

Internet Protocol and Rules

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HEADLINE: avoid the Traps in the New Rules For Registering a Domain Name

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LAST WEEK, the organization responsible for registering top-level Internet domain name announced new rules. All who apply for domain names from now on are deemed to have agreed to a policy statement that set forth mechanisms by which competing claims will be resolved. Intellectual property lawyers who advise clients regarding trademarks and Internet domain names need to familiarize themselves with the new policy and need to advise clients to take protective steps regarding the policy.

The old rules for Internet domain names were discussed in some detail in a prior column in this space. (Feb. 14, 1995, page 5). Briefly, the registration of domain names was done on a first-come, first-served basis. Once a registration was obtained, that was the end of the matter, unless a third party convinced a judge that a particular domain name infringed its rights, for example by causing confusion in the minds of consumers as to the origin of goods or services. Obtaining a registration required little more than stumbling upon a not-yet-granted name, finding an Internet-connected site to agree to be the domain name server, and sending an E-mail to Internic, the registration authority.

Some commenters had found the old rules unsatisfactory. A common recommendation was that Internic be required to conduct a trademark search for each proposed registration, and to deny the registration depending on the results of the search.

Others expressed the view that imposing such a requirement on Internic, a small, non-profit organization, would delay registrations by months, and would require it to increase its staff greatly. It was also unclear where the money would be found to pay for such a staff and for the trademark search resources required.

Such a rule also would put Internic in the awkward position of having to decide who was more "worthy" among competing would-be domain registrants. At least one commenter suggested that the task of doling out domain nameregistrations should be given over to the U.S. Patent and Trademark Office. (That latter suggestion failed to take into account that the .com domain, which is the most valued, is a worldwide domain, and that many .com registrants are physically located outside of the United States.)

The new rules are quite different from the old ones, and it appears they answer substantially all the concerns that had been raised regarding the old rules. The new rules do, however, represent numerous traps for the unwary. (Note: the new rules may be obtained via FTP from <ftp://res.internic.net/policy/internic/internic-domain-1.txt>.)

In one important respect the new and old rules are the same: Internic will continue to allocate domain names on a "first come, first served" basis, making no effort to determine if the use of a domain name by an applicant might infringe upon the rights of a third party.

But in many important ways the old and new rules differ. Under the new rules, for example, a domain name application must contain assent to the policy statement, which may be changed from time to time by internic. (Note: the text of the application may be found at <ftp://rs.internic.net/templates/domain-template.txt>.)

On a practical level this means one is not only agreeing to the policy statement as it is now worded; one also is agreeing in advance to future amended policy statements. Any application that fails to contain this assent language will be rejected by Internic.

Among other things, the applicant is undertaking to indemnify Internic from any claims of trademark infringement by granting a domain name registration to the applicant.

Under the new rules, the applicant must assert a bona fide intention to use the domain name on a regular basis on the Internet. This requirement, rather like the Intent-to-Use requirement in ITU trademark applications, is intended to discourage "warehousing" of possibly desirable domain names.

The applicant must represent that the use or registration of the domain name does not interfere with or infringe the right of any third party in any jurisdiction with respect to trademark, service mark, tradename, company name or any intellectual property right.

It might appear that this representation requires a world-wide, all-jurisdictions freedom-to-use opinion of counsel. However, this requirement will come to be interpreted as a much lesser requirement, namely that the applicant is unaware of any interference or infringement.

Keep in mind that this requirement does not necessarily mean that it is impossible to register a domain name if someone else has a registered trademark. For example, consider two "York" companies, the one that makes air conditioners and the one that makes peppermint patties. It is easy to imagine ways that either one could make non-infringing use of york.com, so long as the use did not give rise to confusion. Air conditioners and candy are sold in different retail channels, for example, and are not likely to be confused for each other.

The applicant must further represent that it is not seeking to use the requested domain name for any unlawful purpose or for the purpose of confusing or misleading others.

At the time of the initial submission of the domain name request, the applicant is required to have operational name service from at least two operational Internet name servers. On a practical level, this simply codifies previous practice. This requirement makes clear that the name servers actually have to be operating at the time the application is submitted. Each server must be fully connected to the Internet and capable of receiving queries under the domain name and responding thereto.

The Traps Appear

This represents the first of several traps for the unwary. To avoid losing the filing date for the first-come, first-served domain name application, the applicant should make sure that the domain name servers are operating before sending the application by e-mail to Internic.

