MAKING AN INFORMED CHOICE BETWEEN ARBITRATION OR LITIGATION: THE UNIFORM DOMAIN-NAME DISPUTE RESOLUTION POLICY VS. THE ANTI-CYBERSQUATTING ACT

BY: JANET MOREIRA, ESQ.
LOTT & FRIEDLAND, P.A.

I. INTRODUCTION

With over 400 million Internet users worldwide, the Internet has become a breeding ground for the black market of the new millennium – buying and selling domain names, incorporating legitimate trademarks, to trademark owners.¹ This phenomenon of buying and selling is better known as cybersquatting - which involves the registration of a domain name identical or confusingly similar to a well-known trademark with the intent of selling it to the trademark owner for profit.²

Cybersquatting has received much attention because it directly undermines several of the objectives of trademark law, namely to protect consumers from source confusion and to allow consumers to quickly ascertain the quality of a product identified by the trademark. When cybersquatting is left undetected, the cybersquatter is allowed to manipulate the trademark owner’s good will and reputation to appear to be his own.

Up until 1999, trademark owners had limited options to protect their trademark and combat cybersquatting. Most often, trademark owners were forced into court to sue under the often ill-fitting theories of trademark infringement or trademark dilution.³ However, this changed when the Internet Corporation for Assigned Names and Numbers (“ICANN”) (1)

1 According to Nielsen Ratings, the December 2001 Internet universe worldwide included 457,137,185 users. See http://www.nielsen-netratings.com/hot_off_the_net.jsp.
developed the Uniform Dispute Resolution Policy (“UDRP”) and Congress passed the Anti-Cybersquatting Consumer Protection Act (“ACPA”).

II. UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY

The UDRP is the result of a collaborative effort between the World Intellectual Property Organization (“WIPO”) and ICANN (ICANN) in an attempt to make sense of the chaos involving domain name disputes. The procedure for handling domain name disputes is set forth in the Rules for Uniform Domain Name Dispute Resolution Policy (“Rules”).

The UDRP aims at preventing cybersquatting and “abusive registrations” of domain names, like cyberpiracy. Cyberpiracy involves the registration of a domain name identical or confusingly similar to a well known trademark with the intent of misleading internet users, or traffic, to his website for profit. The inclusion of the UDRP in all registration agreements between domain name registrants and registrars binds the registrant to “mandatory administrative proceedings” initiated by a trademark owner who claims that the registrant’s domain name was registered in “bad faith” to the detriment of the trademark owner. The UDRP does not, however, attempt to resolve more complicated disputes such as those between the legal and concurrent users of the same trademark, or those involving other trademark-related claims like trademark dilution or unfair competition.

Once the trademark owner files his complaint with one of the ICANN-approved arbitration providers, the registrant must file an answer within 20 days of the commencement of the proceeding. Once the answer is received or the time period for responding expires, a panel of arbitrators is assigned within 5 days. The panel of arbitrators must issue a decision within 14

---

4 Id. at 345.
5 Rules for Domain Name Dispute Resolution Policy (Rules) § 5(a) at http://www.icann.org/dndr/udrp/uniform-rules.htm.
6 Rules § 6(b).
days on the basis of the written statements submitted and subsequently forwards the decision to
the dispute resolution service provider approved by ICANN.\(^7\) There are no personal
appearances, live testimony, or discovery procedures.\(^8\)

The only available remedy to a successful trademark owner in a domain name dispute is
cancellation or transfer of the domain name to the trademark owner.\(^9\) Once the panel reaches a
decision, the panel will notify the trademark owner, the registrant, and the Registrar of the
domain name, and ICANN, within 3 days.\(^10\) If the panel of arbitrators decides that the registrant
registered the domain name in “bad faith”, then the panel waits 10 days before implementing the
decision in case a federal action has been filed.

