

# SB 2958

Measure Title: RELATING TO ONLINE PROTECTION OF INDIVIDUAL RIGHTS.

Report Title: Cybersquatting; Domain Names; Online Protection; Individual Rights; Bad Faith; Burden of Proof

Description: Shifts the burden of proof from the claimant to the alleged violator in instances where the alleged violator registers a domain name that solely consists of the claimant's legal name or a name that is otherwise commonly used and the claimant can demonstrate with reasonable certainty the potential of immediate and irreparable harm through misuse of the domain name.

Companion:

Package: None

Current Referral: CPN, JDL

Introducer(s): HEE



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PRESENTATION OF THE  
OFFICE OF CONSUMER PROTECTION

TO THE COMMITTEE ON COMMERCE & CONSUMER PROTECTION

THE TWENTY-SEVENTH  
REGULAR SESSION OF 2014

FEBRUARY 5, 2014  
9:00 AM

TESTIMONY EXPRESSING CONCERNS ABOUT S. B. 2958, RELATING TO ONLINE PROTECTION OF INDIVIDUAL RIGHTS.

TO THE HONORABLE ROSALYN H. BAKER, CHAIR,  
AND TO THE HONORABLE BRIAN T. TANIGUCHI, VICE CHAIR,  
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs, Office of Consumer Protection ("OCP") appreciates the opportunity to appear today and express its concerns about S. B. 2958, Relating to Online Protection of Individual Rights. My name is Bruce B. Kim and I am the Executive Director of OCP.

S. B. 2958 proposes to shift the burden of proof from the claimant to the respondent if the respondent has registered a domain that consists solely of the legal name of the claimant or a name commonly used to identify the claimant, such that the respondent will have to demonstrate "by a preponderance of the evidence that the domain name was not

registered in bad faith or will not be used in an unlawful manner.”

This proposed amendment raises serious due process concerns and, hypothetically, could be utilized by claimants in ways not contemplated by the legislation's drafters. In a review of OCP-enforced statutes we could not find another instance where a respondent's guilt was presumed.

There is also Federal law regarding this topic, namely 15 U.S. Code § 1125(a), the Anticybersquatting Consumer Protection Act (“ACPA”), which raises the question of Federal preemption if the proposed legislation is inconsistent with the ACPA.

Thank you for the opportunity to express our concerns about S. B. 2958. I would be happy to answer any questions members of the committee may have.

TO: Senate Committee on Commerce and Consumer Protection

FROM: Cheryl Kakazu Park

Date: February 5, 2014, 9:00 a.m.  
Senate Conference Room 229, State Capitol

RE: Testimony on S.B. 2958  
Relating to Online Protection of Individual Rights

Thank you for the opportunity to **support** this bill in my capacity as a private citizen, and not on behalf of any organization.

The current statute, Part II of HRS Chapter 481B, imposes civil liability, including damages, to register in bad faith a domain name that consists of the name of another living person, or a name substantially and confusingly similar thereto, without that person's consent. HRS Sec. 481B-22(b). It is the burden of the claimant to prove the alleged violator's bad faith, by a preponderance of the evidence. HRS Sec. 481B-23(a). Bad faith intent shall not be found when the court determines that the alleged violator "believed and had reasonable ground to believe that the use of the domain name was a fair use or otherwise lawful." HRS Sec. 481-23(b). Additionally, a person is not liable if, in good faith, the person registers the name of another living person, or a name substantially and confusingly similar thereto, if the name is used in, affiliated with, or related to a work of authorship protected by the copyright laws. See HRS Sec. 481-24.

To prove bad faith, the statute lists various factors for the court to consider, but these factors are within the knowledge of the alleged violator, not the victim, and require the victim to prove the alleged violator's state of mind, future intent, or past practices. HRS Sec. 481B-2(b). Even if the victim could prove that he/she is the rightful owner and his/her name was being used as a domain name by the alleged violator who was not similarly named, the victim would still have difficulty proving the alleged violator's bad faith. Based on the nonexclusive statutory list of factors for the court to consider, the victim would currently have to prove by a preponderance of the evidence:

- (1) the alleged violator did not have trademark or other intellectual property rights in the domain name (HRS Sec. 481B-23(a)(1));
- (2) the alleged violator did not previously use the domain name in connection with a bona fide offering of any goods or services (HRS Sec. 481B-23(a)(2));
- (3) the alleged violator did not have a bona fide noncommercial or fair use of the mark in a site accessible under the domain name (HRS Sec. 481B-23(a)(3));
- (4) the alleged violator's intent to divert users from the trademark owner's online location to a site accessible under the disputed domain name that could harm the goodwill represented by the mark, either for commercial gain or to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site (HRS Sec. 481B-23(a)(4));
- (5) the extent to which the domain name does not consist of the alleged violator's legal name or a name that is otherwise commonly used to identify the person (HRS Sec. 481B-23(a)(5));
- (6) the alleged violator's offer to transfer, sell, or otherwise assign the domain name for financial gain without having used or having an intent to use the domain name in the bona fide offering of goods or services, or the alleged violator's prior conduct indicating a pattern of such conduct (HRS Sec. 481B-23(a)(6));

