

# Trademarks & Domain Names

## CJ341 – Cyberlaw & Cybercrime Lecture #15

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## Topics

- Trademarks
- Domain Names
- Cybersquatting Cases
- International Protection of Trademarks

## Trademarks

- Purpose
- Definition and Types
- Classes of Marks
- Application and Exceptions to Grant
- Nature of Protection
- Relief for Violation



## Examples of Marks



## Purpose of Trademarks

- Represent origin of goods or services
- For the producer
  - Use symbol or other designation
  - Represent who makes goods or provides service
  - Reap financial rewards resulting from past quality
- For the consumer
  - Allow quick recognition of goods or services as being from same manufacturer or provider
  - Prevent confusion and counterfeits

## Definition and Types of Marks

- Trademark
  - Word, name, symbol, device or combination
  - Used to distinguish goods from other similar goods
- Service mark
  - Identifying and distinguishing services
- Collective mark
  - TM or SM
  - Coöp, association, union, guild
- Certification mark
  - Assertion of compliance with standards or origin by certifying organization

## Trademark Policies

- Co-exist at Federal and State levels
- Grounded in unfair competition principles
  - ❑ "...*unfair competition doctrines are aimed at preventing the unfair consequences that arise when competitors make it difficult for consumers to locate the goods they want*" (Burgunder p.521).
  - ✓ Characteristics of unfair competition
    1. Symbol or device (trademark) used by one company
    2. Competitor uses symbol or device that is similar, potential causing confusion
    3. Competitor knowingly, or should have known, about prior symbol or device use
- Further economic objectives – i.e. efficiency

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## US Legal Protection of Trademarks: The Lanham Act

- State Level:
  - ❑ Similar to federal protection, but with geographical limitations
- Federal Level:
  - ❑ Trademark Protection Act of 1946 – a.k.a. the *Lanham Act*
    - ✓ <http://www.bitlaw.com/source/15usc/>
  - ❑ Protects words, names, symbols, or devices used to distinguish the sources of goods or services
  - ❑ In 15 USC §1114 = §32 of Lanham Act
    - ✓ Use likely to
      - Cause confusion
      - Cause mistake
  - ❑ Civil law
    - Deceive

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## Lanham Act – cont'd

- 15 USC §1125 = *Lanham Act* §43
- Word, term, name, symbol, device, or combination
  - ❑ Likely to cause confusion, mistake or deception
  - ❑ Affiliation, connection, association with person
  - ❑ Origin, sponsorship, approval
  - ❑ Goods, services, commercial activities
- Commercial promotion or advertising
  - ❑ Nature, characteristics, qualities
  - ❑ Geographical origin

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## Classes of Marks (1)

- Fanciful
  - ❑ Invented words; e.g., *Alera, Adario, Elantra*
  - ❑ Arbitrary; e.g., *Cougar, Pavillion*
  - ❑ Immediate protection
- Suggestive – ordinary words or combinations
  - ❑ Connotes quality, ingredient, characteristics but not substance; e.g., *PestPatrol, SaferSite*
  - ❑ Immediate protection

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## Classes of Marks (2)

- Descriptive – ordinary words w/ secondary meaning – primary meaning is source
  - ❑ *Yellow Pages, Blue Flame*
  - ❑ Protection of secondary meaning
  - ❑ Fair use possible
- Generic – class of product/service – *no protection under Lanham Act*
  - ❑ "*You have mail,*" "*Instant messaging*"
  - ❑ "*E-mail,*" "*Web site,*" "*E-commerce*"

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## Microsoft Corp. v. Lindows.com 2002

- 1995: PTO registered the name *Windows* for Microsoft
- 2001: Microsoft sued Lindows.com, a Linux-based operating system development and distribution company, claiming name infringed on the *Windows* registered trademark
- *Windows* questioned as a *Generic* mark
  - ❑ Lindows.com claimed PTO erred in registering *Windows* because generic term describing windowing capability of graphical user interfaces prior to Microsoft's first OS release
  - ❑ 2002: Trial judge indicated generic term possibly improperly registered
- Parties settled dispute; Lindows adopted new name
- Note: Marks that become generic over time can lose protected status (e.g., "*aspirin*")

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## Abercrombie & Fitch v. Hunting World 1976



