

“WHAT’S IN A DOMAIN NAME?” A CRITICAL ANALYSIS OF THE NATIONAL AND INTERNATIONAL IMPACT ON DOMAIN NAME CYBERSQUATTING

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I. INTRODUCTION

The Internet resembles a spider web that encompasses the globe, consisting of an intertwined network of computers that allows users to distribute information and conduct commerce.¹ It is a free market in which there are few restrictions or boundaries.² This lack of restriction allows cybersquatters to flourish.³ Disputes between trademark holders and cybersquatters have captured the attention of the federal government and international governmental agencies.⁴ These governmental bodies created laws to prohibit the stealing of domain names by cybersquatters. However, the laws tend to go too far and give too much power to the trademark holder, restricting some forms of free speech and eliminating competition from companies with similar names.

This note is a critical analysis of the bad faith factors of the United States Anticybersquatting Consumer Protection Act (ACPA),⁵ and the Internet Corporation for Assigned Names and Numbers’ (ICANN)⁶ Uniform Domain Name Dispute Resolution Policy⁷ as they are applied

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1. See *Brookfield Communications Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1044 (9th Cir. 1999); see also *Name.Space, Inc. v. Network Solutions, Inc.*, 202 F.3d 573, 576 n.1 (2d Cir. 2000) (“The Internet is a vast system of interconnected computers and computer networks.”); *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 287 n.2 (D.N.J. 1998) (“The Internet is not a physical or tangible entity, but rather a giant network which interconnects innumerable smaller groups of linked computer networks.”).

2. See Elizabeth M. Shea, *The Children’s Interest Protection Act of 1999: Is Internet Filtering Software the Answer?*, 24 SETON HALL LEGIS. J. 167, 178 (1999). However, there are some restrictions as to obscenity, fraud, and child pornography. See *id.* at 170-78.

3. See generally S. REP. NO. 106-140, at 5 (1999) (“Trademark owners are facing a new form of piracy on the Internet caused by acts of ‘cybersquatting’.”).

4. See Lisa Carroll, *A Better Way to Skin the Cat: Resolving Domain Name Disputes Using State Unfair Competition Law*, 18 IPL NEWSLETTER, 1 (2000).

5. See 15 U.S.C. § 1125(d) (1999).

6. See Michael S. Denniston & Margaret Smith Kubiszyn, [WWW.YOURCLIENT.COM: Choosing Domain Names and Protecting Trademarks on the Internet](http://WWW.YOURCLIENT.COM), 61 ALA. LAWYER 40, 42 (2000). A not-for-profit international corporation made up of private Internet business people to develop and administer international policy for domain names. See *id.*

7. See Uniform Domain Name Dispute Resolution Policy (1999), available at

by courts against cybersquatters in their use of domain names and domain name registration. These two aggressive laws have not yet resolved many of the problems with which courts are confronted, such as protection of free speech. Nor do these laws solve conflicts that arise when businesses from different geographical regions employ identical names.

Part II of this note briefly summarizes the history and development of the Internet from its creation as a military project during the Cold War to its current status as a global network of information and commerce. With the introduction of domain name use by corporations and individuals, the courts struggled with trademark law in domain name disputes. The misapplication of the Federal Trademark Dilution Act (FTDA) and the bad faith use of domain names led to the creation of National and International Anti-Cybersquatting laws.

Part III is a critical analysis of the development of the United States Anti-Cybersquatting Consumer Protection Act⁸ and ICANN's⁹ Uniform Domain Name Dispute Resolution Policy (UDNDRP).¹⁰ First, this section reviews the nine factors implemented by courts to determine what is bad faith intent under the ACPA, as illustrated by *Sporty's Farm L.L.C. v. Sportman's Market, Inc.*¹¹ and *Shields v Zuccarini*.¹² Second, Part III discusses the development of ICANN and elements of the UDNDRP in relation to disputes over domain names. Third, the section examines the potential problems with the ACPA and UDNDRP. Fourth, it discusses First Amendment "Free Speech" arguments. Finally, the problems created by the application of the Network Solutions, Inc., (NSI) policy¹³ and the lack of Congress' involvement on domain name registration is reviewed with a discussion of potential solutions.

II. BACKGROUND

A. Development of the Internet

In the 1960s, the Internet was created by RAND Corp. at the request of the United States Department of Defense Advanced Research Project Association (ARPA) in response to the threat of a potential Soviet nuclear attack.¹⁴ During a crisis, it would allow the U.S.

<http://www.icann.org/udrp/udrp-policy-24oct99.html>.

8. See 15 U.S.C. § 1125(d) (1999).

9. See Denniston & Kubiszyn, *supra* note 6, at 42.

10. See ICANN, Uniform Domain Name Dispute Resolution Policy (1999), available at <http://www.icann.org/udrp/udrp-policy-24oct99.html>.

11. See 202 F.3d 489 (2d Cir. 2000).

12. See 89 F. Supp.2d 634 (E.D. Pa. 2000).

13. See Denniston & Kubiszyn, *supra* note 6, at 42.

14. See Ira S. Nathenson, Comment, *Showdown at the Domain Name Corral: Property Rights*

military bases, the Pentagon, universities, research facilities, scientists, and defense contractors to communicate through computer networks.¹⁵ These networks came to be known as “ARPANET.”¹⁶ ARPANET created networks within networks; therefore, if one network was destroyed in an attack or catastrophe, the information could be rerouted through an alternate path.¹⁷

For the next several decades, only the universities, scientists and the government used ARPANET.¹⁸ This network almost was unknown to the business community.¹⁹ In fact, “advertising and commercialization on the Internet were highly discouraged.”²⁰ In 1987, the National Science Foundation joined with IBM, MCI, and Merit to create the NSFNET modeled after ARPANET, which shifted the purpose of the Internet from a communication tool of the U.S. Department of Defense to a commercial tool of the business world.²¹ Since the commercialization of the Internet, the number of businesses using the Internet has doubled every year.²²

Today, the Internet has many different categories of communication: listservs (mailing list services), newsgroups, chat rooms, e-mail, and the World Wide Web.²³ Of these, the most popular is the

and Personal Jurisdiction Over Squatters, Poachers and Other Parasites, 58 U. PITT. L. REV. 911, 917-18 (1997). See generally *Reno v. ACLU*, 521 U.S. 844, 849-52 (1997) (discussing the history of the Internet).

15. See *Reno*, 521 U.S. at 849.

16. See Thomas R. Lee, *In Rem Jurisdiction in Cyberspace*, 75 WASH. L. REV. 97, 99-100 (2000). ARPANET stands for Advanced Research Project Association Network. See *id.* See also *Management of Internet Names and Addresses*, 63 Fed. Reg. 31,741, 31,741 (2000).

17. See Nathenson, *supra* note 14, at 917-18. See also G. Peter Albert, Jr., *Right on the Mark: Defining the Nexus Between Trademarks and Internet Domain Names*, 15 J. MARSHALL L. REV. 277, 278 (1997).

18. See Albert, *supra* note 17, at 278.

19. See Nathenson, *supra* note 14, at 918. “The Internet continued to grow through the 1970’s and 1980’s, with the number of Internet hosts exceeding 1,000 in 1984, 10,000 in 1987, and 300,000 in 1990.” *Id.*

20. Albert, *supra* note 17, at 278. The author discusses a case involving advertisements on the Internet by two Arizona attorneys. See *id.* They advertised legal services for immigration in every news-group. See *id.* Internet users became angry and the two attorneys received thousands of e-mails, which caused the system to shut down. See *id.* The two attorneys’ access to the Internet was eventually revoked. See *id.*

21. See Carrie Weinfeld, Comment, *Carrie@ONULREV.ONU.EDU: Internet Domain Names and Trademark Infringement*, 23 OHIO N.U. L. REV. 229, 231 (1996) (discussing the purpose of Advanced Research Projects Agency). See also Lee, *supra* note 16, at 101.

