



# Domain Names, ACPA and UDRP

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## Domain Names

Domain names are strings of characters like “uspto.gov” that appear in lists at domain name system (DNS) servers.

DNS servers are scattered around to help make the internet work.

The DNS servers’ list associates the domain name with an IP address (e.g., “104.18.35.192”). “IP” here means “internet protocol.” The IP address allows navigation to a server hosting a website’s code.

Originally, the work of dealing with all of this (including distributing top-level domains (like “.com”) and IP addresses) was done as a “side task” by a computer scientist at UCLA and then USC, Jon Postel. He’d been involved with creating ARPANET, which turned into the internet.

In the late 1990s, the U.S. government led a process to transition the function over to a new non-profit body, ICANN, the Internet Corporation for Assigned Names and Numbers.

## Domain Names

To register a domain name, you do so by using a domain name registrar. Registrars get accredited through ICANN. They are typically private companies.

Once you register a domain name, you can associate it with an actual server with an IP address, and then that will be propagated through the DNS servers. It might take a few hours.

After that, when anyone types a URL (web address) with your domain name into their web browser, or sends an email using that domain name, the DNS servers will route the communication accordingly.

## Domain Names

**gTLDs:** generic top-level domains (e.g., .com, .org, .net). Anyone can register a domain name in a gTLDs.

**sTLDs:** sponsored top-level domains (e.g., .gov). These domain names are distributed by the sponsor and can be restricted by them.

**ccTLDs:** country-code top-level domains given to countries (e.g., .us, .ca). These are controlled by the country's government.

## Anticybersquatting Consumer Protection Act (ACPA)

**Anticybersquatting Consumer Protection Act (ACPA), 15 U.S.C. § 1125(d)**

- Enacted in 1999.
- ACPA “was enacted to eradicate” as a paradigmatic harm “the practice of cybersquatters registering several hundred domain names in an effort to sell them to the legitimate owners of the mark.”
- ACPA was enacted “in response to concerns over the proliferation of cybersquatting – the Internet version of a land grab” and a concern that “then-existing law did not expressly prohibit the practice of cybersquatting.”
- Federal dilution actions had been used by some plaintiffs, but with spotty results.

from *Lucas Nursery and Landscaping Inc v. Grosse* (6th Cir. 2004), quoting *Virtual Works v. Volkswagen* (4th Cir.2001) re “land grab”

## Anticybersquatting Consumer Protection Act (ACPA)

**Who counts as a “cybersquatter”?**

Under ACPA, cybersquatters are those who:

- (1) “register well-known brand names as Internet domain names in order to extract payment from the rightful owners of the marks;”
- (2) “register well-known marks as domain names and warehouse those marks with the hope of selling them to the highest bidder;”
- (3) “register well-known marks to prey on consumer confusion by misusing the domain name to divert customers from the mark owner’s site to the cybersquatter’s own site;”
- (4) “target distinctive marks to defraud consumers, including to engage in counterfeiting activities.”

from *Lucas Nursery and Landscaping Inc v. Grosse* (6th Cir. 2004), quoting S.Rep. No. 106-140 at 5-6.

## Anticybersquatting Consumer Protection Act (ACPA)

Under ACPA, a defendant can be liable to the owner of a protected mark if the defendant:

- (i) has a bad faith intent to profit from the 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 that mark;
  - (II) in the case of a famous mark, is identical or confusingly similar to or dilutive of that mark; or
  - (III) is a trademark, word, or name protected by reason of section 18 U.S.C. § 706 (Red Cross) or 36 U.S.C. § 220506 (Olympics & Paralympics).

15 U.S.C. § 1125(d)(1)(A)

adapted from *Lucas Nursery v. Grosse* (6th Cir. 2004)

## ACPA – Bad faith analysis

For relief, defendant's actions constitute "bad faith" § 1125(d)(1)(A)-(B)

Factors 1 thru 4 **tend against bad faith** by showing a reasonable basis for the domain name registration:

- whether the defendant has trademark or other rights in the domain name;
- the extent to which the domain name consists of the defendant's legal name or other common name;
- any prior use of the domain name for the offering of goods and services;
- and the bona fide noncommercial use of the site.

Factors 5 thru 8 **indicate bad faith**:

- whether the defendant seeks to divert consumers from the mark holder's online location either in a way that could harm good will or tarnish or disparage the mark by creating a confusion regarding the sponsorship of the site;
- whether there has been an offer to transfer or sell the site for financial gain;
- whether the defendant provided misleading contact information when registering the domain name;
- whether the defendant has acquired multiple domain names which may be duplicative of the marks of others

*from Lucas Nursery and Landscaping Inc v. Grosse* (6th Cir. 2004)

## *Lucas Nursery v. Grosse (6th Cir. 2004) – THE FACTS*

In 2000, Michelle Grosse hired Lucas Nursery to do landscaping work to correct a dip in the soil running through the center of her front yard. Grosse contended the work wasn't done adequately, despite complaining to Lucas Nursery. Grosse decided to inform others about her experience with the company. The company had no website of its own. Grosse registered "lucasnursery.com" and created a web page titled "My Lucas Landscaping Experience" for the sole purpose of relaying her story to the public. The website included complaints regarding Lucas's poor preparation of the soil prior to laying sod, the hasty nature of the work, and Grosse needed eventually to pay \$5,400 to a second contractor to fix the situation.

*Does Lucas Nursery have a good ACPA claim against Grosse?*

## *Lucas Nursery v. Grosse (6th Cir. 2004)*

*Does Lucas Nursery have a good ACPA claim against Grosse?*

The court said no.

Grosse's actions did not constitute bad faith.

### *Lucas Nursery v. Grosse* (6th Cir. 2004) – COURT'S ANALYSIS

“None of these factors militates against Grosse. There is no dispute that Lucas Nursery did not have an online location, and hence Grosse's creation of a web site to complain about Lucas Nursery's services could not have been intended “to divert consumers from the mark owners's online location.” Nor is there any evidence that Grosse ever sought to mislead consumers with regard to the site's sponsorship. The web site explicitly stated that the site was established by Grosse for the purposes of relaying her experience with Lucas Nursery. Moreover, Grosse never offered to sell the site to Lucas Nursery. She also did not provide misleading contact information when she registered the domain name. Finally, she has not acquired any additional domain names, which would be indicative of either an intent to sell such names to those entities whose trademarks were identical or similar, or exploit them for other uses.”

### *Lucas Nursery v. Grosse* (6th Cir. 2004) – COURT'S ANALYSIS

“Perhaps most important to our conclusion are, Grosse's actions, which seem to have been undertaken in the spirit of informing fellow consumers about the practices of a landscaping company that she believed had performed inferior work on her yard. One of the ACPA's main objectives is the protection of consumers from slick internet peddlers who trade on the names and reputations of established brands. The practice of informing fellow consumers of one's experience with a particular service provider is surely not inconsistent with this ideal.”

## Uniform Domain Name Dispute Resolution Policy (UDRP)

- The UDRP was created by WIPO in 1999 and adopted by ICANN.
- The UDRP is a non-litigation dispute-resolution process.
- All accredited domain-name registrars are required to abide by it.
- By registering a domain name, you consent to the UDRP.
- Third-party trademark owners can complain against domain name registrants over alleged abusive registration and use of domain names for gTLDs.
- It has a lot of overlap with ACPA.

## Uniform Domain Name Dispute Resolution Policy (UDRP)

UDRP can be used to capture a domain name from another person if:

- (i) the registrant's domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights;
- (ii) the registrant has no rights or legitimate interests in the domain name; and
- (iii) the domain name has been registered and is being used in bad faith