- A&F sued Hunting World, claiming infringement of its registered trademarks for the word "safari" on clothing
- Hunting World claimed that the word is common
- District Court
  - ❑ Determined "safari" generic
  - ❑ Could not distinguish A&F's goods
  - ❑ Dismissed A&F's complaint
  - ❑ Cancelled A&F's registered "safari" trademarks
  - ❑ A&F appealed
- Court of Appeals
  - ❑ Explained that there are four categories of trade protection terms
  - ❑ Found term "safari" to be *generic* with respect to *some* types of clothing, but not with *others* (e.g., boots)

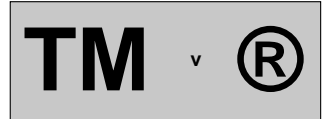
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## Federal Registration



- Registration provides notice to others of:
  - ❑ Registrant's exclusive rights to use mark
- Registration = *Prima facie* evidence of validity
  - ❑ Burden on challenger of mark
  - ❑ Once registered for >5 years, not possible to contest mark
- Availability of enhanced remedies for trademark counterfeiting



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## Application for Registered Trademark



- Register TM with US Patent & Trademark Office (PTO)
- Application
  - ❑ 240,000 applications per year
- Payment of fees
  - ❑ 2006: fee = \$375
- Drawing of mark
- Examination process
- Approval, amendment, or denial
- Appeal Process

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## Exceptions to Grant of Trademark



- Immoral, deceptive, scandalous
- Falsely implies connection w/ person, institution, national symbol
- Flag of US or other government entity
- Name, portrait, signature of living person or deceased president of US (w/out permission)
- Resembles existing mark
- Mere description or surname
  - ❑ McDonald's has sued many family firms established *before* fast-food chain started
  - ❑ Lost cases

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## Nature of Protection for Trademarks



- Prevent confusion by users
- Factors considered by the courts
  - ❑ Similarity of marks
  - ❑ Similarity of goods
  - ❑ Relationship between parties offering goods
  - ❑ Classes of purchasers
  - ❑ Evidence of confusion
  - ❑ Defendant's intent
  - ❑ Strength of plaintiff's mark

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## Relief for Violation of Trademarks



- Injunction prohibiting continued violation
- Seizure of goods and counterfeit marks
- Recovery of plaintiff's profits
- Destruction of infringing goods and advertising
- Recovery of actual damages incurred (loss of profits, goodwill)
- Recovery of legal costs including attorney's fees in some cases

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## Dilution

- Occurs when distinctive or well-known mark is used by another company for unrelated product or service
  - ❑ Confusion not main concern because of dissimilarity
    - ✓ E.g., Kodak paper and Kodak speakers
- Federal Trademark Dilution Act (FTDA)
  - ❑ 15 USC §1051
  - ❑ Law since 1996
  - ❑ Primary tool for dilution protection in US
  - ❑ (see also later in notes)

## Checkpoint Systems Inc. vs Check Point Software Technologies

- The companies
  - ❑ Checkpoint Systems provides anti-shoptlifting equipment
  - ❑ Check Point Software provides firewalls
- The claim
  - ❑ Checkpoint accused Check Point of infringing on its trademark
- The ruling
  - ❑ Court refused to grant injunction
  - ❑ Argued there was no likelihood of confusion

## Trademark Protection and Computers

- Trademark principles apply in computer / technology context
  - ❑ E.g., protection available for shape and appearance of hardware (product design)
- Apple Computer's iMac
  - ❑ Design big hit
  - ❑ 1999: Apple filed suit against Future Power, Inc. when it intended to sell a PC that shared iMac similarities
  - ❑ Court issued a preliminary injunction

## Domain Names

- The Domain Name System (DNS)
- Looking Up DNS Info
- Dispute resolution
- Hyperlinks
- Cybersquatting Cases

## The Domain Name System

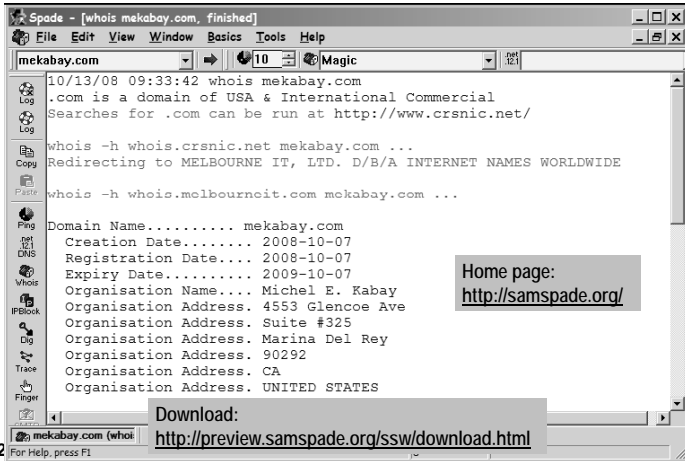
- Converts words (e.g., [www.norwich.edu](http://www.norwich.edu)) into IP addresses (e.g., 192.149.109.153)
- Early years – DARPA contract with USC
- 1992: NSFNET opened to .com users
  - ❑ Network Solutions Inc. became registrar for .com, .net, .org
- 1998: ICANN (Internet Corporation for Assigned Names and Numbers)
  - ❑ Established by US govt
  - ❑ Highly controversial – much political turmoil over actions, governance
  - ❑ <http://www.icann.org/>