22. See Weinfeld, *supra* note 21, at 231. See also *Reno v. ACLU*, 521 U.S. 844, 844 (1997). “The number of ‘host’ computers— those that store information and relay communications— increased from about 300 in 1981 to approximately 9,400,000 by the time trial in 1996 About 40 million people used the Internet [in 1997] a number that is expected to mushroom to 200 million by 1999.” *Id.*

23. See *Reno*, 521 U.S. at 851-52. Examples of some pre-worldwide web Internet protocols are Telnet, Gopher, and File Transfer Protocol (ftp). Telnet was a connection between computers over the network. It allowed the user to run applications on a remote computer. Gopher allowed the user into another person’s computer. It consisted of numbered lists that were links to text-based information. It was comparable to a table of contents or index. File Transfer Protocol, commonly referred to as “ftp” allowed the user to add and delete files from remote computers. It is still in use today. Interview with John E. Christensen, Professor and Law Library Director, Washburn Law School, in Topeka, Kan. (Aug. 23, 2000); Telephone Interview with Dr. Donald R. Searing, CEO, Taknosys Corp. (Aug. 23, 2000).

World Wide Web.²⁴ This tool permits users to search, retrieve, and communicate information with different Internet sites called web pages.²⁵ Consumers now visit Internet business sites by typing words or abbreviations into their computers, and within seconds they are assaulted with information. The commercial implications of the Internet have just begun to unfold.

B. Domain Names

For people to find a business web page on the Internet, individuals need to know the business' Internet address.²⁶ These addresses are extremely important tools for communication.²⁷ By typing in a certain series of letters, numbers, and symbols, referred to as an Internet domain name, an Internet user gains access to a desired website.²⁸ For domain names, companies usually use nicknames, trade names, abbreviations, ticker names, or catchy phrases.²⁹ Because consumers have a hard time remembering names, the shorter and more memorable the name the better.^{30,31}

24. See *Reno*, 521 U.S. at 852.

25. See *id.*

26. See Stacy B. Sterling, *New Age Bandits in Cyberspace: Domain Names Held Hostage on the Internet*, 17 LOY. L.A. ENT. L.J. 733, 735 (1997).

27. See Gayle Weiswasser, *Domain Names, the Internet, and Trademarks: Infringement in Cyberspace*, 13 SANTA CLARA COMPUTER & HIGH TECH. L.J. 137, 146 (1997).

28. See *Watts v. Network Solutions, Inc.*, 1999 WL 778589, at 1 (S.D. Ind. 1999). See also *Panavision Int'l, L.P. v. Toepfen*, 141 F.3d 1316, 1318 (9th Cir. 1998) ("Every web page has its own web site, which is its address, similar to a telephone number or street address."); G. Andrew Barger, *Cybermarks: A Proposed Hierarchical Modeling System of Registration and Internet Architecture for Domain Names*, 29 J. MARSHALL L. REV. 623, 628 (1996) ("[D]omain names are to the Internet what addresses are to the U.S. Post Office.").

29. See J. Theodore Smith, Note, "*1-800-RIPOFFS.COM*": *Internet Domain Names are the Telephone Numbers of Cyberspace*, 1997 U. ILL. L. REV. 1169 (1997). See also Carl Oppedahl, *Remedies in Domain Name Lawsuits: How is A Domain Name Like a Cow?*, 15 J. MARSHALL J. COMPUTER, & INFO. L. 437, 442 (1997) (discussing that companies sometimes use their stock ticker symbol as their domain name).

30. See Barger, *supra* note 28, at 624 n.3 (citing Edward J. Naughton, *Is Cyberspace a Public Forum? Computer Bulletin Boards, Free Speech, and State Action*, 81 GEO. L.J. 409, 411-13 (1992)). In "Cyberspace," the registrations of these addresses are stored in the "Internet Domain Name System (DNS)" database. *Id.* "Cyberspace" is a term of art that was first coined by computer novelist William Gibson." *Id.* See also Ethan Katsh, *Law in a Digital World: Computer Networks and Cyberspace*, 38 VILL. L. REV. 403, 415 (1991). Cyberspace "is also a term that accepts implicitly the idea that new media bring about new environments and it recognizes that networks have an impact that goes beyond their normally perceived function of transmitting data at unmatched speeds." *Id.* See also Barger, *supra* note 28, at 628. See also Denniston & Kubiszyn, *supra* note 6, at 41.

31. See Denniston & Kubiszyn, *supra* note 6, at 41. Each web site has a unique address commonly called a Uniform Resource Locator or "URL," which is a type of Internet Protocol address commonly known as the "IP" address. See *id.* See Carroll, *supra* note 4, at 4. It is made up of four groups of numbers no higher than 256. See *id.* See Kenneth Sutherland Dueker, *Trademark Law Lost in Cyberspace: Trademark Protection for Internet Addresses*, 9 HARV. J.L. & TECH. 483, 492 (1996). A typical example is 100.101.102.103. Within that number: 100 indicates the network; 101 and 102 indicate the sub-networks; and 103 is the local address for a computer. See *id.* The DNS database connects these IP addresses with the "alphanumeric equivalents called Internet domain names." *Id.* "The term 'domain name' means any alphanumeric designation which 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." S. REP. NO. 106-140, at 4 (1999). "TLD"

In 1993, the National Science Foundation delegated the responsibility for the registration of domain names to Internet Network Information Center (InterNIC). InterNIC, in turn, gave the task to Network Solutions, Inc. (NSI).³² NSI's registration policy is "first-come, first-served."³³

In 1996, NSI revised the 1995 Domain Name Dispute Resolution Policy.³⁴ The revision established the status of the NSI in a lawsuit, as well as procedures for handling domain name conflicts.³⁵ The 1996 NSI policy states that if there is a domain name dispute between a trademark holder and a domain name holder, the trademark holder must prove that the trademark was registered before the domain name was secured.³⁶ If proven, NSI will transfer the domain name to the trademark holder.³⁷ This policy was created in an effort to curb legal costs and liability for businesses and users.³⁸

In addition, the 1996 policy provides immunity to NSI by stating that before an applicant files for a domain name, that applicant must

stands for Top-Level Domain which there are two types: "generic" and "geographic." See Nathenson, *supra* note 14, at 921. "SLD" stands for "Second Level Domain" and is usually chosen by the registrant of the domain name. See *id.* It consists of a business' name or personal name. An example of an Internet domain name is "http://www.washlaw.edu". The domain names consist of: 1) the "http," which stands for "hypertext transfer protocol," which allows for the use of hypertext markup language that links World Wide Web pages; and 2) "www," which stands for "World Wide Web" and allows access to homepages. See *id.* Examples of generic TLDs are: ".com" which is for commercial use; ".edu" which is for educational institutions; ".org" which is for miscellaneous and non-profit organizations; ".net" which is for network providers; ".gov" which is for the U.S. government; ".mil" which is for U.S. military organizations; and ".int" which is used for international treaty organizations and the Internet. See *id.* A new domain name that has been added to the TLD list is ".tv," which was originally and exclusively the TLD of Tuvalu government, a small Pacific island nation. See Sylvia Dennis, *DotTV Announces '.TV' Domain Names Now Available*, E-COMMERCE TIMES, May 15, 2000, at 1, available at <http://www.ecommercetimes.com/news/articles2000/000515-nb1.shtml>. Already several film and television companies have registered ".tv" domain names. See *id.* The symbol "TV" is "the most widely recognized two-letter symbol in the world . . ." *Id.* Examples of geographic TLDs are: ".us" which is the United States; ".uk" which is the United Kingdom; and ".fr" which is France. See also Nathenson, *supra* note 14, at 921; Jamie Love, *Can ICANN be Challenged on Antitrust Grounds?* available at <http://www.icannwatch.org/archives/essays/954539842.shtml>; Kenneth Sutherland Dueker, *Trademark Law Lost in Cyberspace: Trademark Protection for Internet Addresses*, 9 HARV. J.L. & TECH. 483, 493 (1996).

