

TRADEMARK & UNFAIR COMPETITION

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Class 19: Cybersquatting; Secondary Liability

Class Outline

- Cybersquatting
- Secondary Liability
 - Vicarious
 - Contributory

Anticybersquatting Consumer Protection Act (ACPA)

- 15 U.S.C. §1125(d) –1999 amendment to Lanham Act:
“A person shall be liable in a civil action by TM owner (including owner of a personal name protected as TM) if, without regard to the goods or services of the parties, that person--
 - (i) has a “bad faith intent to profit” from that mark and
 - (ii) registers, traffics in, or uses a domain name that:
 - is identical/confusingly similar to a distinctive mark or
 - is identical/confusingly similar to, or dilutive of, a famous mark

ACPA Bad Faith Factors

- D's rights in the name
- Whether it is the D's actual name
- Whether the D used the name to sell goods
- Whether the D is using the name non-commercially or making a "fair use"
- Whether D has an intent to divert customers to a site that could harm P's goodwill
- Whether D has offered to sell the domain name
- Whether D provided false contact info
- Whether D has registered multiple domain names
- The degree of fame and distinctiveness of the P's mark

ACPA - Defenses

- Bad faith intent shall not be found in any case in which the court determines that D reasonably believed that the use of the domain name was a fair use or otherwise lawful.

ACPA - Remedies

- Forfeiture or cancellation of domain name or transfer to Plaintiff
 - for in rem actions, this is the only remedy.
 - for Domain Names registered before Nov. 29, 1999 (ACPA effective date), this is the only remedy.
- D's profits, P's damages, attorneys fees. See §1117(a).
- Statutory damages of between \$1,000 and \$100,000 per domain name. See §1117(d).

Sporty's Home Page - Internet Explorer provided by Dell

http://www.sportys.com/

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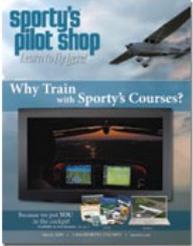
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Sporty's Home Page

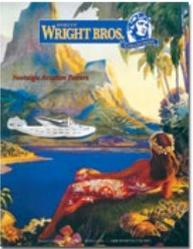
sporty's

sporty's pilot shop

Learn to fly here!



Pilot Shop



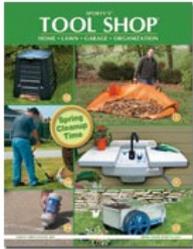
Wright Bros. Collection



Preferred Living



Men's Collection



Tool Shop



Shop Now!

Shopping Gift Guide
New! Garmin 696 GPS
 Shop Now
 Headset Wizard
 Flashlight Buyer's Guide
 GPS Buyer's Guide
 Jacket Buyer's Guide
 Radio Buyer's Guide
 Watch Buyer's Guide
 Charts

Learn to Fly Sporty's Online Courses
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Partners
 Eastern Cincinnati Aviation
 Cessna Sales
 Sporty's Academy
 Cincinnati Avionics
 University of Cincinnati
 Sandy's Farm
 Air Mod Aircraft Interiors
 Young Eagles
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Lanham Act §35(d)

“plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits, an award of statutory damages in the amount of not less than \$1,000 and not more than \$100,000 per domain name, as the court considers just.”

15 U SC 8131 (Cyberpiracy)

“Any person who registers a domain name that consists of the name of another living person, or a name substantially and confusingly similar thereto, without that person's consent, with the specific intent to profit from such name by selling the domain name for financial gain to that person or any third party, shall be liable in a civil action by such person.”

ACPA – In rem jurisdiction

- In lieu of establishing in personam jurisdiction over the defendant, a plaintiff may bring an in rem action against the domain name itself.
- TM owner may file an in rem action against a domain name in the judicial district where the domain name registrar is located if:
 - unable to obtain in personam jurisdiction over D, and
 - after due diligence, P cannot find D

Secondary Liability Review

CONTRIBUTORY LIABILITY

Intentionally induces another to infringe

or

Continues to supply product (or service, or space) to one whom it knows or has reason to know is infringing

or

Knew or had reason to know of infringement of one permitted on premises (but no duty to seek out violations or take precautions against infringing sales)

VICARIOUS LIABILITY

Defendant and direct infringer have apparent or actual partnership

or

authority to bind each other in transactions or exercise joint ownership

or

control over the infringing product

Restatement (Second) of Torts § 887(c)

An actor is liable for the torts of others that it permits on its premises “knowing or having reason to know” that the others are acting, or will act, tortiously.