A. THE TRADEMARK OWNER’S COMPLAINT

In order to commence a domain name dispute proceeding under the UDRP, a trademark
owner must submit a complaint that alleges: (1) The registrant’s domain name is identical, or
confusingly similar to, a trademark or service mark of the trademark owner; (2) The registrant
has no rights or legitimate interests in the domain name; and (3) The domain name was
registered and used in bad faith.\(^11\) Generally, the focus of these proceedings will be on the
second and third allegations in the complaint.

In addition, the Rules further require that the complaint include the following specific
information: (1) the names of the disputed domains; (2) the trademark or service mark on which
the complaint is based; (3) the preferred means of receiving communications (both electronic and
hard copies); (4) a statement of the remedies sought; (5) consent to a court of “mutual

\(^7\) Rules § 15.
\(^8\) Rules § 13.
\(^9\) Uniform Domain Name Dispute Resolution Policy (UDRP) §4(i) at http://www.icann.org/udrp/udrp.htm.
\(^10\) Rules § 16(a).
\(^11\) UDRP § 4(a); Rules § 3(b)(ix).
jurisdiction,” defined as a court where the domain registrar’s principal office is located or where the domain name holder is located.\textsuperscript{12}

1. **DOMAIN NAME IS IDENTICAL OR CONFUSINGLY SIMILAR TO TRADEMARK OR SERVICE MARK**

As one panel of arbitrators said, “mere identicality of a domain name with a registered trademark is sufficient to meet the first element of the test, even if there is no likelihood of confusion whatsoever.”\textsuperscript{13} Unlike traditional trademark infringement analysis, the panel only focuses on whether, by mere comparison, the domain name and trademark are identical or confusingly similar. The panel usually does not consider whether the trademark owner’s trademark has been used, whether the trademark owner’s trademark is famous, whether the goods associated with trademark owner’s mark are similar to those goods associated with registrant's domain name, whether the channels of trade for the trademark owner’s goods are similar to the registrant’s goods, or whether there is evidence of the lack of actual confusion between the trademark and the domain name.\textsuperscript{14} Although, at least one panel has determined that similarity alone is not sufficient to satisfy this element but rather employed a “likelihood of confusion” analysis instead. \textsuperscript{15}

Furthermore, since the UDRP has international jurisdiction, a

\textsuperscript{12} UDRP §4(i); Rules §3(b)(xiii).
\textsuperscript{13} Badgley, supra n.2 citing to Shirmax Retail Ltd. v CES Mkts. Group Inc., NAF AF-0104 (thyme.com) at http://www.disputes.org/eresolution/decisions/0104.htm (March 20, 2000).
trademark owner can show that he/she has trademark rights in any country to file a complaint under the UDRP.\textsuperscript{16}

2. **THE REGISTRANT’S LEGITIMATE RIGHTS IN DOMAIN NAME**

The UDRP requires that the trademark owner establish that the registrant does not have any rights or legitimate interests to the domain name. If the trademark owner has a federal registration for the trademark, the trademark owner can assert that anyone in the United States has been given constructive notice of trademark owner’s rights while simultaneously demonstrating the registrant’s lack of legitimate rights.\textsuperscript{17} If the trademark owner can show that the registrant does not have any legitimate rights, the registrant is expected to show why he does have a legitimate interest in the domain name.\textsuperscript{18}

In order to establish a legitimate interest in the domain name, a registrant can try to prove one of the following: (1) Before notice of the dispute, the registrant made preparations to use, or did use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services;\textsuperscript{19} (2) Registrant is commonly known by the domain name, even if no corresponding trademark or services mark rights exist;\textsuperscript{20} or (3) The registrant is making a legitimate noncommercial or fair use of the domain name without intent to make money, to misleadingly divert consumers, or tarnish the trademark owner’s registered trademark.\textsuperscript{21} Practically, a panel is more likely to find a registrant lacks legitimate rights in a

\textsuperscript{16} David Wotherspoon, Alex Cameron and Brett Sanders, *Domain Name Disputes: Navigating Through the Uniform Domain Name Dispute Resolution Policy and the Anticybersquatting Protection Act*, 3 No. 9 E-Commerce L. Rep. 2 (July 2001).