32. See Sterling, *supra* note 26, at 736. See also Gary W. Hamilton, *Trademarks on the Internet: Confusion, Collusion or Dilution?*, 4 TEX. INTELL. PROP. L.J. 1, 3 (1995).

33. *Id.* at 737. See also *Network Solutions, Inc. v. Umbro Int'l, Inc.*, 2000 WL 429449, *1 (Va. 2000). "In assigning the second-level domain names, NSI performs basically two services. NSI first compares applications with a database of existing domain names to prevent the registration of identical second-level domain names. NSI then matches the domain name to the corresponding IP number for the desired Web site." *Id.* at 4. Recently, Network Solutions and some other registrars announced that domain name owners can register their name for up to ten years. See *Domain Registrations Extended*, WIRED NEWS, Jan. 18, 2000, available at <http://www.wired.com/news/business/0,1367,33737,00.html>. Also, ICANN is looking into introducing 6 to 10 new domain names. See also Love, *supra* note 31, at 2; Brock N. Meeks, *New Domain Names on the Horizon*, MSNBC, Mar. 10, 2000 at 2 available at <http://www.msnbc.com>.

34. See Denniston & Kubiszyn, *supra* note 6, at 42.

35. See *id.*

36. See *id.* See also Smith, *supra* note 29, at 1176-77. The only proof needed was the registration date of the trademark with the Patent and Trademark Office. See *Id.*

37. See Denniston & Kubiszyn, *supra* note 6, at 42.

38. See Albert, Jr., *supra* note 17, at 281-82.

make sure the domain name does not infringe or interfere with someone else's right to it.³⁹ Furthermore, when the applicant registers its domain name it must agree to defend and indemnify all InterNIC organizations and NSI from any lawsuits.⁴⁰ Finally, applicants must make sure that, to the best of the applicant's knowledge, the domain name is not identical to a federally registered trademark or similar to the registered mark of another.⁴¹

Problems soon evolved from NSI's policy of registering domain names. NSI's policy ineffectively dealt with cybersquatters or cyberpirates⁴² because the policy of "first come, first served," encouraged many trademark infringements and dilution disputes, and the only retribution for cybersquatting was the removal of the domain name.⁴³

C. Trademarks

In 1870, Congress passed the first federal trademark law pursuant to the Commerce Clause, referred to as the Act of 1870, but the U.S. Supreme Court struck it down as unconstitutional in the "Trademark Cases."⁴⁴ The Court determined that the law exceeded Congress' enumerated power to regulate commerce.⁴⁵ Congress did not enact another federal trademark law until 1946 when it adopted the Trademark Act of 1946, commonly known as the Lanham Act,⁴⁶ which

39. See Smith, *supra* note 29, at 1176. When a person registers a domain name, NSI requires the registrant to research to make sure that it does not infringe on a corporation trademark. See *id.* Unfortunately, NSI will not check itself to make sure there is no infringing. See *id.* NSI will wait until litigation or court injunction before acting. See *id.*

40. See Smith, *supra* note 29, at 1176.

41. See Denniston & Kubiszyn, *supra* note 6, at 44. See also Albert, Jr., *supra* note 17, at 282.

42. See Lee, *supra* note 16, at 104. Cybersquatters can register a popular domain name first and then try to extort money from trademark holders. See *id.* See, e.g., *MTV v. Curry*, 867 F. Supp. 202, 203-05 (S.D.N.Y. 1994). Adam Curry a video jockey, registered "mtv.com" while he was employed at MTV. See *id.* When he left MTV, he tried to keep the domain name, but MTV was in disagreement. See *id.* The dispute was settled out of court on March 24, 1995. See *id.* See generally *Umbro Int'l, Inc. v. 3263851 Canada, Inc.*, 1999 WL 117760, at 1 (Va. Cir. Ct., Feb. 3, 1999). Another hostage example occurred when a cybersquatter registered the domain name "umbro.com" and tried to extort from Umbro \$50,000 in cash, a donation of \$50,000 to an Internet charity, and a lifetime supply of soccer equipment. See *id.* See generally S. REP. NO. 106-140, at 6 (1999) ("The Committee also heard testimony that Warner Bros. was reportedly asked to pay \$350,000 for the rights to the names 'warner-records.com,' 'warner-bros-records.com,' 'warner-pictures.com,' 'warner-bros-pictures.com,' and 'warnerpictures.com,'"). See generally Dan L. Burk, *Trademarks Along the Infobahn: A First Look at the Emerging Law of Cybermarks*, 1 RICH. J.L. & TECH. 1, 18-20 (1995)(discussing the case of *Stanley Kaplan v. Princeton Review*, which was filed after Princeton Review registered "kaplan.com" as a joke). Princeton Review posted its own advertising and made disparaging remarks about Kaplan's services. See *id.* Kaplan sued Princeton for capitalizing on its name. See *id.* Princeton Review offered to sell back the domain name for a case of beer. See *id.* Kaplan finally won its suit. See *id.*

43. Denniston & Kubiszyn, *supra* note 6, at 43.

44. See *United States v. Steffens*; *United States v. Wittemann*; *United States v. Johnson*, 100 U.S. 82, 82 (1879) (commonly known as "The Trademark Cases").

45. See *id.*

46. See Federal Trademark Act of 1946, 15 U.S.C. § 1051 et seq., (Supp. 1998).

still governs today.⁴⁷

The Lanham Act recognizes two examples of marks: service marks and trademarks.⁴⁸ When registered, a trademark is owned, and the owner is given exclusive control of its use.⁴⁹ The term “trademark” is defined as words and/or symbols employed by a person or business in referring to a product or a service.⁵⁰ The purpose of a trademark is to guard a person against misstatements and also to “identify the origin . . . of the goods or services to which the mark is attached.”⁵¹

The legislative history of the Lanham Act reveals that Congress intended the act to fulfill a dual purpose: (1) to protect a business’ goodwill in its trademark; and (2) to protect a person’s capability of differentiating goods from other goods.⁵²

47. *See id.*

48. *See Smith, supra* note 29, at 1177. “A service mark, a type of trademark, is a word or symbol used to identify services as well as goods.” *Id.* An example of a service mark is an advertisement adopted by the group of organizations, such as: “Be hold the power of cheese”; “Beef, its what’s for dinner”; “Got milk”. *See id.* *See generally* In Re Florida Citrus Commission, 160 U.S.P.Q 495, 495 (T.T.A.B. 1968) (discussing certification marks). An example of certification is the Underwriters’ Laboratories “UL” mark. *See id.*

49. *See Smith, supra* note 29, at 1177.

50. *See* 15 U.S.C. § 1127 (1994); *see also* Smith, *supra* note 29, at 1177.