Contributory Liability Standard

Actual knowledge = “knows or has reason to know”

“Willful Blindness” = actual knowledge

7th Cir: If you shield yourself from discovering offending listings or identifying an infringing seller, you may be charged with knowledge of those sales, and thus can be liable for contributory infringement.

- In other words, if you suspect wrongdoing and deliberately fail to investigate, this is the legal equivalent to actual knowledge.
- Cf. “simple negligence” where you fail to take precautions to prevent counterfeiting. (This is the standard the district is accused of applying in error.)

Contributory Liability in Trademark

From Inwood Labs:

“If a manufacturer or distributor [1] intentionally induces another to infringe a trademark, or if it [2] continues to supply its product to one whom it knows or has reason to know is engaging in trademark infringement, the manufacturer or distributor is contributorially responsible . . .”

→ “knows or has reason to know . . .”

- Willfully blind – “suspect wrongdoing and deliberately fail to investigate”
- Cf. Negligence – “failure to take reasonable precautions”

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Tiffany & co Heart bracelet

Item condition: **Pre-owned**

Time left: **28m 41s** (Apr 03, 2012 08:22:47 PDT)

Current bid: **US \$52.00** [4 bids]

(Enter US \$53.00 or more)

▼

BillMeLater \$10 back on 1st purchase & 6 months to pay
Subject to credit approval. [See terms](#)

Shipping: **\$8.49** - Standard Shipping | [See all details](#)
Item location: **costa mesa, CA, United States**
Ships to: **United States**

Google Search: tiffany

EX36

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tiffany

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Searched the web for tiffany.

Results 1 - 10 of about 4,670,000. Search took 0.11 seconds.

Category: [Shopping > Jewelry](#)

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Tiffany & Co. Shopping Jewelry Expertise Tiffany Style Store Locations.

Introducing the Tiffany Mark T-57 Father Knows Best Tiffany ...

Description: Jewelry, gifts and accessories.

Category: [Shopping > Jewelry > Varied Merchandise > T](#)

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[Tiffany - The Official Website - www.tiffanymusic.com](#)

Tiffany - Official Site - [www.tiffanymusic.com](#)

Description: Features news, pictures, appearance dates, audio and video files.

Category: [Arts > Music > Bands and Artists > T > Tiffany](#)

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[GetTiffany.com - Online Multi-Player Game](#)

... GetTiffany.com - The Get Tiffany Player Resource. So, what is Get Tiffany? ... There are four people to a game so the competition is tight for Tiffany. ...

Description: Free online multiplayer game about four guys trying to win the favor of a girl named Tiffany. [Requires...

Category: [Games > Video Games > Browser Based](#)

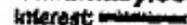
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June 26 - 28, 2003, Orlando, FL

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Michael Kors 3.4 oz.
EDP \$39.99!

Tiffany (NJ) Inc. v. eBay Inc.

“For contributory trademark infringement liability to lie, a service provider must have more than a general knowledge or reason to know that its service is being used to sell counterfeit goods. Some contemporary knowledge of which particular listings are infringing or will infringe in the future is necessary.”

Vicarious Liability in Trademark v. Copyright

In Copyright:

- defendant has right and ability to supervise the infringing activity and also has a direct financial interest in such activities.
- the purpose of this doctrine “is to prevent an entity that profits from infringement from hiding behind undercapitalized ‘dummy corporations’”

vs. in Trademark (narrower):

- defendant and infringer have an apparent or actual partnership, or the authority to bind one another in transactions with third parties or exercise joint ownership or control over the infringing product.

