

Date of Hearing: April 7, 2025

ASSEMBLY COMMITTEE ON TRANSPORTATION

Lori D. Wilson, Chair

AB 1272 (Dixon) – As Amended March 24, 2025

SUBJECT: Department of Motor Vehicles: occupational licensees

SUMMARY: Makes it unlawful for a business that holds an occupational license issued by the Department of Motor Vehicles (DMV) to use “Department of Motor Vehicles” or “DMV” in its internet domain name.

EXISTING LAW:

- 1) Restricts an occupational licensee from using the initials “DMV” the DMV logogram, or the words “Department of Motor Vehicles” in any business name, telephone number, or in any advertisement in a way that indicates, or could be construed to indicate, official connection with DMV other than a licensee. (Vehicle Code Section 25)
- 2) Defines an “internet domain name” to mean any alphanumeric designation that is registered with or assigned by any domain name registrar, domain name registry, or other domain name registration authority as part of an electronic address on the internet. (Business and Professions Code 17527)

FISCAL EFFECT: Unknown

COMMENTS: In 1999, the 9th Circuit Court of Appeals struggled with the question of domain names and trademarks. In *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, a case about cybersquatting, the court opened with, “We are the third panel of this court in just over a year faced with the challenging task of applying centuries-old trademark law to the newest medium of communication—the Internet.”

The internet is no longer a new medium. Nonetheless, this bill is catching up with 20 years of case law around trademark infringements and internet domain names to protect the value of DMV and people's associations with its name. “Trademark protection is “the law’s recognition of the psychological function of symbols.” *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203 (1942). Two goals of trademark law are reflected in the federal scheme. On the one hand, the law seeks to protect consumers who have formed particular associations with a mark. On the other hand, trademark law seeks to protect the investment in a mark made by the owner. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995).

DMV occupational licensees are currently prohibited from using advertisements or having a business name or phone number that may lead a consumer to believe that they are dealing with DMV and not a private contractor licensed to provide DMV services. These types of services can include vehicle registration services or services provided by businesses DMV regulates such as driving schools and traffic violator schools. Like trademark law, the purpose of this law is to protect consumers from believing that these occupational licensees are anything more than affiliates of DMV and to protect DMV’s reputation.

In recent years, the DMV has worked aggressively to encourage its customers to use online services to avoid in-office visits, especially considering the increased number of people who will be required to come into a DMV field office to receive a REAL ID. One of those steps was to create a page on its website called DMV Anytime. This webpage provides customers with the ability to easily find online service providers or walk-in service providers that can provide registration renewal stickers, duplicate stickers, and title transfers. These business partners are authorized to provide an additional fee for the service that they offer. These business partners helped reduce the number of DMV transactions conducted in a field office and conducted over \$2 billion transactions for DMV last year alone.

According to the author, “AB 1272 would prohibit the holder of an occupational license by the Department of Motor Vehicles from using the acronym “DMV,” the Department of Motor Vehicles logogram, or the words “Department of Motor Vehicles” in their website domain name. Currently, occupational license holders are barred from utilizing this information in their business name or telephone number. This common-sense change to existing law will ensure that consumers are protected against third-party service providers deliberately trying to obfuscate or misrepresent their services as the DMV. With online fraud rampant and many individuals already struggling to pay their bills, this measure would provide an extra layer of protection to ensure consumers are not misled when seeking to work with the DMV.”

Committee comments: Before the internet, businesses were associated with their company name and phone number. Today, customers can find businesses through an additional source: their internet domain name. Trademark law recognizes that domain names can often be construed as the actual name of the company and have the potential to dilute a famous brand.

The author’s office has provided numerous examples of DMV business partners that use DMV in their URLs. One company even markets itself under its internet domain name instead of the name it is incorporated as in order to comply with DMV regulations prohibiting company names from having DMV in them.

This bill recognizes that DMV business partners should not be able to mislead consumers or have an unfair competitive advantage by using “DMV” or “Department of Motor Vehicles” in their domain name to give them the appearance that they are endorsed by or affiliated with DMV. This bill does not affect internet domain names for entities that do not have occupational licenses with DMV.

Related legislation: AB 1190 (Haney) of 2025 caps qualified private industry partner fees to 2% above the amount that the department charges for the service when procured directly from DMV’s website or offices throughout the state.

AB 2183 (Mathis) of 2020 was nearly identical to this bill. That bill was not heard in this committee due to the COVID 19 pandemic.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: David Sforza / TRANS. / (916) 319-2093