51. Smith, *supra* note 29, at 1177. Federal trademarks must be registered with the Patent and Trademarks Office (PTO). *See id.* To qualify for registration at the PTO, the trademark must satisfy the requirement of “[a] bona fide use of [a] mark in the ordinary course of trade.” *Id.* at 1180 (citing ANNE HIRING, *Principles of Trademark Law, in Understanding Basic Trademark Law*, 17 (1996)). The PTO allows two ways to register a trademark, “Principal Register registration and Supplemental Register registration.” *Id.*

Principal Register is for inherently distinctive marks and marks that have become distinctive by acquiring secondary meaning. Secondary meaning is the consumer’s learned association of a trademark with a single source that results from exposure to use of the mark, for example, “RAISIN BRAN”. Supplemental Register covers descriptive marks lacking secondary meaning.

Id. at 1180-81.

52. *See* Weinfeld, *supra* note 21, at 240 (referring to S. REP. NO. 79-1333, at 3 (1946) and H.R. REP. NO. 76-944, at 3 (1939)). *See also* Qualitex Co. v. Jacobson Prod. Co., Inc., 115 S. Ct. 1300, 1300 (1995) (applying secondary meaning and distinctiveness); Dranoff-Perlstein Assoc. v. Sklar, 967 F.2d 852, 852 (3d Cir. 1992) (applying likelihood of confusion and distinctiveness); Perini Corp. v. Perini Constr., Inc., 915 F.2d 121, 121 (4th Cir. 1990) (applying the same); Sega Enter., Ltd. v. MAPHIA, 857 F. Supp. 679, 679 (N.D. Cal. 1994) (applying likelihood of confusion and ownership); Playboy Enter., Inc. v. Frena, 839 F. Supp. 1552, 1552 (M.D. Fla. 1993) (applying the same); Hasbro, Inc. v. Clue Computing, Inc., 66 F. Supp.2d 117, 121 (D. Mass. 1999) (applying the same). First, Ownership may be claimed by “[t]he first person to use a mark in commerce to distinguish his goods or services from those produced by others” Weinfeld, *supra* note 21, at 240. Second, “distinctiveness” means the mark must be distinctive from other similar marks and be capable of distinguishing product sources, not other products. *See id.* at 242. *See also* 15 U.S.C. § 1125(c)(1) (Supp. 1998). It provides factors used to establish the distinctiveness of a mark:

(A) the degree of inherent or acquired distinctiveness of the mark; (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used; (C) the duration and extent of advertising and publicity of the mark; (D) the geographical extent of the trading area in which the mark is used; (E) the channels of trade for the goods or services with which the mark is used; (F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks’ owner and the person against whom the injunction is sought; (G) the nature and extent of use of the same or similar marks by third parties; and (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

Id. There are four degrees of “distinctiveness” that a trademark is analyzed under by the PTO: “1) generic; 2) descriptive; 3) suggestive; and 4) arbitrary or fanciful.” Weinfeld, *supra* note 21, at 242. Third, the test for “likelihood of confusion” for a product is a “buyer’s subjective state of mind,”

However, federal trademark law allows multiple use of the same trademark as long as the mark is not used in the same market and there is no likelihood of confusion of products.⁵³ Trademark law clashes with domain name registration policy when companies with the same name, operating in different markets or offering similar products, attempt to register the same domain name.⁵⁴ Additional problems arise when cybersquatters can register a company's domain name with NSI before the business does so, rendering the name inaccessible to the company as a trademark on the Internet.

There are many cybersquatters that have abused NSI policy. Yet, Dennis Toeppen remains one of the most infamous because he registered such names as “deltaairlines.com,” ‘eddiebauer.com,’ and ‘neiman-marcus.com.’⁵⁵ In *Panavision Int'l, L.P. v. Toeppen*,⁵⁶ one of the first cybersquatting cases, Dennis Toeppen registered the domain names “panaflex.com” and “panavision.com.”⁵⁷ When Panavision found out, Toeppen tried to extort money from the corporation for the ownership of the domain names.⁵⁸ The court determined that Dennis Toeppen diluted Panavision's trademark.⁵⁹

Another incident involved McDonald's, Inc.⁶⁰ Joshua Quittner, a writer for *Wired* magazine, decided to register the domain name “mcdonalds.com” and create an e-mail address at “ronald@mcdonalds.com” to prove his point that it is too easy to register a well-known name with NSI.⁶¹ McDonald's eventually

which the courts analyze with eight factors. See Dueker, *supra* note 31, at 490; see also Weinfeld, *supra* note 21, at 243. See generally 15 U.S.C. § 1125(c)(1) (Supp. 1998) (giving remedies for dilution of famous marks); Brookfield Communication v. West Coast Entm't. Corp., 174 F.3d 1036, 1036 (9th Cir. 1999) (analyzing “confusingly similar marks”); Hasbro, Inc. v. Clue Computing, Inc., 66 F. Supp.2d 117, 121-26 (D. Mass. 1999) (analyzing trademark infringement); OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp.2d 176, 176 (W.D.N.Y. 2000) (giving an in-depth analysis of the eight factors under the “likelihood of confusion” test; however, these factors tend to lead to problems when applying them to domain names); Oppedahl, *supra* note 29, at 102 (discussing the dilution of trademarks); Danielle Weinberg Swartz, Comment, *The Limitations of Trademark Law in Addressing Domain Name Disputes*, 45 U.C.L.A. L. Rev. 1487, 1497-05 (1998) (discussing elements of likelihood of confusion).

53. See Gregory B. Blasbalg, *Masters of Their Domains: Trademark Holders Now Have New Ways to Control Their Marks in Cyberspace*, 5 ROGER WILLIAMS U. L. REV. 563, 587 (2000).

54. See *id.* The article stated:

[T]rademark law permits multiple parties to use the same mark for different classes of goods and services; however, the current organization of the Internet permits only one use of a domain name, regardless of the goods or services offered. That is, although two or more businesses can own the trademark ‘Acme,’ only one business can operate on the Internet with the domain name ‘acme.com’. Such a limitation conflicts with trademark principles and hinders the use of the Internet by businesses.

Id.

55. See Nathenson, *supra* note 14, at 926.

56. 945 F. Supp. 1296 (C.D. Cal. 1996), *affirmed*, 141 F.3d 1316 (9th Cir. 1998); see also *Intermatic v. Toeppen*, 947 F. Supp. 1227, 1227 (N.D. Ill. 1996).

57. See *id.* at 1318-20.

58. See *id.* at 1319.

59. See *id.* at 1327.

60. See Burk, *supra* note 42, at 21-22 (citing Joshua Quittner, *You Deserve a Break Today*, NEWSDAY, Oct. 7, 1994, at A05).

61. See *id.*

discovered the registry and requested the relinquishment of the domain name.⁶² Quittner agreed to do so, but only if McDonald's donated \$3,500 to a junior high school, which McDonald's did.⁶³

In 1996, Congress enacted the Federal Trademark Dilution Act of 1995⁶⁴ (FTDA) to guard against the dilution of federal trademarks.⁶⁵ Senator Patrick Leahy stated the purpose of the FTDA is to "help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others."⁶⁶ The FTDA "amends the Lanham Act to create a federal cause of action for dilution for owners of 'famous' marks, dispensing with the requirement (still needed to claim infringement) that a likelihood of confusion be established."⁶⁷ Dilution is the decrease in the identification of a famous mark.⁶⁸

Many problems exist because domain names are classified as trademarks. The Federal Trademark Dilution Act's language is vague and only applies to trademarks that are "famous." Defining "famous" is difficult when it comes to domain names.⁶⁹ In addition, the FTDA does not specifically prohibit cybersquatting.⁷⁰ Consequently, cybersquatters have not abandoned their practices because there are little punishments and few incentives.⁷¹

62. *See id.*

63. *See id.*

64. Federal Trademark Dilution Act § 43, 15 U.S.C. § 1125 (Supp. 1998).

65. *See Dueker, supra* note 31, at 491.

