no legitimate interests in the domain; and the domain is used in bad faith, Policy 4(a). The policy also sets forth factors to determine "bad faith," Policy 4(b), and respondent's "legitimate interests," Policy 4(c). Since the decisions seem to strictly follow ICANN rules and policy, respondent should supply reasons to keep the domain by presenting arguments and evidence relative to each portion of the policy. WIPO domain name decisions hold that the complainant has the burden of proof on each of these issues and that the benefit of doubt should be given to respondent.

*InfoSpace.com Inc. v. Delighters Inc.*, WIPO Case D2000-0068, May 1, 2000, and *MPower Comm. Corp. v. Park Lodge Hotel*, WIPO

Case No. D2000-0078 (April 3, 2000).

Typical defensive arguments include the domain is not identical nor confusingly similar to the trademark, Policy 4(a)(i), because of the addition of a descriptive term or terms to the domain; goods and services offered by respondent are different than complainant's; the channels of trade which carry the goods or services are different; if the domain is not being used, respondent's business plan, prepared or substantially completed prior to the initiation of the dispute, shows a good faith intent to use the domain in a non-confusing manner (the plan should show financial and staff support efforts to build the site on the domain); due to the sophistication of the consumer, there is no confusion; due to widespread third-party use of the mark, consumers have learned to distinguish the genuine trademark owner from others and there is no confusion; the nature

and extent of any actual confusion shown by complainant; due to respondent's use of disclaimers, which notify the public of the absence of respondent's association with complainant, consumers are not confused; respondent sells genuine trademarked goods and it's use of the mark is fair use *Draw-Tite Inc. v. Plattsburg Spring Inc.*, WIPO Case No. D2000-0017, (March 14, 2000); and *Adaptive Molecular Technologies Inc. v. Woodward*, WIPO Case No. D2000-0006, (Feb. 28, 2000); respondent has a legitimate interest in the use or intended use of the domain, Policy 4(a)(ii); the domain is not being used by respondent in bad faith, Policy 4(a)(iii) (respondent should negate every "bad faith" factor in Policy 4(b) and specifically rebut any offer to sell the domain for profit); the respondent has legitimate interests in the ownership of the domain by evidence that "before any notice" of the dispute, respondent's "use of, or

demonstrable preparations to use, the domain name or a name corresponding to the domain name [was] in connection with a bona fide offering of goods or services," Policy 4(c)(i); respondent has "been commonly known by the domain name, even if you [respondent] have acquired no trademark or service mark rights," Policy 4(c)(ii); and respondent is "making a legitimate noncommercial [i.e., critical comment or in news] or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue," Policy 4(c)(iii).

In summary, the defense of a domain name under attack by a trademark owner is difficult, but not impossible. The ultimate result typically turns on the quality and quantity of respondent's evidence and, many times, the fact that respondent-domain owner did not offer to sell the domain to others at a profit. ■

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