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Trademark
Review**Stricter ACPA standards apply in cybersquatting cases, says Fifth Circuit**Cybersquatting
Typosquatting**United States - McDermott Will & Emery**

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In *The Southern Company v Dauben Inc* (Case 08-10248, April 15 2009), the US Court of Appeals for the Fifth Circuit, addressing the issue of cybersquatting/typosquatting versus the traditional standards of trademark infringement, has vacated a preliminary injunction in favour of a trademark holder on the grounds that the district court had improperly applied the broader trademark infringement analysis to cybersquatting claims.

The Southern Company provides energy-related services to consumers throughout the southern United States. It holds the federal trademark SOUTHERN COMPANY and is the registrant of the domain name 'southerncompany.com'. Dauben Inc, a Texas corporation, is the listed registrant of nearly 635,000 domain names. The two challenged domain names, 'sotherncompany.com' and 'southerncompany.com', are linked to a website that provides only pay-per-click advertising - when internet users enter either domain name in their browser, they are directed to a webpage that lists links to the websites of paying advertisers.

Southern filed an action under the [Uniform Domain Name Dispute Resolution Policy](#) with a [World Intellectual Property Organization](#) arbitration panel, which found for Southern and ordered Dauben to transfer the registration of the domain names. Dauben then filed a Texas state court action, which delayed the transfer. Southern responded by filing a federal court action under the [Anti-cybersquatting Protection Act](#) (ACPA). The district court granted Southern a preliminary injunction. Dauben appealed.

The Fifth Circuit vacated the preliminary injunction because the district court had failed properly to analyze whether Dauben's domain name registration was a fair use. The Fifth Circuit held that "ACPA's safe harbour provides a narrow berth for fair use arguments and, on the merits, Dauben's claims may or may not hold up". The Fifth Circuit also vacated the preliminary injunction because the district court had erred in analyzing whether the use of the Southern name caused a likelihood of confusion under a trademark infringement analysis, rather than under the 'confusingly similar' standard used to evaluate cybersquatting allegations under Section 1125(d) of the ACPA. The court stated that:

"the likelihood of confusion test of trademark infringement is more comprehensive than the identical or confusingly similar requirement of ACPA, as it requires considering factors beyond the facial similarity of the two marks."

However, the victory was pyrrhic as the district court had by this time considered the case on the merits, heard summary judgment motions and was ready to issue a permanent injunction. Thus, even though the preliminary injunction was vacated, no remand was necessary.

When considering action under the ACPA, trademark holders would be well advised to analyze their claims carefully under stricter ACPA standards, rather than the more lenient trademark infringement standards.

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