\textsuperscript{18} Id.

\textsuperscript{19} UDRP § 4(c)(i).


\textsuperscript{21} UDRP § 4(c)(iii).
A legitimate use by the registrant has been found when: (1) Registrant asserted that he made “preparations” to use the domain name in connection with a bona fide offering of goods or services prior to the trademark owner’s date of first use in commerce; (2) Registrant registered his domain name in accordance with the name of a family member for family purposes; (3) Registrant was an authorized sales representative for a company and registered a domain name incorporating his employer’s trademark because he was selling products under the employer’s trademark; (4) “The domain name and trademark in question are generic – and in particular where they comprise no more than a single, short, common word – the rights/interest inquiry is more likely to favor the domain name owner”; (5) Registrant registered a domain name based on his dog’s nickname “Miguard”; (6) Registrant did not know nor should have known of trademark owner’s mark and the mark could be considered descriptive; (7) Registrant registers a name that is identical to the business name or corporation name; (8) Registrant registers a domain name that is a modification of a prior-used name; (9) Registrant’s business plan

---

26 Shirmax Retail Ltd. v. CES Mktg. Group Inc, supra n.11.
30 Meredith Corp. v. CityHomes, Inc., WIPO D2000-0223 (countryhome.com) at http://arbiter.wipo.int/domains/decisions/word/2000/d2000-0223.doc. (May 18, 2000) (where registrant already using City-Home for real estate services, panel found it was natural to adopt countryhome.com).
incorporated the domain name\textsuperscript{31}; (10) Registrant displayed a toll-free number on his website that incorporated the domain name\textsuperscript{32}

Following are examples of situations that could lead to a favorable decision for the trademark owner: (1) A gripe site that does not include the term “sucks” in the domain name is more likely to be identical or confusingly similar to the trademark owner’s mark and may not survive on the basis of free speech\textsuperscript{33}; (2) Registrant does not invest any capital toward the development of offering goods and services in association with the domain name\textsuperscript{34}; (3) When there are two legitimate trademark owners using the same word in their trademark, then the first business to register the trademark as the domain name usually wins\textsuperscript{35}; (4) Since the UDRP is international in scope, a foreign trademark holder will prevail over a domain name owner even though the domain name holder never heard of the trademark holder’s business\textsuperscript{36}; (5) The registration of a domain name that is identical to a mark that is so distinctive that no one could legitimately attempt to use it\textsuperscript{37}; and (6) The trademark owner’s use of its mark predates the registration of the domain name and domain name registrant has no association with the trademark owner.\textsuperscript{38}

\textsuperscript{31} Shirmax Retail Ltd. v. CES Mktg. Group Inc, supra n.11.
3. **Domain Name Was Registered and Used in Bad Faith**

Even if the trademark owner shows that the registrant has a domain name that is confusingly similar to the trademark owner’s mark, the trademark owner must still show that the registrant acted in bad faith. It is important to note that a trademark owner asserting bad faith must do so with regard to both registration and use and should not assume that the establishment of one shows the other. The conjunctive requirement of registration and use in bad faith has caused some distress among ICANN arbitrators when a respondent fails to respond to a complaint and the only facts available are those provided by the trademark owner, however, some panel arbitrators have resolved this issue by finding that inaction after registering a domain name may constitute bad faith by registrant under certain circumstances. Furthermore, in *American Media Operations, Inc. v. Erik Simons*, the panel clarified the “bad faith use” issue by stating that the circumstances described by the UDRP as leading to a finding of bad faith do not require ongoing use.