How do you arrange to have "operational name service from at least two operational Internet name servers"? Generally, the service provider takes care of this. My firm, for example, pays Panix, a Manhattan-based Internet provider, to supply name service for our firm's domain name of panix.com.

How can it be determined before submitting a domain name application that the name service is operational? Suppose the applicant is applying for "lawfirm.com" and suppose the two name servers listed in the application are ns1.isp.com and ns2.isp.com. Run a program called "dig," available on many

Internet services, specifying that the program "dig" should interrogate ns1.isp.com asking for information about lawfirm.com.

What should happen is that ns1.isp.com will respond with several lines of answers, including a heading of "Answers" and at least one line immediately following with the letters "SOA" in it. In addition, there should be at least one line with a heading of "Authorities" and at least two lines immediately following with the letters "NS" in them. Repeat the test, now specifying that ns2.isp.com be interrogated. Again, there should be at least one "SOA" line and at least two "NS" lines in the answer.

Do not worry if the two servers do not respond identically, so long as each reports two lines containing "NS." (Note: lawfirm.com is already taken by a law firm in Seattle.) If the tests fail, then do not submit the domain name application. Contact whoever it is that was supposed to get the name servers working, and get them fixed.

Regular Use

Under the new rules, if a domain name goes without regular use for a period of 90 days or more, then the domain name must be relinquished to Internic upon request, making that domain name available for registration and use by another party.

This requirement is intended to eliminate "warehousing" of domain names. This leads to another trap for the unwary. In advising a domain name applicant give warning to the client of the consequences of failure to make regular use of the domain name.

Under the old rules, the only way to force someone to give up a domain name would be to convince a court of competent jurisdiction to order them to give it up. Typically this would be accomplished by showing that the use was creating confusion among consumers.

If the use is not causing confusion, however, one might easily convince the court to dismiss the action. For example, suppose a legitimate business called ABC, obtained a domain name registration for abc.com. Suppose that later, the American Broadcasting Companies wanted to use that same domain name. Unless American Broadcasting Companies is able to show that the use of abc.com confused customers or otherwise infringed some rights, ABC might easily get the case dismissed. (Note: abc.com is registered to a company called ABC Design in Seattle.)

Under the new rules, if someone does not like the fact that a particular domain name has been registered, that party can summarily force the name to be relinquished. All that party need do is present proof to Internic of ownership of a registered trademark or service mark that is in full force and effect and owned by someone other than you, that is identical to the domain name. (note: "identical" is not defined in the rules; I suspect it will come to mean identical with the domain name without its ending such as ".com".) At that point Internic will ask whether the owner of the domain names also owns a trademark or service mark registration identical to the domain name.

There is a 14-day window in which to make proof of ownership of such a trademark or service mark, and failure to make such proof will result in the domain name being taken away. (Note: if the trademark or service mark registration is from a country other than the U.S., proof of registration must be certified in accordance with 37 CFR 2.33(a)(1)*viii.)

The taking of a domain name is softened slightly; Internic will assist with assignment of a new domain name, and will allow the use of both names simultaneously for up to 90 days to allow an orderly transition to the new domain name. At the end of the transition period, Internic will place the disputed domain name on "hold" status, pending resolution of the dispute. As long as a domain name is on "hold," it will not be available for use by any party.

If on the other hand, the owner of the domain name also has a trademark or service mark registration identical to the domain name, and if the domain name owner manages to provide certified proof of that registration within the required 14 days, then the result is a stalemate. Internic will take no further action (other than requesting that the domain name owner hold it harmless and, perhaps, post a bond to protect it). The domain name can be used until such time as the complaining part manages to convince a court to order its use stopped.

Nothing about the new Internic rules is specific to U.S. trademark law (other than the rule setting forth the manner in which a foreign registration is certified). A stalemate occurs if one trademark registration is U.S. and another is French, for example. More subtly, a stalemate can occur even if both trademark registrations are in the same county.

To be safe against a 14-day challenge, apply for and obtain a trademark or service mark registration identical to the domain name. Otherwise one is at continual peril that someone, somewhere in

the world, may happen to secure a trademark or service mark registration identical to your domain name, even if it is in a country with which you have little or no contact and can wrest your domain name with little effort. In addition, be prepared to obtain the certified copy of the registration right away so that it can be provided to Internic within the short 14-day period.