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THE TYPOSQUATTER

By: Jim Astrachan

Last year, I listened to someone crow about his clever friend. He claimed his friend made a ton of money on the Internet as an "affiliate" of Lands' End, the well known catalog, and now Internet, seller of casual clothing.

This affiliate had his own website from which he sold sporting goods, the type you might expect customers of Lands' End to buy. He entered into an affiliate agreement with Lands' End, placing its link on his site with permission. Every time someone clicked through the affiliate's site to Lands' End's site and bought something, the affiliate would get a commission of 5 percent of the sale. "Not bad money," he told the assembled group. He was doing very little except direct traffic to his website. I agreed with him.

Except that's not how the affiliate really made his money because his sporting goods website had few visitors. So he fixed that problem with a scheme: without telling Lands' End, he registered ten names that were the sort of domain names that might result from less than careful typing by an Internet searcher looking for Lands' End. First, he registered www.landend.com; then came www.landeend.com, www.landenc.com, and www.landended.com. More followed.

The scam, for that's what it must be called, was a great success. An Internet searcher who mistakenly types one of the affiliate's "typo" domains into the web browser would be directed to an invisible HTML file that had redirection instructions. The query would be redirected to a URL associated with one of the affiliate's websites and then to Lands' End. The Internet searcher would never know through whose browsers the search had traveled, but a purchase at Lands' End would result in a commission payable to the affiliate.

When he finished describing his friends' scheme, I found myself staring at him in disbelief. "He'll get sued," I admonished, using that most serious of lawyer's voices, the

one I learned watching Roger Thwackum, tutor to Tom Jones and Master Bliful in the movie, "Tom Jones." "And he will lose." And he was sued, and lose he did. Big. He was infringing Lands' End's trademark.

The affiliate was engaged in conduct called, "typosquatting", where the typosquatter preys on a famous or distinctive mark. Typosquatting is generally actionable under the federal Anticybersquatting Consumer Protection Act (ACPA), an amendment to the federal Lanham Act.

To prevail, Lands' End needed to prove that its mark is distinctive or famous, which it had little trouble doing given the reach and frequency of its marketing efforts; the defendant's domain name was identical or confusingly similar to its mark; and the defendant registered the domain in bad faith.

The Lanham Act provides factors to determine if the mark is distinctive or famous, including: the degree of inherent or acquired distinctiveness of the mark; the duration and extent of use of the mark in connection with the goods and services with which the mark is used; the duration and extent of advertising and publicity of the mark; the geographical extent of the trading area in which the mark is used; the channels of trade for the goods or services with which the mark is used; the degree of recognition of the mark in the trading areas and channels of trade used by the mark's owner and the person against whom the injunction is sought; and the nature of use of the same or similar marks by third parties.

If the domain name and the trademark are very similar, a court can find confusing similarity.

The ACPA lists 9 factors to use to determine whether a defendant acted in bad faith, among which are: the trademark or other intellectual property rights of the domain name registrar, if any, in the domain; the extent to which the domain consists of the legal name of the person or a name that is otherwise commonly used to identify that person; the person's prior use, if any, of the domain in connection with the bona fide offering of any goods or services; the person's bona fide non-commercial or fair use of the mark in a site accessible under the domain name; the person's intent to divert customers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark by creating a likelihood of confusion as to source, sponsorship, affiliation or endorsement of the site; the person's offer to transfer, sell or assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct; the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the

person's prior conduct indicating a pattern of such conduct; and the registration of multiple domain names which the person knows are identical or confusingly similar to other marks.

The court found that Lands' End was a famous mark, that the affiliate's typo domains were confusingly similar and that he had registered them in bad faith.

Perhaps the affiliate is on to his next misadventure, as there are those for whom the high road is not a well known path and is not easily traveled. If so, he might get some legal ADvice before he embarks.

James B. Astrachan is the author of The Law of Advertising, published by Matthew Bender-Lexis/Nexis.