Although the UDRP requires that the trademark owner allege the domain name was both registered and used in bad faith, the UDRP does not set out a definition of what “use” means. It is certain that “use” cannot be the same as the definition set out in the Lanham Act because to do so would eliminate relief to the trademark owners whose domain names are oftentimes not used at all but warehoused by the registrant. The first decision under the UDRP clarified this notion. In *World Wrestling Federation Entertainment, Inc. v. Michael Bofman*, the registrant had

---

41 *Telstra Corp. v. Nuclear Marshmallows*, supra n. 32.
43 Rules § 1.
not used the domain name “worldwrestlingfederation.com.” Yet, the panel still found bad faith based on the registrant’s warehousing the domain name and offering it for sale.

What constitutes “use” was pronounced in a later case, *Telstra Corporation, Ltd. v. Nuclear Marshmallows*. In *Telstra*, the registrant took no affirmative steps to put the domain name to use. There the panel of arbitrators stated that “use” does not require affirmative action. The proper inquiry is to examine all the facts and circumstances to determine whether there was bad faith. Therefore it is clear that under the UDRP, “use” includes any kind of activity through which a domain name owner derives or attempts to derive economic benefit or commercial gain.

Examples of bad faith typically involve the following kinds of circumstances:

1. Registration for the purpose of transferring it to the trademark owner or the trademark owner’s competitor for valuable consideration;
2. Registration to prevent the owner from registering the domain name;
3. Registration to disrupt the business of a competitor; and
4. Any kind of activity through which a domain name owner derives or attempts to derive economic benefit or commercial gain.

---

46 *Id.*
47 *Telstra Corporation, Ltd. v. Nuclear Marshmallows*, supra n. 32.
48 *Id.*
50 UDRP § 4b(iv).
51 *Supra* n.27.
Registration to intentionally attract internet users to the registrant’s site for commercial gain by creating a likelihood of confusion with the trademark owner’s registered trademark.\textsuperscript{54}

The most common situation giving rise to a finding of bad faith registration and use is the offer for sale of a domain name by the registrant. This offer can take place directly to the trademark owner via telephone or e-mail\textsuperscript{55}, or at the initiation of the trademark owner.\textsuperscript{56} A finding of bad faith was even inferred from the fact that registrant's website displayed a counter to show how many users visited the site.\textsuperscript{57} Once the trademark owner proves that the registrant has registered and used a domain name that is confusingly similar to the owner’s mark, then it is usually not difficult to prove “bad faith”, especially when the mark is strong or famous. However, there have been instances where an ICANN panel decided that the offer for sale of a domain name was a legitimate business.\textsuperscript{58}

Although identical evidence will generally satisfy the elements of bad faith registration and bad faith use, the timing of proof will be important. One line of reasoning by panelists indicates that the bad faith element is satisfied if bad faith existed at any time.\textsuperscript{59} Yet, if a trademark owner asserts bad faith registration, then the bad faith must exist at the time of


Since timing is important, before a complaint is submitted, the trademark owner should include information that infers a pattern of questionably bad faith conduct, such as the registration of several domain names that have never been used.61

B. DEFENSES

Once a trademark owner has presented his claim, the registrant may attack the trademark owner’s charges by arguing: (1) The trademark owner's mark is not sufficiently distinctive to merit protection; (2) The domain name is not confusingly similar to the trademark owned by the trademark owner; (3) Registrant has rights or legitimate interests in the domain name by virtue of its use or its demonstrable preparations to use the domain name before it received any notice of the trademark owner's rights; (4) The registrant has been commonly known by the domain name; or (5) The registrant is making a legitimate commercial or fair use of the domain name.62

If a registrant is not happy with the Panel’s decision, the respondent has the option to file an action in court. Provided that the registrant gives the registrar written notice within 10 days of the Panel’s decision, filing an action in court will suspend transfer of the domain name to the mark owner until the lawsuit is resolved.63

C. ADVANTAGES & DISADVANTAGES OF THE UDRP

Following are some of the advantages to filing a claim under the UDRP: (1) UDRP proceedings are relatively quick, approximately six (6) weeks; (2) UDRP proceedings are less expensive, costing approximately $1,000.00 (one thousand dollars), partly due to the absence of

62 UDRP § 4(c); Id.
63 UDRP § 4(k).
a discovery process; (3) No jurisdictional issues since the UDRP is enforced through contractual agreement by the registrant; and (4) UDRP conducts its proceedings on-line.

