

How To Protect Against Domain Name Piracy & Other Domain Name Issues

By David Hoffman

Many business owners, wine-industry included, like to use their business name as a domain name. However, a recent trend is to select a domain name that sounds more “generic” than the business name. For example, one winery and resort uses “wine-resort.com” as a domain name, rather than its business name. Why? The use of generic and/or descriptive names may place the site higher in search rankings.

Suppose you prefer your company name as a domain name, e.g.: “Smith and Jones Winery” but want SmithAndJones.com. But when Smith and Jones tries to register this domain name, they find someone else already owns the domain name and sells tires. The winery can’t stop the tire company from using SmithAndJones.com, unless Smith and Jones Winery is famous or there is trademark infringement. Tires are so unrelated to wine that there would not be trademark infringement. So, even if a company wants to use generic or descriptive names as a domain name for its website, the company should also register the company name followed by “.com” and “.net” and then just forward those to the main site at, e. g., bestwineryinAlaska.com. While one may be able to stop domain name piracy using trademark laws and/or anti-cyber-squatting laws, proactive protection is less expensive.

Can using a domain name similar to a trademark of another company cause a problem? Yes. When there is commercial use of a domain name, such as using the domain name as an address for a winery’s or vineyard’s web site, then there potential for trademark infringement. A rule of thumb is that if you select or have selected a domain name for your web site

that is the same as the winery or vineyard name, and if you have been using that winery and/or vineyard name for five or more years, then you are probably as safe to use it as a domain name as you are to use it as your winery and/or vineyard name. However, it is always a good idea to do a trademark search.

An example of a cyber squatting case, which also illustrates the value of a famous mark, is in *E. & J. Gallo Winery v. Spider Webs Ltd.*, 129 F. Supp. 1033 (S.D. Tex 2001), affirmed, 286 F.3d 270 (5th Cir. 2002). In this case, Spider Webs Ltd. registered about 2000 domain names including ErnestAndJulioGallo.com (the “EJ domain name”) Most of the 2000 names were generic or descriptive and were offered for sale through Spider Web’s internet site and on eBay. The domain name was not offered for sale.

Gallo found out that Spider Webs owned the EJ domain name presumably when Gallo tried to register the EJ domain name. So, Gallo brought suit against Spider Webs to get the domain name. Since there was no web site, at least initially, at the EJ domain name, there was no trademark infringement case. However, subsequently a site was launched at the EJ domain name for commentary and discussions on the risks of alcohol use and alleged misrepresentation by corporations. The title of site was “Spintopic.”

Under trademark laws to prove infringement, Gallo would have to prove that customers and/or potential customers were confused as to whether or not Gallo owned or sponsored the “Spintopic” site, because it was located at the EJ domain

name. Because it was unlikely that any reasonable person would think that Gallo owned or sponsored this site, a claim of trademark infringement would be unlikely to succeed.

Under federal anti-dilution law and some states' laws, generally all one needs to prove is that:

- (1) The Plaintiff's mark is famous;
- (2) The Defendant's "mark" is the same or essentially the same as the Plaintiff's mark; and
- (3) The Defendant's use of its "mark" is a commercial use or a use in commerce, which dilutes the distinctiveness of Plaintiff's mark.

Under anti-dilution law, one need not prove a likelihood of confusion by potential purchasers. Fortunately for Gallo, the Texas anti-dilution state does not require a mark to be famous. It just requires "distinctiveness." Gallo had several federal trademark registrations including on ERNEST & JULIO GALLO. Because the registrations established a presumption of "distinctiveness," Gallo could successively use the Texas law.

Gallo also proved the element of "dilution." "Dilution" can occur when the Plaintiff's mark's advertising value is reduced e.g., by tarnishment and/or by uses that are commercial and/or uses that if by others would reduce the value of Plaintiff's mark. Here, the court found, as had been found by court's in other cases, that the Defendant's use involved showing the domain name in print outs of the site and showing the domain name on the screen. That Defendant had a disclaimer of any affiliation with the E. & J. Gallo company, but that does not help in an anti-dilution claim.

The Anti-Cybersquatting law allows a trademark owner to get a domain name from a person or company that registered that domain name, if the domain name registrant:

- (1) has a bad faith intent to profit from the mark and
- (2) registers, traffics in, or uses a domain name that is
 - (a) identical or confusingly similar to a distinctive mark,
 - (b) identical or confusingly similar to or dilutive of a famous mark, or
 - (c) is a trademark protected by 18 U.S.C. § 706 (marks involving the Red Cross) or 36 U.S.C. § 220506 (marks relating to the "Olympics").

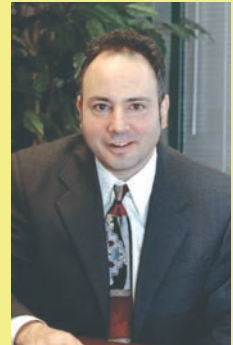
There are many factors to consider in determining "bad faith." However, if the Defendant had a reasonable belief that the use and registration are fair uses or otherwise lawful then "bad faith" cannot be found.

The court in the Gallo case had no trouble concluding that Spider's Webs trafficked in domain names (having registered 2000 of them), and Spider Webs business had nothing to do with "ErnestAndJulioGallo." The court further stated that a first use of a domain name after litigation is filed undermines any claim of legitimate use. The court granted \$25,000 in statutory damages to Gallo, which had sought the maximum of \$100,000 per domain names.

Wineries as well as others continue to suffer from cybersquatting. For example, in 2009, Sutter Home had to bring an action to recover the domain name www.SutterHomeWines.com. Sutter Home Winery Inc. v. Texas International Property

Turning New Ideas, Names, Products & Computer Programs Into Powerful Intellectual Property

David Hoffman has been an attorney practicing exclusively in intellectual property law (patents, trademarks, copyrights and unfair competition) since 1985. Mr. Hoffman represents multinational companies as well as numerous start up to medium size businesses. He both litigates and procures rights for his clients, and with his philosophy of procuring the broadest rights possible, performing good clearance procedures, and negotiating, has successfully avoided and minimized litigation for clients he counsels.



Mr. Hoffman has taught for a patent bar review class, has authored articles and given lectures on intellectual property, and has been named to Who's Who Millennium Edition and Who's Who Among Rising Young Americans in American Society & Business.



For More Info...
661.775.0300
www.dlhpatent.com

Associates, ICANN claim number FA0903001252751. That same year Mondavi pursued www.RobertMondaviWine.com. Robert Mondavi Winery v. Top Business Names, ICANN claim number FA0906001270471.

Cybersquatting on vineyard and winery names may get a new burst of energy soon. ICANN, the entity that oversees domain name registrations, is considering adding to new "top level domains," .wine and .vin. According to dotvinum.org, the .wine and .vin will enable simpler internet searching for wine industry information, products and services. Given the impending possible .wine and .vin top level domain names, obtaining a federal trademark registration on winery and vineyard names, as well as other wine industry companies, is even more important than ever as a pro-active protection against domain name piracy.

Make sure to register as domain names all important variations of your company name, and even common misspellings. Register as domain names any marks that became famous. Further, make sure to file federal trademark applications on the company name and wine names and other marks to help protect against cybersquatting.