

# Strengthening your brand

## When URLs and trademarks collide, and when it pays to seek damages

INTERVIEWED BY ADAM BURROUGHS

An infringement on your trademark by another entity and its domain name can affect the strength of your brand. In some cases, a company may benefit from stopping an infringer and seeking damages.

“Ultimately, it all comes down to dollars and cents, and whether a business wants to truly invest and strengthen its brand to prevent others from capitalizing on its goodwill,” says Mark J. Masterson, an associate at Fay Sharpe LLP.

*Smart Business* spoke with Masterson about the intersection of trademarks and URLs, and what protections are available to help prevent costly trademark infringements.

### How might a domain name or URL infringe on a trademark?

A trademark owner can enforce trademark rights against a domain name that is likely to create source confusion with the trademark owner’s brand or if a domain name dilutes that trademark. However, a domain name registrant would not be prevented from exercising First Amendment rights by registering a domain name similar to the trademark. So, third parties have a right of fair use as well as the right to parody and satirize others’ trademarks. Regardless, this does not provide a right to violate trademark law or to engage in cybersquatting.

The U.S. Patent and Trademark office (USPTO) and domain registrars operate separately. Generally, a domain name is registered on a first-come, first-served basis, with the idea that the registrant has a good faith and a legitimate interest to use. With trademarks, the USPTO ensures an application conforms to federal law and trademark rules prior to registration.

### What’s the recourse against cybersquatters?

The Anti-cybersquatting Consumer

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Protection Act provides a private right of action for trademark owners to bring suit in federal court against the holder of a confusingly similar domain name. Trademark owners also may initiate arbitration procedures under the authority of the Internet Corporation of Assigned Names and Numbers (ICANN) to transfer control of a confusingly similar domain name without going to court.

If a trademark owner files a grievance through ICANN, the arbitration process can take as little as three months and may be less costly. However, filing suit in federal court is usually recommended when market share is affected by the infringing use.

### How has Internet commerce affected common-law trademark rights?

A URL or domain name registration does not in itself constitute ‘use’ for purposes of acquiring trademark priority. Common law trademark rights are geographic in nature and have caused judicial confusion with the broad geographic reach of the Internet.

Although some common law trademark rights may exist due to the creation of a website, the strength of these rights is generally depends upon market penetration, the nature of the business, and the actual geographic reach of the business’s products and services. However, even when there appears to be a strong case for granting

broad protections to a common law trademark, the courts have raised questions and developed fact-based tests that can be expensive to prove and tend to favor a registered trademark holder. It is in the common law trademark user’s best interest to register his or her trademark with the USPTO to take advantage of the strongest commercial protection afforded by law.

### How can companies ensure their marks are protected in the market and online?

Companies should select a name or logo for their products and services by keeping such variables as domain name and trademark registration in mind. The key is selecting a mark that can become federally registered and is marketable. Trademark prosecution can take a year or more, but it is the best way to ensure that trademark rights are protected, online or otherwise.

When selecting a mark, conduct an informal trademark search online or hire a trademark attorney to conduct an in-depth trademark search, which usually covers USPTO files, state trademark listings, domain name registries, and online and other common law uses. Selecting a domain name should become a priority only after selecting a trademark. Once granted, it is the owners’ responsibility to actively police the mark in commerce to prevent unauthorized uses that reduce its strength and value.