Conversely, the disadvantages to filing a claim per the UDRP include: (1) No monetary remedies are available to the trademark owner; (2) Bad faith may be difficult to prove through a paper-only proceeding; (3) UDRP is not available in complex proceedings involving more than a claim for abusive registration of domain name.

D. CONCLUSION

Under the UDRP, domain names will only be transferred to the trademark owner if the owner can prove that the registrant does not have any legitimate interests in the domain name and obtained the domain name in bad faith. If the registrant’s use and registration of the domain name was not in bad faith but creates a likelihood of confusion with the trademark owner’s mark, then the appropriate forum for the dispute is in the court.64

III. ANTI-CYBERSQUATTING PROTECTION ACT

The Anti-Cybersquatting Protection Act (ACPA) became law on November 29, 1999 as an amendment to the Lanham Act.65 The ACPA is intended to “protect consumers and American businesses, to promote the growth of online commerce, and to provide clarity in the law for trademark owners by prohibiting the bad-faith and abusive registration of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks--a practice commonly referred to as cybersquatting.” Similar to the UDRP, the ACPA targets the

64 William H. Brewster, James A. Trigg & John R. Renaud, Resolving the Clash Between Trademarks and Domain Names, 42 Santa Clara L. Rev. 63 (2001
65 15 USC §1125.
prevention of cybersquatting and cyberpiracy.\textsuperscript{66} Although a more expensive alternative to UDRP proceedings, it is the more suitable choice in complex cybersquatting cases, involving other claims such as trademark dilution or infringement, or copyright infringement.

To prove a claim under the ACPA, a plaintiff must show that: (1) Plaintiff’s trademark is distinct or famous; (2) The domain name is “identical or confusingly similar” to a distinct trademark or is dilutive of a famous trademark; and (3) The Defendant used, registered, or trafficked the domain name with the intent to profit from the plaintiff’s mark. The remedies available to a successful trademark owner under the ACPA are: (1) Injunctive relief, including forfeiture or cancellation of the domain name registration or transfer to the trademark owner\textsuperscript{67}; (2) Actual damages, profits and costs of the action\textsuperscript{68}; and/or (3) Statutory damages ranging from $1,000 to $100,000 per domain name.\textsuperscript{69}

When used as a domain name, any registered or common law trademarks and/or service marks and/or personal names fall within the scope of protection afforded by the ACPA.\textsuperscript{70}

A. THE TRADEMARK OWNER’S COMPLAINT

1. THE MARK IS DISTINCT OR FAMOUS

The ACPA does not define “distinctiveness” or “fame”, however, arbitrators have turned to the criteria set forth in the Federal Trademark Dilution Act (FTDA).\textsuperscript{71} The FTDA sets out a non-exclusive list of factors that may be considered by a court to determine whether a mark is

\textsuperscript{66} Jonathan E. Moskin, \textit{Litigating and Arbitrating Domain Name Disputes}, 677 PLI/Pat 225 (2001); \textit{Panavision International, L.L.P. v. Toeppen}, 141 F3d 1316, 1324, 46 USPQ2d 1511, 1518-19 (9th Cir. 1998).

\textsuperscript{67} 15 USC § 1125(d)(1)(C).

\textsuperscript{68} 15 USC § 1117.