66. Albert, *supra* note 17, at 302, n.171 (citing 141 CONG. REC. S19, 312 (Dec. 29, 1995) (statement of Sen. Patrick Leahy)).

67. *See Dueker, supra* note 31, at 491. *See also* Oppedahl, *supra* note 29, at 102.

68. *See* Weinfeld, *supra* note 21, at 252. *See generally* Federal Express Corp. v. Federal Espresso, Inc., 201 F.3d 168, 168 (2d Cir. 2000) (discussing tarnishment and blurring); The New York State Soc'y of Certified Pub. Accountants v. Eric Louis Assoc., Inc., 79 F. Supp.2d 331, 331 (S.D.N.Y. 1999) (same as above); David J. Loundy, *A Primer on Trademark Law and Internet Address*, 15 J. MARSHALL J. COMPUTER & INFO. L. 465, 475-76 (1997) (same as above). Tarnishment occurs when a product is connected to an inferior quality product. *See id.* at 475. Blurring occurs when someone uses a mark, which causes the mark to lose its value. *See id.* "There are four requirements for protection of a trademark under the Act: 1) the person seeking injunctive relief must own the mark at issue; 2) the mark must be famous; 3) another person must use the mark in commerce after it has become famous; and 4) the other person's use must cause dilution of the mark's distinctive quality." Weinfeld, *supra* note 21, at 252. *See generally* OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp.2d 176, 176 (W.D.N.Y. 2000) (giving an in-depth analysis of "use in commerce", "likelihood of confusion," and its eight factors); Washington Speakers Bureau, Inc., v. Leading Authorities, Inc., 33 F. Supp.2d 496, 496 (E.D. Va. 1999) (same analysis as *OBH, Inc.*).

69. *See* Sterling, *supra* note 26, at 756-58.

70. *See* S. REP. NO. 106-140, at 7 (1999).

71. *See id.*

While the Federal Trademark Dilution Act has been useful in pursuing cybersquatters, cybersquatters have become increasingly sophisticated as the case law has developed and now take the necessary precautions to insulate themselves from liability. For example, many cybersquatters are now careful to no longer offer the domain name for sale in any manner that could implicate liability under existing trademark dilution case law. And, in cases of warehousing and trafficking in domain names, courts have sometimes declined to provide assistance to trademark holders, leaving them without adequate and effective judicial remedies. This uncertainty as to the trademark law's application to the Internet has produced inconsistent judicial decisions and created extensive monitoring obligations, unnecessary legal costs, and uncertainty for consumers and trademark owners alike.

III. ANALYSIS

A. Anticybersquatting Consumer Protection Act

The Intellectual Property and Communications Omnibus Reform bill was signed into law on November 29, 1999.⁷² Within its provisions is the Anticybersquatting Consumer Protection Act,⁷³ which amends the Trademark Act of 1946.⁷⁴ The Legislative intent behind this act is:

Id. See also Diane Cabell, *Domain Names: World Standard Set for Key Internet Disputes*, DISPUTE RESOLUTION MAGAZINE, at 13 (2000). The NSI policy would not prohibit the use of misspelled or similar domain names. See *id.* Many companies would get frustrated at the fact they could not bring a lawsuit. See *id.* In addition, many domain name registrants would provide false or misleading information on applications, making it impossible to get jurisdiction over the registrant. See *id.*

72. See 15 U.S.C. § 1125(d) (1999).

73. See *id.*

74. See Denniston & Kubiszyn, *supra* note 6, at 43. See also 15 U.S.C. § 1125(d) (1999). “On June 21, 1999, Senator Abraham introduced S. 1255 as the ‘Anticybersquatting Consumer Protection Act.’ The bill was cosponsored by Senators Torricelli, Hatch, McCain, and Breaux.” S. REP. NO. 106-140, at 5 (1999). Mr. Abraham wrote a letter to the President of the United States describing the new bill:

Mr. ABRAHAM. Mr. President, I rise today to introduce the Anticybersquatting Consumer Protection Act on behalf of myself, Senator Torricelli, Senator Hatch, and Senator McCain legislation will combat a new form of high-tech fraud that is causing confusion and inconvenience for consumers, increasing costs for people doing business on the internet, and posing an enormous threat to a century of pre-Internet American business efforts. The fraud is commonly called “cybersquatting,” a practice whereby individuals reserve [I]nternet domain names or other identifiers of online locations that are similar or identical to trademarked names. The easiest prey for cybersquatters has turned out to be computer-unsavvy trademark-owners in the non-internet world. Once a ‘brick and mortar’ trademark is registered as an on-line identifier or domain name, the ‘cybersquatter’ can engage in a variety of nefarious activities—from the relatively-benign parody of a business or individual, to the obscene prank of redirecting an unsuspecting consumer to pornographic content, to the destructive worldwide slander of a centuries-old brand name. For the cybersquatter, holding out a domain name for extortionate compensation is a tried-and-true business practice, and the net effect of this behavior is to undermine consumer confidence, discourage consumer use of the internet, and destroy the value of brand-names and trademarks of this nation’s businesses.

Many companies simply pay extortionate prices to cybersquatters in order to rid themselves of a headache with no certain outcome. For example, Gateway recently paid \$100,000 to a cybersquatter who had placed pornographic images to the website “[www.gateway2000](http://www.gateway2000.com).” Rather than simply give up, several companies already have instead sought protection from cybersquatters through the legal system. For example, the investment firm Paine Webb[er] was forced to sue an Internet Web site, “www.painewebber.com” and its creator. The domain issue took advantage of a typographical error—the missing “.” (dot) between ‘www’ and “painewebber”—in order to direct consumers desiring to do business with Paine Webber to a website containing pornographic images. As with much of the pre-internet law that is applied to this post-internet world, precedent is still developing, and at this point, one cannot predict with certainty which party to a dispute will win, and on what grounds, in the future.

Mr. President, some Americans continue to do a thriving, if unethical, business collecting and selling Internet addresses containing trademarked names. Whether perpetrated to defraud the public or to extort the trademark owner, squatting on Internet addresses using trademarked names is wrong. It must be stopped for the sake of consumers, for the sake of trademark owners and for the sake of the vast, growing electronic commerce that is doing so much to spur economic growth and innovation in this country.

Mr. President, the Anticybersquatting Consumer Protection Act will help to establish uniform rules for dealing with this attack on interstate commerce. This legislation would establish penalties for criminal use of a counterfeit trademark as a domain name. Using a company’s trademark or its variant as the address of an Internet site would constitute criminal use of a counterfeit trademark if the defendant registered the address either knowingly and fraudulently or in bad faith. Among the evidence establishing bad faith

To protect consumers and American businesses, to promote the growth of online commerce, and to provide clarity in the law for trademark owners by prohibiting bad-faith and abusive registration of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks—a practice commonly referred to as “cybersquatting.”⁷⁵

The ACPA was designed to “remedy the perceived shortcomings of applying the [Federal Trademark Dilution Act] in cybersquatting cases”⁷⁶

would be registry of a domain name with 1) intent to cause confusion or mistake or deception, to dilute the distinctive quality of a famous trademark, or intent to divert consumers from the trademark owner’s domain to one’s own; and 2) providing false information on the application to register the identifier, or offering to transfer the registration to a rightful owner for consideration for any thing of value. Bad faith could not be shown where the identifier is the defendant’s legal first name or surname or where the defendant used the identifier in legitimate commerce before the earlier of either the first use of the registered trademark or the effective date of its registration. Violation of this prohibition would constitute a Class B misdemeanor for the first offense; subsequent offenses would be classified as Class E felonies.

