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We'd love to hear from you. Feel free to send us your questions or feedback.

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How To Lawfully Use Another Company's Trademarks

Trademark rights prohibit the use of another company's trademarks or service marks to describe other goods or services, or in other ways that will likely cause confusion among consumers. There are two important exceptions to this general rule. The first involves comparative advertising. A company can use a competitor's trademark to refer to the competitor's goods or services when it compares its own goods or services to those of the competitor. We have all seen these ads and they can be very effective. For the exception to apply, however, the ad and the comparison must be scrupulously truthful. Making untrue and unverifiable statements touting your own goods or services, or criticizing your competitors' may give your competitor a claim for unfair competition. It may also give the Federal Trade Commission and other government agencies a basis to take action if necessary to protect the public from deception.

The second exception permits one company to use a competitor's trademark to sell or resell the competitors' goods or services, or to sell its own goods or services that are complementary to its competitors. An example of this is a used car seller who advertises the fact that he has used Fords, Chryslers or Chevrolets for sale. That used car seller needs no express permission from Ford, Chrysler or GMC to use their trademarks in this way. Another example is a software application vendor advertising that his application is compatible with iPhones and iPads. So long as the advertisements are truthful and do not cause confusion as to the ownership of the mark being used, permission is not necessary from the trademark owner.

The courts have created rules regarding, for example, how to use the original manufacturer's trademark when selling its used or refurbished products. Those rules generally require 1) the original trademark cannot be used on the product unless it actually was originally manufactured under that mark, 2) the used product seller must identify itself as the one who refurbished the product and is now reselling it. For advice on these issues, from how to properly use your own trademarks to how you can lawfully use the trademarks owned by others, please contact Kerr Russell's Intellectual Property Group. ~Robert J. Pineau

IS YOUR BUSINESS PROTECTED FROM CYBERSQUATTERS?

Nearly every business maintains a website to promote its goods and services, and to provide information about the business to the public. However, registration of just a single domain can leave a business vulnerable to third parties registering similar or confusing domain names in an attempt to divert traffic from the legitimate website. This is "cybersquatting" and can be perpetrated by competitors to divert business, squatters attempting to extract payment for transfer of the domain to the

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rightful trademark owner, pornographers seeking to increase web traffic to illicit websites, or disgruntled customers or former employees creating a disparaging or "gripe" website.

To protect itself from such abusive registrations, a business will want to register domains for alternative spellings and likely misspellings of its name and its prominent products, including nicknames, abbreviations and acronyms. For example, the Coca-Cola company has registered dozens of domains, including www.cocacola.com, www.coca-cola.com, www.coke.com and www.dietcoke.com. Similarly, Anheuser Busch maintains a website at www.anheuser-busch.com, but also maintains separate websites at www.michelob.com and www.budweiser.com, and the domain www.budwiser.com redirects to the website with the correct spelling.

To further protect against cybersquatters, a business may want to expand its registrations beyond the .com top-level domain, and register its prominent domain names under .net, .biz, and .org, as well as the expanded top-level domains as they become available. (see below). Finally, a business may consider registering all intentionally-disparaging variations of its main website, and in particular the company name with the word "sucks" added to the end. For example, XYZ Corp may want to reserve www.xyzcorpsucks.com before the domain could be registered by a competitor, unhappy customer or disgruntled former employee.

If a company finds itself the victim of cybersquatting, it may have remedies through the arbitration procedures established by the Internet Corporation for Assigned Names and Number ("ICANN"), which regulates domain name registrations. In addition, if the abusive registration violates trademark law (which it often does), the victim may have a remedy through the court system. For advice on how to best protect your domain names, or assistance if you have been the victim of cybersquatting, please contact the Intellectual Property Group at Kerr Russell. ~ Max Sneyd

THE UPCOMING EXPANSION OF INTERNET DOMAIN NAMES

The article above discusses how domain names can be hijacked by cybersquatters. Domain names are organized into levels, with the terminal portion of the domain name identifying the Top Level Domain ("TLD"). Most people are familiar with the most popular generic TLDs ("gTLDs") such as .com, .net and .org. Registrants select and register a Second Level Domain ("SLDs") which allows the registrant to have a website presence (for example kerr-russell.com).

There are relatively few gTLDs, with the clear leader in terms of volume of websites being the .com. The other top gTLDs are .net, .org, .info and .biz. This may change, however, as the organization responsible for regulating the domain name systems has announced that it intends to introduce a large number of new gTLDs. This process continues to move forward, and when completed, will introduce many new gTLDs into existence (for example, current applicants include .blog, .car, and .football).

The currently planned DNS expansion, which will likely be the largest in the history of the Internet, should be on the radar of any entity with an Internet presence. Businesses with registered trademarks should be especially prepared to protect their intellectual property with the new gTLDs, as the Internet continues to expand its central role in modern business.

~Dwayne Stresman

For further information about these and other intellectual property issues, please contact our Intellectual Property Group at 313-961-0200. © 2012, Kerr, Russell and Weber, PLC.