\textsuperscript{69} 15 USC §1117(d).


distinctive or famous.\textsuperscript{72} These factors include: (1) The degree of inherent or acquired distinctiveness of the mark; (2) The duration and extent of use of the mark in connection with the goods or services with which the mark is used; (3) The duration and extent of advertising and publicity of the mark; (4) The geographical extent of the trading area in which the mark is used; (5) The channels of trade for the goods or services with which the mark is used; (6) The degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought; (7) The nature and extent of use of the same or similar marks by third parties; and (8) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

2. \textbf{THE DOMAIN NAME IS IDENTICAL OR CONFUSINGLY SIMILAR TO, OR IS DILUTIVE OF, A DISTINCTIVE TRADEMARK OR FAMOUS TRADEMARK}

The “confusingly similar” standard used in disputes involving distinctive trademarks is less stringent than the “likelihood of confusion” standard used in trademark infringement cases because it compares just the mark at issue and the domain name without looking at the goods and/or services between the plaintiff and defendant.\textsuperscript{73} Although a plaintiff can attempt to prove that the domain name is dilutive of famous trademark, it is an unnecessary burden. By proving that the domain name is identical or confusingly similar to the famous trademark, the famous trademark receives the same level of protection.\textsuperscript{74}


\textsuperscript{74} J. Thomas McCarthy, 4 McCarthy on Trademarks and Unfair Competition Law § 25:78 n.23 (St. Paul, Minn., 4th ed. 2000).
Interestingly, courts have rejected the idea that different Top Level Domain Names (TLD’s) create enough of a difference between an existing domain name and similar infringing names to avoid the “confusingly similar” allegation.

3. DEFENDANT USED, REGISTERED, OR TRAFFICKED IN THE DOMAIN NAME WITH A BAD FAITH INTENT TO PROFIT FROM PLAINTIFF’S MARK

A court can refer to 15 USC § 1125(d)(1)(B)(i) for a list of factors that can be considered when determining the bad faith element of an ACPA claim. Those factors are: (1) The trademark or other intellectual property rights of the person, if any, in the domain name; (II) The extent to which the domain name consists of the legal name of the or a name that is otherwise commonly used to identify that person; (III) The person’s prior use, if any, of the domain name in connection with the bona fide offering of any goods or services; (IV) The person’s bona fide noncommercial or fair use of the mark in a site accessible under the domain name; (V) The person’s intent to divert consumers away from the mark owner’s online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site; (VI) The person’s offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person’s prior conduct indicating a pattern of such conduct; (VII) The person’s provision of material and misleading false contact information when applying for the registration of the domain name, the person’s intentional failure to maintain accurate contact information, or the person’s prior conduct indicating a pattern of such conduct; (VIII) The person’s registration of acquisition of multiple domain names which the person

knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and (IX) The extent to which the mark incorporated in the person’s domain name registration is or is not distinctive or famous within the meaning of 15 USC § 1125(c)(1). To determine whether there is any affirmative basis to support a finding of good faith, the court focuses on the first four factors.\(^76\) The final five factors assist a court to determine whether bad faith exists.\(^77\)

As illustrated by \textit{Sporty’s Farm LLC v. Sportsman Marketing Inc.}, the 2\textsuperscript{nd} Circuit found that the court had broad discretion to examine factors other than those listed in the statute as grounds for finding bad faith intent to profit.\(^78\) However, the \textit{Sporty’s Farm} court also suggested that courts not find bad faith when they “determine[d] that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.”\(^79\) Unlike the UDRP, the ACPA does not require that the domain name actually be used. In addition, the ACPA allows the court to consider whether the person has a bona fide noncommercial or fair use of the mark. Although not articulated expressly, it appears that courts are more sensitive to free speech concerns most likely as the result of constitutional consciousness.

Bad faith intent to profit was established when: (1) Defendant registered a domain name closely associated with a recognized mark to display pornography\(^80\); (2) Registrant sought to auction the domain name\(^81\); (3) Defendant had registered the domain name almost as soon as it

\(^{76}\) Moskin, \textit{supra} n. 59.
\(^{77}\) \textit{Id.}
\(^{78}\) \textit{Sporty’s Farm LLC v. Sportsman Marketing Inc.}, \textit{supra} n. 64.
\(^{79}\) \textit{Id.}
became available due to plaintiff’s neglect to re-register which resulted in the expiration of domain name registration.  