In addition, Mr. President, the Anticybersquatting Consumer Protection Act provides for civil damages in trademark cases of at least \$1,000, but not more than \$100,000 (\$300,000 if the registration or use of the trademark was willful) per trademark per identifier. The plaintiff may elect these damages in lieu of actual damages or profits at any time before final judgment.

These provisions will discourage anyone from “squatting” on addresses in cyberspace to which they are not entitled. In the process it will protect consumers from fraud, protect the value of countless trademarks, and encourage continued growth in our electronic commerce industry.

Mr. President, the growth of the Internet has provided businesses and individuals with unprecedented access to a worldwide source of information, commerce, and community. Unfortunately, those bad actors seeking to cause harm to businesses and individuals have seen their opportunities increase as well. In my opinion, on-line extortion in this form is unacceptable and outrageous. Whether it’s people extorting companies by registering company names, misdirecting Internet users to inappropriate sites, or otherwise attempting to damage a trademark that a business has spent decades building into a recognizable brand, persons engaging in cybersquatting activity should be held accountable for their actions

Statement of Senator Spencer Abraham on the Anticybersquatting Consumer Protection Act, available at <http://www.juramail.de/news/aktuell/cybersqs.html>. On July 28, 1999, the House heard testimony from:

Andrew Pincus, General Counsel, United States Department of Commerce; Francis Gurry, Assistant Director General & Legal Counsel, World Intellectual Property Organization (WIPO); Michael Roberts, Interim President and CEO, Internet Corporation for Assigned Names and Numbers (ICANN); Michael A. Daniels, Chairman of the Board, Network Solutions, Incorporated; Jonathan Cohen, President, Intellectual Property Constituency of the Domain Name Supporting Organization of ICANN; Ken Stubbs, Chairman of the Executive Committee, Internet Council of Registrars (CORE); Kathlene Karg, Director of Intellectual Property and Public Policy, Interactive Digital Software Association, for the Copyright Coalition on Domain Names; Mike Kirk, Executive Director, American Intellectual Property Law Association (AIPLA); and Anne Chasser, President, International Trademark Association (INTA).

H.R. REP. NO. 106-412, at 7-8 (1999).

75. S. REP. NO. 106-140, at 5 (1999).

76. *Sporty’s Farm L.L.C. v. Sportsman’s Market, Inc.*, 202 F.3d 489, 496 (2d Cir. 2000). The U.S. Congress stated the purpose of ACPA is: “Carefully and narrowly tailored, however, to extend only to cases where the plaintiff can demonstrate that the defendant registered, trafficked in, or used the offending domain name with bad-faith intent to profit from the goodwill of a mark belonging to someone else.” H.R. REP. NO. 106-412, at 10 (1999). See also 15 U.S.C. § 1125(d) (1999), which reads in pertinent part:

(d) (1) (A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person—

A person is liable in a civil lawsuit under the ACPA⁷⁷ when they have a “bad faith intent to profit,” or register and use a domain name that is “identical or confusingly similar” to a famous trademark.⁷⁸ To determine liability, Congress has provided courts with nine factors⁷⁹ to use in interpreting bad faith intent of cybersquatters and domain name holders.⁸⁰ Factors one through four describe what does not constitute “bad faith intent,” while factors five through nine describe what does constitute “bad faith intent.”⁸¹

The first factor the courts can look at is when the trademark or domain name was registered, or when it came into existence.⁸² Congress recognized the fact that the same name may have multiple uses.⁸³ The second factor, under the language of 15 U.S.C. § 1125(d)(1)(B)(i)(II), is: “the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person.”⁸⁴ Congress recognized that “fair use in trademark law” meant that “a person should be able to be identified by their own name, whether in their business or on a web site.”⁸⁵ Further, a person may have a legal name or nickname that is “identical or similar to a well-known trademark and registration of a domain name using that nickname would not tend to indicate bad faith.”⁸⁶ However, an applicant cannot adopt a trademark or intellectual property right for the purpose of evading the “bad faith intent.”⁸⁷ This bad faith factor allows a court the ability to determine if there is bad faith intent behind the use of a

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- (i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and
 - (ii) registers, traffics in, or uses a domain name that—
 - (I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark;
 - (II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or
 - (III) is a trademark, word, or name protected by reason of section 706 of Title 18 or section 220506 of Title 36, United States Code.

This act corresponds with ICANN’s Uniform Domain Name Dispute Policy. *See* BNA PATENT, TRADEMARK & COPYRIGHT LAW DAILY NEWS, Feb. 2, 2000, at 2.

77. *See* 15 U.S.C. § 1125(d) (1999).

78. *See* 15 U.S.C. § 1125(d)(1)(A)(ii)(I) (1999).

79. *See* 15 U.S.C. § 1125(d)(1)(B)(i). However courts are not limited to only the nine factors.

See id.

80. 15 U.S.C. § 1125(d)(1)(B)(i)(I)-(IX) (1999).

81. H.R. REP. NO. 106-412, at 10-11 (1999).

82. *See* 15 U.S.C. § 1125(d)(1)(B)(i)(I) (1999). Courts can look to see when the trademark was registered with the Patent and Trademark Office or when the domain name was registered with the domain name register. *See id.*

83. *See* H.R. REP. NO. 106-412, at 11 (1999). Congress uses the example of the name “Delta.” *Id.* Both Delta Airlines and Delta Faucets use the mark. “Similarly, the registration of the domain name ‘deltaforce.com’ by a movie studio would not tend to indicate a bad faith intent on the part of the registrant to trade on Delta Airlines or Delta Faucets’ trademarks.” *Id.* *See also* S. REP. NO. 106-140, at 13 (1999).

84. 15 U.S.C. § 1125(d)(1)(B)(i)(II) (1999).

85. H.R. REP. NO. 106-412, at 11 (1999); *see also* S. REP. NO. 106-140, at 13 (1999).

86. H.R. REP. NO. 106-412, at 11 (1999).

87. H.R. REP. NO. 106-412, at 11 (1999); *see also* S. REP. NO. 106-140, at 13 (1999).

nickname that is similar to a trademark.⁸⁸

The third factor from the ACPA the court may use to determine bad faith is “the person’s prior use, if any, of the domain name in connection with the bona fide offering of any goods or services.”⁸⁹ Congress intended courts to consider whether the domain name was being used for proper purposes by looking at the domain name holder’s business and what it is selling.⁹⁰ The burden of proof is on the domain name holder to present evidence of lack of confusion⁹¹ and a goodwill⁹² use of the domain name as a business.⁹³

The fourth factor the court may review is “the person’s bona fide noncommercial or fair use of the mark in a site accessible under the domain name.”⁹⁴ Congress’ intent was to balance a trademark holder’s interest with the noncommercial use of a domain name.⁹⁵ The House Report noted that using a domain name for profit alone does not prove bad faith intent.⁹⁶ However, Congress did not intend this language to provide a loophole to those who start up a legitimate site by using an infringing domain name.⁹⁷ Therefore, a court must determine whether the trademark has been or, is being, diluted by the domain holder when they use the similar domain name.⁹⁸ In addition, courts may look into the surrounding facts of the use of the domain name to determine whether suspicious circumstances exist.⁹⁹

88. See H.R. REP. NO. 106-412, at 11 (1999).

89. 15 U.S.C. § 1125(d)(1)(B)(i)(III) (1999).