## Looking Up DNS Information (1)



The image shows two screenshots of domain-related websites. The left screenshot is from WhoisNet, displaying search options for WHOIS Lookup and Domain Lookup, along with various services like Domain Information, WHOIS Resources, and Business Applications. The right screenshot is from NetworkSolutions.com, showing a WHOIS Search interface with a search bar and options to search by domain name or IP address.

## Looking Up DNS Information (2)



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## Dispute Resolution



- Early years: arbitrary decisions criticized by courts
- New rules: complainant must show
  - Domain name same or confusingly similar to TM or SM
  - Registrant has no legitimate rights or interest to domain name
  - Registered and used in *bad faith*
- Bad faith shown by primary purpose of registration
  - Extortion of money for name; or
  - Interference with complainant's business; or
  - Deliberate attempt to attract visitors for commercial gain by causing confusion

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## Hyperlinks and Trademarks



Cannot legally use

- Others' *trademarks* or *logos* on a Web site without permission
- *Framing* to bring another's content directly into a page that appears to be created by another site
- Others' trademarks in invisible *metatags*
  - In underlying HTML
  - Metatags visible to search engines
  - Attempt to increase number of hits for page misappropriating trademark
  - E.g., one car company might include trademarks for cars of a competitor to draw traffic via GOOGLE searches
  - THIS IS A *HYPOTHETICAL EXAMPLE!*

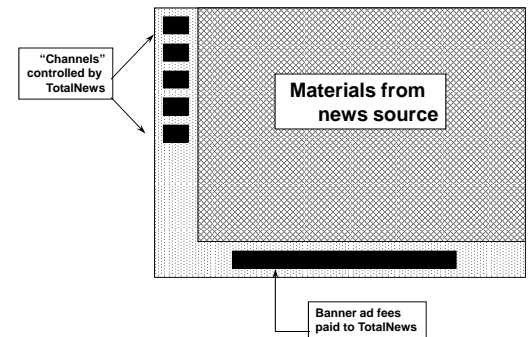
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## Framing: TotalNews



1997.03 — RISKS, EDUPAGE



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## Framing: TotalNews (cont'd)



News organizations claimed

- Misappropriation
  - Entire commercial value of news
  - Reselling to others for TotalNews' profit
- Federal trademark infringement & dilution
  - Diluting distinctiveness
  - Causing confusion, deceiving customers
- Copyright infringement
  - Violating several exclusive rights

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## Framing: TotalNews (cont'd)



- Violation of advertising laws, deceptive practices & unfair competition
  - Mistaken impression of affiliation
- Tortious interference with business relationships
  - Selling ads by making news available

Conclusion: case settled out of court

- TotalNews would stop framing
- Would link to news sites only with permission

See <http://www.publaw.com/framing.html>

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## Links: Ticketmaster vs Microsoft



- 1997.04 — Ticketmaster Group sues Microsoft
- MS included *hot links* from Ticketmaster Web pages to Microsoft Web pages
  - No formal agreement granting permission for such links
  - Ticketmaster saw MS as deriving benefit from the linkage but bypassing Ticketmaster's advertising
  - Ticketmaster programmed Web pages to lead all Sidewalk users trying to follow unauthorized links to a dead end

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## Links: Gary Bernstein Sues Entire Web? (1998-09)



- Hollywood photographer Gary Bernstein
  - ❑ Sued several Web operators for having links to sites containing pirated copies of his works
- Included *indirect* links
  - ❑ links to site with links to sites. . . .
- Contamination spread along Web links
  - ❑ from bad site to all those linked to it
  - ❑ presumably every Web site on planet
- Los Angeles Federal District Court Judge Manuel A. Real dismissed indirect linkage
  - ❑ Bernstein withdrew entire suit

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## Deep Linking



- Many sites require registration for their materials
  - ❑ Provide sales leads
  - ❑ Statistics on users characteristics
  - ❑ Market research
- Once you've signed up, get URL for White Paper (etc).
  - ❑ Is there a violation of IP laws or ethics in publishing the hidden URL?
- Some Web sites have private (unpublished, unlinked) sections
  - ❑ What if someone publishes the link?