B. DEFENSES TO BAD FAITH INTENT TO PROFIT

Even if the registrant knew that a trademark existed that is similar to his domain name, that fact alone is not sufficient to warrant a finding of bad faith. Furthermore, even when a domain name practically duplicates the trademark owner’s trademark, a finding of liability will not be found without additional evidence that bad faith intent to profit exists.

Similar to the UDRP, the registrant can try to show that he his registration falls within the scope of fair use or that the registrant had some other legitimate interest in the domain name. Furthermore, if a registrant actually and reasonably believes that his use of the domain name was legitimate, the court will not grant relief to the trademark owner, regardless of whether or not the domain name dilutes the trademark.

C. ADVANTAGES & DISADVANTAGES OF THE ACPA

The ACPA excludes any requirements that the defendant use the domain name in connection with “goods or services” or that there is a commercial use in commerce of the domain name. In addition, the ACPA clearly provides protection of personal names. For example, a registrant who registers a domain name that incorporates a personal name, even if the personal name is not being used as a trademark or service mark, may be liable under the ACPA. Whether

---

85 Wotershpon, supra n. 13.
87 15 USC § 1129 (any person who registers a domain name that consists of the name of another living person, or a name substantially and confusingly similar thereto, without that person’s consent, and with the intent to profit from the name by selling it, is liable in a civil action. The provision does not apply to deceased individuals or their heirs. However, there may be other kinds of relief that would be available in such circumstances, including claims for violation of right of publicity statutes).
this same fact scenario would result in liability to the registrant under the UDRP is unclear. Cases brought under the UDRP disputing domain name using personal names have usually required an element of distinctiveness associated with the personal name.88

Another advantage to filing under the ACPA is the provision allowing for either personal or in rem actions.89 For a court to exercise personal jurisdiction over a registrant, the state’s long-arm statute must reach the registrant’s conduct and registrant must have “minimum contacts” with the state. However, since often times, the registrant’s website is passive, meaning that it is only informational, then the fact that the website is accessible from a particular geographic location will not be enough to warrant personal jurisdiction.90

With the availability of the in rem provision, a trademark owner can battle a cybersquatter regardless of whether he or she is in the United States, much less whether he or she is subject to personal jurisdiction in the trademark owner’s state. This in rem provision allows for the attachment of the domain name in the proceeding after the trademark owner has exercised due diligence in trying to find the registrant and has not. For example, if the registrant has provided false contact information, or otherwise cannot be found, then the trademark action can bring an in rem action as long as the proceeding is brought in the judicial district where the domain name registrar is located. However, since domain names are international in scope, oftentimes, the registrar does not live in the United States. Therefore, this benefit could be considered illusory since bringing suit in another country would be near impossible.

90 William H. Brewster, James A. Trigg & John R. Renaud, Resolving the Clash Between Trademarks and Domain Names, 42 Santa Clara L. Rev. 63 (2001)
The most significant advantage may be the language set forth in the ACPA that states that the mere registration of a domain name, without use, may be in violation of the ACPA if associated with bad faith intent.\(^{91}\)

The disadvantages of the ACPA, however, loom large over the trademark owner’s head. This is especially true if the trademark owner wants to go to market with a product that incorporates the domain name. Filing a claim under the ACPA is extremely expensive and time-consuming as well.

