

# Calling Names Can Lead to Costly Online Battles

**INTERNET:** DirecTV fought to stop rival Dish from acquiring dot-direct domain.

By **CALE OTTENS** Staff Reporter

El Segundo's **DiracTV** and bitter rival **Dish Network Corp.** have thrown punches at each other for years in their fierce competition to gain market share.

But a recent battle between the satellite TV providers foreshadowed a new age of disputes, one that's poised to keep L.A. attorneys busy for years to come.

With a new set of top-level Internet domains rolling out, Dish jumped and snagged dot-direct, buying the right to control the licensing to anyone who wanted, for instance, to have the online presence TV.direct.

With as many as 1,400 of these domains set to hit the Internet in coming months, there has been a rush to protect established brands. DirecTV was one of the first to move, challenging Meridian, Colo.-based Dish's purchase and successfully forcing it to give up the handle.

Until about a year ago, there had been just 22 top-level domains – the familiar dot-com, dot-net and a handful of others. Then, companies like DirecTV focused almost entirely on ensuring new dot-com websites weren't infringing on their brand's trademark. Now more than 400 domains have been added to the mix so far.

The new names have made it harder for companies to protect their brand, said **Bobby Ghajar**, partner at the downtown L.A. office of law firm **Pillsbury Winthrop Shaw Pittman**.

"It was fairly easy to manage," Ghajar said. "Now the question is: Do you set up a watch? There are companies that will search all the new domain names and alert you if there's a match."

Imitators and competitors are often quick to buy up new domain names, he said, which forces trademark owners to try to snag each domain before anyone else registers their brand or end up filing disputes with the **World Intellectual Property Organization**, which handles all trademark-related disputes.

Either way, it's not cheap. It costs about \$180,000 just to apply to the **Internet Corporation for Assigned Names and Numbers** for the right to manage the licensing of a new top-level domain. Most companies are concerned more about confusion that might be sown by "squatters" who secure traditional dot-com or dot-net



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**Addressing Web:** Antony Van Couvering at Santa Monica's Minds + Machines.

domains that reflect their brands. Fewer, like DirecTV, are likely to find top-level domains that could cause that confusion.

Still, it can cost tens of thousands of dollars to fight a domain registration, said **Rod Berman**, a partner in the intellectual property practice at the Century City office of law firm **Jeffer Mangels Butler & Mitchell**.

The addition of hundreds more top-level domains prompted Berman to advise all his clients of the potential risk. But he's not convinced companies need to battle over every new top-level domain that emerges.

"The administrative burden on companies in registering a number of domain names outweighs the value," Berman said.

## New era

Oftentimes, he said, registrants of copycat domains – think of a hypothetical **SmithCompany.direct** as opposed to a legitimate **SmithCompany.com** – just redirect Web surfers to pornographic sites, which most companies ignore.

"It doesn't impact their business," Berman said. "A reasonable consumer is not going to associate porn content with consumer products or industrial products that have nothing to do with porn."

Businesses nevertheless should be aware of

the slew of new top-level domains coming online, he said.

The rollout of new top-level domains is now eight years in the making and was not intended to cause such a headache to brand owners.

Icann, based in West Los Angeles, reviews every application for new website extensions. The non-profit had received 1,930 applications as of the week ended Nov. 7, and had approved more than 430.

"The goals of the program are to increase consumer choice, to increase competition and provide room for innovation," said **Akram Atallah**, president of Icann's global domains division. "And I think the program has achieved its goals – definitely of increasing choice."

One company seizing the new opportunity is Dublin-based **Minds + Machines Group Ltd.**, which markets and sells Web addresses from its U.S. headquarters in Santa Monica.

So far, the Irish company has acquired 30 domains – including dot-beer, dot-horses and dot-law – according to Chief Executive **Antony Van Couvering**.

The prospect of all that new territory online is likely to set off more scuffles as owners of well-known brands seek to avoid confusion or disruption.

In the case of dot-direct, DirecTV's fight to keep Dish from using the name paid off.

A three-person World Intellectual Property panel sided with DirecTV last year. Dish appealed the decision to Icann, asking the organization to reconsider its application. Icann's board governance committee denied Dish's request.

(The dot-direct top-level domain has since been re-issued to **Donuts Inc.**, a domain name provider in Bellevue, Wash. Donuts' website said the DirecTV.direct domain was reserved, but gave no further information. Representatives of DirecTV didn't respond to a request for comment.)

Ghajar, the litigator focusing on intellectual property disputes, said brand owners now face an uphill battle, and as more top-level domains emerge, more companies are likely to soon sit in the same shoes as DirecTV.

"Companies like that are probably annoyed and aggravated that now they have to police and monitor and send responses going after opportunists who take their brands, or variations of their brands, and register them in one or more of the new (domains)," Ghajar said. "But if you have a \$30 billion brand, isn't it worth a little bit of money to protect it?"

## Dot-Law Owner to Judge Attorneys

Websites ending in dot-com ruled the Internet for a generation.

Today, the Web is much more congested and dot-com domains have a lot more competition. More than 400 new Internet domains – including options like dot-clothing, dot-wedding and dot-global – can now be used instead of dot-com.

Now, lawyers are getting into the act. Dot-law, slated to launch in the second quarter next year, intends to provide Web surfers seeking counsel added assurance of a lawyer's credibility. Applicants looking to register a dot-law website will be required to verify that their license to practice law is current, said **Antony Van Couvering**, chief executive of **Mind + Machines Group Ltd.**, which acquired the exclusive right to issue dot-law Web addresses.

"You're either a lawyer or you're not a lawyer," Van Couvering said. "When somebody has a dot-law website, it means they're a lawyer – and people will know that immediately because we verify that."

For 60 days after the anticipated launch of dot-law early next year, the domains will be available only to attorneys and law firms that have registered a trademark with the U.S. Patent and Trademark Office. West L.A.'s **Internet Corporation for Assigned Names and Numbers** reviews applications for new top-level domains and established the two-month window – known as the "sunrise period" – to help prevent potential trademark infringement.

Most of the largest law firms in Los Angeles have trademarked their firms' names, including **Latham & Watkins**, **O'Melveny & Meyers**

and **Sidley Austin**. But not everyone is sold on the dot-law idea.

**Catherine Barrad**, partner at the downtown L.A. office of **Sidley Austin**, said law firms generally don't face much risk of being imitated online by competitors or faux firms.

"I certainly haven't seen fake websites with names like Sidley," she said. "With a law firm that has a little more confusion, but I've never seen a website that is pretending to be something they're not."

Still, Barrad added that she wouldn't be surprised if many firms purchase a dot-law domain, just to be safe.

**Jeffrey Kobulnick**, partner at Woodland Hills law firm **Ezra Brutzkus Gubner**, echoed Barrad's skepticism, noting that he

doesn't think dot-law domains will fix an issue.

"I'm not sure dot-law was really necessary," Kobulnick said. "It's really going to be a test over time, as to how people are using the Internet."

But to keep up with evolving trends, he said that he's likely to purchase a dot-law domain, just as long as it isn't too expensive.

Prices for dot-law domains have not yet been set. But, in general, standard domains can sell for as low as \$10 or \$25 a year. Van Couvering, who would not say what Mind + Machines paid for the right to sell dot-law domains, said he plans to auction off rights to premium dot-law domains – like divorce.law – which could go for tens of thousands of dollars.

– *Cale Ottens*