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Corporate names, Domain names and Trademarks: Use and Registration Required

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Corporate names, Domain names and Trademarks: Use and Registration Required

By Robert C. Kain Jr., Esq.

A business's right to use a corporate name and register that name as an Internet domain name (an Internet address for advertising or electronic commerce) is an important issue for owners and corporate attorneys.

The following questions are common.

- *If a business incorporates under a name or registers a fictitious name, does it have a right to conduct business and advertise under that name?*
- *If a business has a corporate name or a fictitious name registration, does it have a right to stop others from using an identical Internet domain name?*
- *What is the relationship between a federal trademark, a corporate name and an Internet domain name?*

Corporate names and fictitious names for businesses (such as a d/b/a or "doing business as" tradename) are filed with the Florida Secretary of State. Businesses that use a tradename other than their corporate name or the individual name of the business proprietor must register the tradename as a fictitious name with the Secretary of State. Companies that are incorporated in states other than Florida, commonly called "foreign corporations," should register as a foreign corporation with the Secretary of State.

Confusion over the right to use corporate names (or fictitious names), Internet domain names and trademarks arises, in part, from the different purposes of the various statutes and the contractual assignment of Internet domain names.

Domain names are currently assigned by the government-support-

ed, private entity Network Solutions Inc. (NSI, sometimes known as InterNIC) to provide some order to the Internet. State laws establishing corporate entities protect individuals in the corporation from liability due to their business activities.

Fictitious name statutes enable members of the public to trace the true owner of a business using a trade-name or fictitious name.

Trademark law seeks to avoid consumer confusion regarding the source and identification of goods and services from different businesses. Hence, when the secretary of state approves a corporate name for a business, the official does not determine whether that new corporate name is confusingly similar to other corporate names outside of Florida, other out-of-state tradenames, federally registered trademarks or other out-of-state trademarks.

Problems sometimes arise due to the use in business of the same or similar name by different corporations, thereby causing confusion when consumers on the Internet look for a certain company and find another. These conflicts represent classic trademark law problems. Trademark law focuses on (a) the conflicting marks, (b) the precise nature of the marked goods or services placed into the stream of commerce, and (c) the various channels of trade for those goods or services (including end users and intermediary merchants).

Since the Internet has greatly expanded a business's ability to geo-

graphically advertise its goods and promote itself and has "flattened out" the distribution systems, disputes over domain names, corporate names and trademarks are growing.

Internet domain names are assigned by NSI on a first-come, first-served basis for a small registration fee. Use of a domain name is not required. This nonuse is similar to filing for a corporate name (which does not require the sale of goods or services).

In contrast, a trademark must be used in commerce before its owner obtains enforceable rights against other using the same or similar mark. If the business reserving the domain name Internet address has an existing Internet web site,

NSI will activate the newly assigned domain name so that the domain name is linked, or points the public, to the business's web site.

Operationally, any person communicating over the Internet and putting in the newly assigned domain name will be directed and automatically transported to the business's web site.

Current dispute resolution rules at NSI provide that the first business to register the domain name owns the domain name unless the complaining party has a federal trademark registration that establishes earlier national rights. Under federal trademark law, the registrant (an owner of a federally registered mark) is granted national rights as of the trademark application

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filing date.

NSI also requires that the registered trademark be identical to the domain name that is the subject of the dispute. To protect a corporate name on the Internet now and in the future, the federal trademark registration with an early application date is critical.

A business can file either a use-based federal trademark application or an intent-to-use application for its mark or corporate name. A use-based application is available if the business applicant has used the mark on the goods or in connection with the services in interstate commerce. Otherwise, an intent-to-use trademark application may be filed if the business has a bona fide intent to use the mark.

If no one opposes registration of a use-based application and the mark complies with other provisions of trademark law, a trademark application will mature into a registration in about nine to 14 months. With respect to intent-to-use trademark applications, the applicant must use the mark on the identified goods or services (or a portion thereof) within two to four years of its application date. Once the mark is used in interstate commerce and certain formalities are met, the mark is registered. Accordingly, there is a significant time delay between the application date and the registration date for a federal trademark.

In the NSI dispute resolution process, state registered trademarks are not relevant.

Conflicts between a corporate name and a registered trademark (or a conflicting corporate name in use) are resolved based on the trademark law principles of (a) first use of the mark, (b) geographic scope of use, (c) the goods or services sold by each party, and (d) the filing date of the registered mark.

The first business owner to use a

mark in its business in a certain geographic region owns the rights to that mark in that region unless the subsequent user in that region had federally registered the mark at an earlier time, thereby establishing earlier national rights. Filing for a corporate name does not guarantee rights to the name. Early use of the name in business on goods or services or early federal registration establishes ownership to the name.

The combination of an exploding number of Internet domain names, universal access to the Internet by consumers and the ability of consumers, whether businesses or individuals, to purchase goods and services from around the world, greatly increase the number and degree of conflicts between corporate name, Internet domain names and trademarks.

Answers to the questions raised earlier can be found in the following series of simple statements.

Identify a corporate name or a fictitious name. Conduct a corporate or fictitious name search with the Florida Secretary of State. Conduct an Internet domain name search at NSI. Conduct a federal trademark search to determine whether the corporate name can be used in connection with the sale of the goods or services. Secure the corporate name or fictitious name with the secretary of state. Reserve the domain name with NSI. File a federal trademark application, either an intent-to-use application or a use-based application, as soon as possible.

If the business has been using a corporate name, conduct a domain name search at NSI to determine whether the domain name is available. Whether it is available or not, prepare and file a federal trademark application.

With the advent of new Internet domain names having different letter extensions, for example, "bus" and

"stor," there will be more instances of conflict between corporate names and Internet domain names. There is a reasonable likelihood that the NSI dispute resolution procedures, which enable a federal registrant to "trump" a domain name owner, will be continued or carried over into other domain name registration systems.

It behooves a business owner to federally register a trademark for its corporate name. ■