90. See H.R. REP. NO. 106-412, at 11 (1999). “[L]egitimate use of the domain name in online commerce may be a good indicator of the intent of the person registering the name.” *Id.*

91. See Weinfeld, *supra* note 21, at 243. Courts in the past have analyzed likelihood of confusion with eight factors:

- 1) Strength (distinctiveness) of the mark;
- 2) degree of similarity between the marks being compared;
- 3) similarity of products or services being identified by the marks;
- 4) likelihood that the mark owner will “bridge the gap” between whatever differences exist in factor number three;
- 5) sophistication of the buyers;
- 6) the alleged infringer’s good faith in adopting the mark;
- 7) quality of the alleged infringer’s goods or services bearing the mark; and
- 8) evidence of actual confusion.

Id. See also Swartz, *supra* note 52, at 1497. See generally 15 U.S.C. § 1125(c)(1) (listing eight factors); OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp.2d 176, 185-90 (W.D.N.Y. 2000) (same as above); Hasbro Inc. v. Clue Computing, Inc., 66 F. Supp.2d 117, 121-26 (D. Mass. 1999) (discussing the eight factors); Oppedahl, *supra* note 29, at 101 (same as above).

92. See S. REP. NO. 1333, 79th CONG., 2d Sess. (1946), reprinted in 1946 U.S. CODE CONG. SERV. 1274, 1274. Goodwill has been analyzed by the amount of time, money, and energy the owner has spent to develop the trademark and presenting it to the public. See *id.*

93. See H.R. REP. NO. 106-412, at 11 (1999).

94. 15 U.S.C. § 1125(d)(1)(B)(i)(IV) (1999).

95. See H.R. REP. NO. 106-412, at 11 (1999); see also S. REP. NO. 106-140, at 13 (1999).

96. See H.R. REP. NO. 106-412, at 11 (1999).

97. See *id.* See also Panavision v. Toeppen, 141 F.3d 1316, 1316 (9th Cir. 1998). This case provides an example of how the court plugged up the loophole by determining that the defendant’s use of the domain name diluted the trademark and therefore was a violation under the FTDA. See *id.* at 1327.

98. See H.R. REP. NO. 106-412, at 12 (1999).

99. See Sporty’s Farm L.L.C. v. Sportsman’s Market, Inc., 202 F.3d 489, 499 (2d Cir. 2000).

The fifth ACPA factor courts may use to determine bad faith is:

The person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site.¹⁰⁰

With this section of the ACPA, Congress recognized the cybersquatter tactic of diverting consumers to the cybersquatter's site causing confusion as to the ownership of the domain name.¹⁰¹ A cybersquatter does this to sell inferior products using the trademark holder's name, to attempt to obtain personal information, or simply to damage the good reputation of the trademark name.¹⁰²

The sixth factor the court may look to under the Anticybersquatting Consumer Protection Act is:

The person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct.¹⁰³

The court has the discretion to consider an offer to sell the domain name as evidence of bad faith, but an offer of sale cannot be the sole factor to prove it.¹⁰⁴ An offer to sell a domain name, in fact, maybe a normal business practice, especially where there are two companies wanting the same domain name. However, a "normal" offer to sell will not involve an exorbitant amount.¹⁰⁵

The seventh ACPA factor the courts may use to determine bad faith intent is: "the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct."¹⁰⁶ Congress indicated that the intentional submission of false identification and service of process information to Network Solutions, Inc., is a common problem among cybersquatters.¹⁰⁷ Courts should look to the reasons behind the false contact information before determining whether there is a bad intent.¹⁰⁸ False contact information could stem

100. 15 U.S.C. § 1125(d)(1)(B)(I)(V) (1999).

101. See H.R. Rep. No. 106-412, at 12 (1999). One way to cause confusion is to sell inferior products. See *id.* See also S. REP. NO. 106-140, at 14 (1999).

102. See H.R. REP. NO. 106-412, at 12 (1999). See also *Shields v. Zuccarini*, 89 F. Supp.2d 634, 634 (E.D. Pa. 2000). For an example of diverting consumers and harming a mark. See *id.*

103. See 15 U.S.C. § 1125(d)(1)(B)(i)(VI) (1999).

104. See H.R. REP. NO. 106-412, at 12 (1999).

105. See *id.* at 12-13; see also S. REP. NO. 106-140, at 14-15 (1999).

106. 15 U.S.C. § 1125(d)(1)(B)(i)(VII) (1999).

107. See H.R. REP. NO. 106-412, at 13 (1999); see also S. REP. NO. 106-140, at 15 (1999).

108. See H.R. REP. NO. 106-412, at 13 (1999).

from an honest mistake or anonymity and in these cases, should not be considered bad faith intent.¹⁰⁹

The eighth factor of the ACPA courts may utilize is:

The person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties.¹¹⁰

Cybersquatters have begun "warehousing" a great many domain names that are similar to other trademarks.¹¹¹ By not selling the domain names, cybersquatters were able to evade the previous trademark laws.¹¹² Now, courts can use multiple registration of domain names as a factor for determining the bad faith intent.¹¹³

The ninth factor Congress incorporated into the ACPA is: "The extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of section 43."¹¹⁴ The trademark must be distinctive from other products and trademarks.¹¹⁵ The more distinctive the mark is, "the greater the association between the mark and the goods or services in the minds of consumers."¹¹⁶

Congress unwittingly created a defense to bad faith intent in the ACPA. Because of the statutory language, a registrant is not guilty of bad faith if the registrant "believe[s] that the use of the domain name was a fair use or otherwise lawful."¹¹⁷ Congress intended innocent domain name holders to be free from punishment under this act where the element of bad faith intent was missing.¹¹⁸

With previous laws that dealt with domain names, there were many problems, such as: the difficulty of determining federal jurisdiction, the often-high expense of litigation, and the rarely satisfactory outcome.¹¹⁹ When enacted, the ACPA dealt with these problems by allowing a trademark holder to obtain jurisdiction by filing a lawsuit in the district where the domain name holder is located.¹²⁰ It also gives a court the

109. *See id.*

110. 15 U.S.C. § 1125(d)(1)(B)(VIII) (1999).

111. *See* H.R. REP. NO. 106-412, at 13 (1999).

112. *See id.* at 13.

113. *See id.*

114. 15 U.S.C. § 1125(d)(1)(B)(IX) (1999). *See also* Sporty's Farm L.L.C. v. Sportsman's Market, Inc., 202 F.3d 489, 497 (2d Cir. 2000). The term "distinctiveness refers to inherent qualities of a mark . . ." *Id.*

115. *See* Weinfeld, *supra* note 21, at 242.

116. *Id.* There are four types of distinctiveness: "1) generic; 2) descriptive; 3) suggestive; and 4) arbitrary or fanciful." *Id.*

117. 15 U.S.C. § 1125(d)(1)(B)(ii) (1999).

118. *See* H.R. REP. NO. 106-412, at 10 (1999).

119. *See* H.R. REP. NO. 106-412, at 6 (1999). Previous laws would only take away the domain name from the domain name holder. *See id.*

120. *See* 15 U.S.C. § 1125(d)(2)(A) (1999), which reads in pertinent part:

ability to transfer, forfeit or cancel the domain name of the registrant.¹²¹ Finally, the ACPA now has carved the way for trademark holders to receive injunctive relief and statutory damages for every domain name held in bad faith.¹²²

1. Sporty's Farm L.L.C. v. Sportman's Market, Inc.

Many cases were filed after the ACPA was enacted,¹²³ but on

The owner of a mark may file an in rem civil action . . . if:

- (i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c); and
- (ii) the court finds that the owner—
 - (1) is not able to obtain in personam jurisdiction over a person who would have been a defendant in civil action under paragraph (1); or
 - (2) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1) by—
 - (aa) sending a notice of the alleged violation and intent to proceed under this paragraph to the postal and e-mail address provided by the registrant to the registrar; and
 - (bb) publishing notice of the action as the court may direct promptly after filing the action.

