

Trade-marks and Domain Names: Protecting Brands in Cyberspace?

Last month, I explained why, contrary to the expectations of many business people, a business name registration does not grant trade-mark rights or protection. Similar confusion surrounds the relationship between trade-marks and domain names. Domain name registrations also do not grant trade-mark rights or protection. Indeed, trade-mark owners may be able to cancel or transfer a domain name that is confusing with its trade-mark.

Domain = Trade-mark?

Once again, definitions are helpful. In legal terms, a trade-mark is a mark “used” for the purpose of distinguishing wares and services sold by one business from those sold by others. Unless a domain name is “used” in the manner of a trade-mark, it is not a trade-mark. It is the equivalent of a telephone number. It is simply a means of contacting your business or locating information about your business.

For instance, simply using a domain name on business cards, letterhead, packaging and advertising together with other contact information for your business (like a street address) will not likely be considered “use” of the domain name in the manner of a trade-mark. Something more is required for a “dot com” to achieve trade-mark status.

Consider the Toronto phone number “967-1111”. This number has appeared prominently in the advertising, signage and packaging for PIZZA PIZZA franchises in that

city for many years. In fact, it is synonymous with this business in Toronto. Accordingly, the franchisor has been allowed to register this phone number as a trade-mark in Canada. A “dot com” must be similarly “used” in the manner of a trade-mark to achieve trade-mark status.

If you are using your domain name in the manner of a trade-mark for your business, you may want to consider registering it as a trade-mark in all the countries where you do business to protect your interest.

Unauthorized Domain Names

The owner of a trade-mark may object if an unauthorized party registers a domain name that is confusingly similar to its mark. This is true even if:

- a. the trade-mark is NOT being used as a domain name by the trade-mark owner; and/or
- b. the domain name is NOT being used in the manner of a trade-mark by the domain name registrant.

Essentially, a trade-mark owner may object to a confusing domain name that is used to direct traffic to an unauthorized web site and thereby trade on the goodwill associated with the trade-mark. The goodwill associated with a trade-mark is the exclusive property of the trade-mark owner.

Since about 2000, virtually all domain name registrants have been subject to a mandatory dispute resolution process that will allow a trade-mark owner to cancel or transfer a domain name when the following conditions are met:

- a. the domain name is identical or *confusingly similar* to a mark in which the complainant has rights;
- b. the domain name registrant has *no rights or legitimate interests* in respect of the domain name; and
- c. the domain name has been registered and is being used in *bad faith*.

For instance, if an unauthorized party registers a domain name similar to one of your trade-marks with either the intention of selling it to your business for an unreasonable profit or using it to interfere with your business, you should be able to cancel the domain name registration or cause it to be transferred to your control.

Other Brand Strategies on the Internet

To avoid losing control of your brands on the internet, you may also want to consider one or more of the following strategies:

- a. Review your domain name registration particulars to ensure that your business is properly recorded as the registrant. Often the communications firm or the employee that you asked to register the domain will inadvertently record themselves as the registrant. This can cause serious problems in the long run if, for instance, the communications firm goes bankrupt or the employee is fired.
- b. Review your domain name registration particulars periodically to ensure that your administrative and technical contacts are up-to-date. This ensures that administrative notices addressed to the web site (like renewal notices for the domain name registration) are directed to the right person for attention.
- c. For your important trade-marks, pre-emptively register:
 - i. domain names for these marks with the most common extensions (ie. com, .ca, .net, etc.) and direct traffic from these domains to your home page;
 - ii. that are confusing with these marks, including common typographical errors and direct traffic from these domains to your home page;
 - iii. domains that might be used as obvious “hate sites” for your business or products, such as <trade-marksucks.com>.
- d. Consolidate all your domain name registrations with one reliable registrar that has an automatic renewal option available (or ask your lawyer to diarize the renewal deadlines along with the renewal deadlines for your trade-mark registrations).
- e. Set up a free “Google Alert” at <<http://www.google.com/alerts>> to periodically scan the internet for references to your important trade-marks. Google will send you an email with a list of new references that you can review and investigate further if necessary.
- f. Engage a monitoring service to notify you (or your lawyer) when a domain name is registered anywhere in the world that may be confusing with your trade-marks so that you can take prompt action to preserve the goodwill invested in your marks on the Internet.
- g. Register your important trade-marks – this can very helpful if you have to

seek to “recover” a similar domain name from a cyber squatter.

Once again, trade-marks are familiar to each of us as a consumer, but business owners need to consider trade-marks from the other side. Trade-marks, like copyright, are a vulnerable form of business property as they are relatively easy to ‘steal’. Constant vigilance is important to protect and maintain a strong trade-mark and brand image for your business. For better or worse, this is especially true on the Internet.

*Michele Ballagh is a partner at Ballagh & Edward LLP in Hamilton, Ontario.
She can be reached at:
tel: 905.572.9300
e-mail: michele.ballagh@ballaghedward.ca
web site: www.ballaghedward.ca*