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## Federal Trademark Dilution Act of 1995 – 15 USC §1051



- Prior to 1995, courts had to rule against plaintiff if no confusion could be shown
  - ❑ Thus radically different businesses could use existing trademarks without infringing the Lanham Act
- But large companies with famous trademarks argued that frequent use *diluted* value of their marks
- Congress passed TDA of 1995 to protect such plaintiffs even when no confusion likely

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## Cybersquatting



- People register domain names related to trademarks or company names to
  - ❑ Make money (sell back to legit user)
  - ❑ For political purposes (embarrassment)
  - ❑ For fun / satire / mischief
- Examples
  - ❑ {insert\_name\_here}sucks.com
  - ❑ Variant top-level domains
    - ✓ whitehouse.com used to be porn site
  - ❑ Variant mis-spellings
    - ✓ i → 1, o → 0, etc.
    - ✓ Symbols near to each other on keyboard

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## Cybersquatting Cases Have Used Trademark Dilution Act



- Many examples of parasites who register famous trademarks or people's names as DNS entries
  - ❑ Hope to capitalize by extorting money to sell registration to legitimate users
  - ❑ Many victims have appealed under ICANN rules or gone to court for *trademark dilution*
- *Intermatic Inc. vs Toeppen* an excellent example of case illuminating the issues
  - ❑ Defendant registered 240 domain names using famous company names and trademarks
  - ❑ Intermatic argued that Toeppen should not be able to block its use of its TM in domain name
  - ❑ Judge ruled in favor of plaintiff because of dilution

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## Panavision Int'l v. Toeppen 1996



- Dennis Toeppen registered panavision.com
  - ❑ Site displayed views of Pana, Illinois
- Panavision thereafter sought to create a website under its own name, but learned panavision.com was registered
  - ❑ Notified Toeppen
- Toeppen demanded \$13K for use of the domain name
  - ❑ Panavision refused to pay
- Toeppen then registered panaflex.com
- Panavision sued Toeppen for trademark infringement & dilution
- Court found
  - ❑ Toeppen violated federal and state dilution laws
  - ❑ Enjoined Toeppen from continued violations
- Key Point: Registering a famous mark as a domain name with the goal of cashing in on it violates dilution statutes.

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## Anticybersquatting Consumer Protection Act (ACPA) of 1999



- 15 USC §1129
- Increasing complaints about cybersquatting
- Bad faith use of TM, company name or person's name defined clearly for domain names
  - ❑ Civil liability
  - ❑ Multiple criteria
  - ❑ Most significant: offer to sell or transfer domain name
    - ✓ For financial gain
    - ✓ Without prior use for real business
  - ❑ Registration of multiple similar infringing domain names
- Statutory damages of \$1,000-\$100,000 per domain name
- Applies to distinctive trademarks & famous names
- Effective tool used for protection from domain-name related abuse
- See Burgunder p 483 – factors for assessing bad faith under ACPA

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## Uniform Dispute Resolution Policy (UDRP)



- Adopted by ICANN in 1999
- Gives trademark owners efficient way to deal with cybersquatting & other domain name abuse
  - ❑ Trademark owner can force a registrant to resolve a name dispute if presence of 3 elements:
    - ✓ DN is identical or confusingly similar to a TM or SM and complainant has rights to TM or SM
    - ✓ DM registrant has no rights or interests to DM
    - ✓ DM registered and used in bad faith
- Dispute is submitted to dispute resolution provider

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## International Protection of Trademarks



- Paris Convention for the Protection of Industrial Property (1883)
  - ❑ National treatment – same rules for all
  - ❑ Rights of priority for filing of registration
  - ❑ Similar rights of refusal of registration
  - ❑ Seizure of contraband / counterfeits
- Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS, 1994)
  - ❑ Includes TM protection
  - ❑ 7-year terms of protection with unlimited renewals
- Madrid Agreement & Protocol
  - ❑ 56 nations (2006), but not US
  - ❑ After trademark filed in home country, business can file centrally with WIPO
  - ❑ Automatic extension of registration
- See Burgunder p 465

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# DISCUSSION



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