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Five Things a Trademark Owner Should Know About ACPA and UDRP

1. ACPA and UDRP set down essentially the same cybersquatting tests.

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Under both procedures, a complainant must show that it has rights in a distinctive or famous trademark which is identical or confusingly similar to the domain name under dispute. In addition, both the ACPA and UDRP require a complainant to prove that the domain name registrant acted in bad faith, and consider similar circumstances to be evidence of bad faith. Specifically, the ACPA identifies nine non-exclusive factors that the court may consider to determine whether the domain name registrant had a bad faith intent to profit from the complainant's trademark. A UDRP panelist will consider most, if not all, of these factors.

2. ACPA and UDRP can be used where a domain name registrant is located outside of the U.S. or cannot be located at all. A UDRP proceeding can be brought against any registrant of a generic top-level domain registered with an ICANN-accredited registrar, or certain country-code top-level domains, no matter where that registrant is located in the world.
Under the ACPA, where a U.S. trademark owner cannot establish personal jurisdiction over a domain registrant or cannot locate the domain through due diligence, the trademark owner can bring an in rem action against the domain name itself, that is, sue the domain name instead of the domain name registrant. However, an in rem action under the ACPA is available only if the domain name in issue is registered with a U.S. registrar. As a result, where both the domain registrant and registrar are located outside of the U.S., relief is not available under the ACPA and a UDRP proceeding should be brought.

3. More remedies are available under ACPA than UDRP. Under the UDRP, a successful complaint is entitled to one of two remedies: (i) the cancellation of the domain name in issue or (ii) the transfer of the domain name to the complainant. If a plaintiff is successful in an ACPA action brought against a domain registrant, a number of remedies are available, including: (i) the forfeiture, cancellation or transfer of the domain name; (ii) provable money damages; (iii) statutory damages ranging from $1,000 to $100,000 per domain name; (iv) attorneys’ fees and court costs; and (v) injunctive relief.

4. A trademark owner will likely be successful under ACPA or UDRP if the domain registrant has supplied false contact information. Under the ACPA and UDRP, a registrant’s misleading contact information is an indicator that the domain name was registered in “bad faith.” Also, under the UDRP, a registrant who has provided false contact information will likely not receive notice of the complaint filed against it. Thus, the registrant will not have the opportunity to respond to the complainant’s allegations and a UDRP panelist will render a decision based on such allegations alone.

ICANN recently issued an advisory to its accredited registrars which outlines their obligation to take reasonable steps to investigate and correct a reported inaccuracy in registration data. If a domain registrar fails to respond to a registrar’s inquiry concerning the accuracy of contact details, the registrar may cancel the domain registration under investigation. The advisory provides another method for a complainant to “attack” a domain name registration; however, this will not transfer the registration in question to the complainant, merely cancel it.

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Given the ever-increasing importance of a strong online identifier, businesses must take active steps to stop the misappropriation of their valuable trademarks as domain names. The ACPA and UDRP provide valuable tools to protect and enforce trademark rights against cybersquatters.

The following is a representative list of domain names which Dorsey & Whitney LLP has recovered for its clients using the ACPA and UDRP procedures:

- ACIPA: harrodsbank.com, harrodsbanking.net, harrodsfinancial.net
- UDRP: * wordplay.com  * toeflusa.com  * samueladam.com  * thedivo.com  * harrodsbank.net  * harrodsjewelry.com  * binui.com  * barroshardwarestores.com

1 ICANN, "Registrar Advisory Concerning Whois Data Accuracy?, May 10, 2002. See www.icann.org/announcements/advisory-10may02.htm.
2 Sallen v. Corinthians Licenciamentos LTDA, 273 F.3d 14 (1st Cir. 2001).
3 Corinthians Licenciamentos LTDA v. David Sallen et al., WIPO Case No. D2000-0661.

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The Fourth Circuit Court of Appeals Affirms Favorable Harrods Judgment

In April 2002, the Fourth Circuit Court of Appeals in Richmond, Va., affirmed the district court’s ruling that 54 domain names using the “harrods” trademark had been registered in bad faith by a former Argentinian affiliate of the London entity and should be transferred to Harrods Limited. The appellate court ruled in a pre-emptory-setting decision that an aggrieved U.S. trademark owner has standing under the Anticybersquatting Consumer Protection Act to recover domain names under the principles of trademark infringement and dilution, and on grounds of “bad faith intent to profit.” This ruling of first impression considerably broadens the causes of action available to U.S. trademark owners whose trademarks are misappropriated by who for exploitation in Internet domain names. Dorsey & Whitney represented Harrods Limited both at trial and on the appeal.

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Intellectual Property Update

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Thus, an ACPA action is preferable where a registrant has profited from the use of the domain name in dispute, so that the trademark owner can recover money damages in addition to the domain name. An ACPA action should also be brought where a registrant exhibits a pattern of registering domain names that consist of third-party trademarks, so that the trademark owner can obtain a court order prohibiting the registrant from acquiring additional domain names that incorporate the owner’s mark. However, a UDRP proceeding is appropriate where a trademark owner does not want to risk paying the domain registrant’s legal fees should the owner’s cybersquatting claim ultimately be unsuccessful.

A trademark owner will likely be successful under ACPA or UDRP if the domain registrant has supplied false contact information. Under the ACPA and UDRP, a registrant’s misleading contact information is an indicator that the domain name was registered in “bad faith.” Also, under the UDRP, a registrant who has provided false contact information will likely not receive notice of the complaint filed against it. Thus, the registrant will not have the opportunity to respond to the complainant’s allegations and a UDRP panelist will render a decision based on such allegations alone.

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