(7) the alleged violator's provision of material and misleading false contact information when applying for the registration of the domain name, the alleged violator's intentional failure to maintain accurate contact information, or the alleged violator's prior conduct indicating a pattern of such conduct (HRS Sec. 481B-23(a)(7));

(8) the alleged violator's registration or acquisition of multiple domain names that the person knew were identical or confusingly similar to marks of others that were distinctive at the time of registration of the domain names, without regard to the good or services of the parties (HRS Sec. 481B-23(a)(8));

(9) the alleged violator's registration or acquisition of multiple domain names that the person knew were identical or confusingly similar to the name of another living person, without the person's consent (HRS Sec. 481B-23(a)(9)); or

(10) the alleged violator did not seek or obtain consent from the rightful owner to register, traffic in, or use the domain name (HRS Sec. 481B-23(a)(10)).

Because the current law states that "a court may consider factors, including, but not limited to" the ones described above, it is not clear whether the victim must establish more than one factor to prove the alleged violator's bad faith.

**S.B. 2958 proposes to add a provision to HRS Sec. 481-23, which would shift the burden of proof to the alleged violator once the claimant demonstrates to a court with reasonable certainty the potential of immediate and irreparable harm to the claimant through the misuse of a domain name consisting solely of the legal name of the claimant or a name that is otherwise commonly used to identify the claimant. The alleged violator would then have to by a preponderance of the evidence that the domain name was not registered in bad faith and will not be used in an unlawful manner, using the nonexclusive statutory list of factors.**

**I support the intent of this bill because the innocent victim, whose name and reputation are being hijacked, should not bear the burden and expense of proving the alleged violator's bad faith. I would even suggest an amendment to remove the requirement for the claimant to prove immediate and irreparable harm and instead shift the burden of proof to the alleged violator once the claimant proves to the court that his/her legal name, or a name substantially and confusingly similar thereto, is being used without his or her consent as a domain name by someone who does not have the legal right to the same or similar name, unless it is clear from the disputed domain name that the public will not be misled into believing that it is the claimant's website. For example, a domain name called "John Doe" could not be registered by someone who is not John Doe, but the "John Doe Fan Club" or "John Doe Opponents Club" would be permitted.**

It seems inherently suspect that someone would register the name of another living person as a domain name, and the potential for immediate and irreparable harm to the claimant should be presumed once he/she proves that his/her name is being used by the alleged violator. Given the importance of the internet in modern life and the widespread ability of friends, family, employers, insurers, creditors, criminals, and the general public to conduct internet searches that could affect a person's privacy, reputation, employment, credit rating, insurability, finances, and other aspects of life, it is important to protect a person's name from being improperly used as a domain name by an alleged violator with no rightful claim to that name. **Besides protecting the claimant whose name is being misused, the general public would also be protected from deception by the alleged violator who may attempt to mislead or scam them into believing that the claimant endorses the misleading statements or unsanctioned services or products featured through the disputed domain name.**

As examples of how domain names could be misused, what if John Doe registered a domain name using his ex-wife's name, "Jane Doe," and posted pictures and fake stories written as Jane Doe in order to embarrass the real Jane Doe, smear her reputation, prevent her from obtaining employment or credit, disrupt her social life and friendships, or mislead people into corresponding with him in the belief that he was Jane Doe? What if Jody Doe used the real name of a prominent public figure to write articles attributed to that person in order to mislead the public into believing that those statements were made by the public figure? What if Kimo Doe used the name of an accident victim to solicit funds from the public who is misled into believing that their donations would help the accident victim, but the money will actually be pocketed by Kimo Doe?

Further, I support amending HRS Sec. 481B-22(b) to impose civil liability upon a person who in bad faith registers a domain name that consists of the name of "another person," living or not, who could be a nonprofit organization falling within the statutory definition of "person" at HRS Sec. 481B-21. I am a director of a charitable foundation that was the victim of a cybersquatting ploy, but had no recourse under this statutory provision, which protects only a "living person." While SB 2958's title, "Relating to Online Protection of Individual Rights," may be too narrow for such an amendment, there may be another vehicle bill for such an amendment.

Finally, while the law governing the internet is largely regulated by federal and international law, I believe that Hawaii should take whatever steps it can to help protect its citizens. This bill would be a step in the right direction by making it possible for the innocent victim to obtain a state judgment that may be used as evidence of an unlawful act in a subsequent action to prevent the alleged violator from using the internet address for the domain name.

Thank you for considering my testimony.

**SB2958**

Submitted on: 1/31/2014

Testimony for CPN on Feb 5, 2014 09:00AM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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