IV. **SIMILARITIES BETWEEN THE ACPA AND THE UDRP**

The similarities between the ACPA and the UDRP are plenty. First, the trademark owner must show that the registrant has registered a domain name that is identical or confusingly similar to the owner’s mark; that the registrant has no legitimate rights in the domain name; and the registrant acted in bad faith. Second, there is no requirement that the trademark is federally registered by the United States Patent & Trademark Office (PTO) as long as the owner shows it is distinctive.\(^{92}\) Third, in both types of proceedings, the analysis of confusing similarity is accomplished by a side-by-side comparison of the trademark and the domain name.\(^{93}\) Fourth, when analyzing the bad faith element in both claims, the factors examined are similar. In fact, the factors are so similar that in one case a panel found that the registrant, who had not used the

---

\(^{91}\) 15 USC § 1125(d)(1)(A)(ii).


domain name and never offered to sell it, had not only violated the UDRP but would also have been in violation of the ACPA.94

V. DIFFERENCES BETWEEN THE ACPA AND THE UDRP

The purpose behind the ACPA and the UDRP is the same – protect trademark owners from the illegitimate use and trafficking of domain names incorporating valid trademarks, however, there are several significant differences that should be taken into account when examining each option. First, the UDRP’s only real effect is to transfer possession and control of a domain name from a bad faith registrant to a legitimate trademark owner. The trademark owner cannot sue on the basis of trademark infringement or dilution under the UDRP but the process is quick and seemingly painless.

Second, there is specific mention of the use of “personal names” under the ACPA, whereas the UDRP only expressly protects trademarks and/or service marks. Although, panels of arbitrators have used their discretion to protect rights of publicity under the UDRP, there is no guarantee that personal names are protectable.

Third, although there is a “bad faith” element under both systems, the ACPA does not require that the trademark owner prove registrant’s actual use of the domain name. The ACPA also imposes liability on a registrant for registering or trafficking a domain name.

Fourth, there is a difference with regard to the fair use defense. Under the UDRP, once the trademark owner proves that the registrant does not have a legitimate right to the use of the domain name, for example, by showing that the trademark owner has a federally registered trademark, the registrant must prove that he or she has made a legitimate or fair use of the domain name without any bad faith intent to profit or gain commercially. There is no specific

reference to a “fair use” defense under the ACPA, although it is a factor to consider under the bad faith analysis. This could be partly due to the fact that the ACPA is enforced by the courts, who are bound by constitutional protections and free speech concerns. Therefore, courts are more reluctant to transfer a domain name that might possibly be regarded as commentary or criticism of the trademark owner, even though there is no specific mention of the defense in the ACPA itself.

VI. CONCLUSION

The ACPA and the UDRP have several overlapping standards, policies, and applications, yet important substantive, practical, and procedural distinctions exist which warrant further analysis. The ACPA is broader in the sense that it imposes liability for bad faith registration without use, can be joined with more complex claims such as trademark infringement and dilution, provides for money damages, and protects personal names. However, this is a costly and more time-consuming weapon available to trademark owners. Of course, if the trademark owner’s primary goal is simply for the transfer of a domain name that is being used in bad faith, then the UDRP provides a relatively quick, inexpensive, and nearly paperless system. Considering all these factors, therefore, it is difficult to say with certainty that there is a system that is superior to the other. Therefore, the choice of enforcing a trademark through the UDRP or the court by means of the ACPA is case-specific.

As a recommendation to a client who has multiple claims, including trademark infringement, trademark dilution, and/or unfair competition, I would recommend instituting an action immediately under the UDRP. This would allow the trademark owner to reclaim the domain name and, if he/she so chooses, to begin doing business under the domain name. Furthermore, simultaneously with the filing of the UDRP claim, the trademark owner can file
suit in federal district court under the ACPA for the other related claims and for damages related to the registrant’s unauthorized use.

With the UDRP procedure in place, trademark owners finally have a way to reclaim infringing domain names from cybersquatters and cyberpirates quickly and inexpensively. In addition to the quick and easy UDRP, trademark owners can also attack cybersquatters and cyberpirates by claiming potentially large damages claims under the ACPA. Although some observers feel that the UDRP and the ACPA discredit one another, it is important to note that each provide different procedures, protect different substantive rights, and offer different remedies.