See also Lucent Technologies, Inc. v. LucentSucks.com, 95 F. Supp.2d 528, 528 (E.D. Va. 2000) (discussing in rem jurisdiction). “A plaintiff may proceed with an in rem action against a domain name if and only if the Court finds either that the plaintiff is unable to obtain in personam jurisdiction over the domain name registrant, or that the plaintiff is unable to find the domain name registrant.” *Id.* at 531. Further, the court found:

Our holding is consistent with the Congressional intent behind the in rem provision of the ACPA. The legislative history clearly shows that Congress enacted the provision to provide a last resort where in personam jurisdiction is impossible . . . Congress did not intend to provide an easy way for trademark owners to proceed in rem

Id. at 534.

121. *See* 15 U.S.C. § 1125(d)(1)(C) (1999).

122. *See* PUB. L. NO. 106-113 § 3003(d) (1999). *See also* United Greeks, Inc. v. Klein, 2000 WL 554196, *1 (N.D.N.Y. 2000) (holding in favor of the plaintiff for \$10,000 (\$2,000 for each domain name)).

123. *See NFL Uses New Cybersquatting Law to Seek Injunction Against Gambling Web Site*, 17 ANDREWS COMPUTER & ONLINE INDUS. LITIG. REP. 9 (2000). The complaint states that “the NFLtoday.com home page sets forth numerous confusing and misleadingly labeled links to NFL Power Picks, NFL News, NFL Stats, NFL Odds, NFL History, NFL Rules, NFL Records, NFL Scores, Player Tracker, League News, AFC Team Notes, NFL Team Notes, and Free NFL Picks.” *Id.* The NFL sought an injunction of the web site under the ACPA. *See id.* *See also What's Inside*, 17 ANDREWS COMPUTER & ONLINE INDUS. LITIG. REP. 1 (2000) (discussing a lawsuit between Harvard College against Michael Rhys and Michael Douglas). “Michael Rhys and Michael Douglas have unlawfully adopted Harvard’s HARVARD and RADCLIFFE marks, and have offered to sell or license numerous Internet domain names incorporating marks.” *Id.* at 2. *See also Tesh Sues and Settles in Domain Name Dispute*, 6 INTELL. PROP. STRATEGIST 5 (2000) (citing John Tesh v. Celebsites Inc., C.D. Calif., 00-00603ABC (RZx) filed 1/19/00).

Defendant registered “johntesh.com” as an Internet domain name without Tesh’s knowledge or consent. Tesh alleged that this wrongful registration of his name and reputation was made for Celebsites’ own advertising purpose and benefit. Further, Tesh claimed the defendants intended to sell the Internet domain name “johntesh.com” for a substantial profit without his knowledge or consent.

Id. This site caused confusion and deceived consumers. *See id.* *See also Trademarks: Dot.Com Plaintiff Alleges that ShopNow Acquired ‘Fame’ Since 1998 Registration*, BNA PATENT, TRADEMARK & COPYRIGHT LAW DAILY NEWS (2000). The defendant registered “ishopnow.com” which is very similar to the plaintiff’s “shopnow.com” mark. *See id.* “ShopNow” is a distinctive and famous mark and “[t]he defendant knew or should have known of ShopNow’s trademark rights.” *Id.* “Moreover, ishopnow.com is a domain that is identical and confusingly similar to the ShopNow mark; the domain was registered with a bad faith intent to profit, ShopNow claims, in violation of the anticybersquatting provision of the Lanham Act.” *Id.* *See also Trademarks: Cybersquatting Suit Claims Fan Club Site Infringes Actor Brad Pitt’s Rights in Name*, BNA PATENT, TRADEMARK & COPYRIGHT LAW DAILY NEWS (2000) (citing Pitt v. Alzarooni, C.D. Calif., 99-12626 GAF, filed

February 2, 2000, the first appellate court decision under the Anticybersquatting Consumer Protection Act was issued in the case of *Sporty's Farm L.L.C. v. Sportman's Market, Inc.*¹²⁴

The plaintiff, Sportsman's Market, Inc., was an aviation catalog company that had used the logo "sporty's" since the 1960s, and registered the nickname in 1985 with the United States Patent and Trademark Office.¹²⁵ Subsequently, the "sporty's" logo became well known in the aviation community.¹²⁶

In 1995, the defendant, Omega, a "scientific process measurement and control instruments" mail order catalog company, entered the aviation catalog business, and registered "sportys.com" as its domain name.¹²⁷ In 1996, Omega transferred the domain name to Sporty's Farm, a subsidiary of Omega.¹²⁸ Sporty's Farm advertised its Christmas tree business on the Internet site.¹²⁹ Soon after the domain name transfer to Sporty's Farm, Sportsman's found out that the domain name had been registered and requested it back.¹³⁰ Omega refused, and Sportsman sued.¹³¹ The district court concluded: (1) "sporty's" was protected under

12/2/99). "Actor Brad Pitt filed suit against the Finnish registrants of bradpitt.net . . ." *Id.* The website contained photos of Brad Pitt and sold other merchandise. *See id.* "Pitt claimed that his name was a distinctive and famous mark at the time of registration of both domains, and that the defendants registered the domains with a bad faith intent to profit from his name." *Id.* Pitt seeks ACPA statutory damages as well as transfer of the domain name. *See id.* *See also Trademarks: Teen Magazine Publisher Gets TRO Against Porn Domain Under Cybersquatting Law*, BNA PATENT, TRADEMARK & COPYRIGHT LAW DAILY NEWS (January 18, 2000) (citing Peterson Publishing Co. v. Blue Gravity Communications, D. N.J., 1:00 cv 78, 1/6/00). "The publisher of Teen Magazine won a temporary restraining order Jan. 6 . . . against the Internet domain name and domain holder of teenmagazine.com, a porn[ographic] web site . . ." *Id.* "The court held that the defendants would not be harmed by the entry of an injunction preventing use of the trademark." *Id.* The plaintiff claimed the defendant registered the domain name with bad faith, and intended to confuse and mislead Internet users under ACPA. *See id.* *See also* Eric J. Sinrod & John M. Neclerio, *Swatting at Cybersquatters*, UPSIDETODAY UPSIDE COUNSEL, at 2 (February 15, 2000), available at http://www.upside.com/UpSide_Counsel/38a844eb0.html. Bell Atlantic Corp. sued over 90 defendants for the right to its domain names. *See id.*

Some of the names include: "bellatlanticgte.com", "bellphones.com", and "ballatlantic.com", which linked to a pornographic web-site. The magistrate presumably found that, in some way, the cybersquatters had acted with a "bad faith intent to profit" when acquiring the domain names, as this must be shown for a plaintiff to bring an in rem action under the act.

Id. *See also* Quokka Sports, Inc. v. Cup Int'l Ltd., 99 F. Supp.2d 1105, 1108 (N.D. Cal. 1999). Quokka operates the America's Cup web site www.americascup.org. *See id.* The defendant registered the domain name www.americascup.com to sell and offer products relating to the 2000 America's Cup. *See id.* Quokka argued that the defendant violated the Anticybersquatting Consumer Protection Act. *See id.* The court stated that there is jurisdiction because the defendant purposefully availed himself to the U.S. by "deliberately target[ing] the U.S. market for goods and services related to the America's Cup." *Id.* The defendant operated "a storefront, selling services and products, and entering into contracts with U.S. advertisers." *Id.* at 1105-09. The defendant tried to compete commercially in the market. *See id.* *See also* The Dot Network, available at www.dotnetwork.com/news.asp (listing domain name disputes and news).

124. *See* 202 F.3d 489 (2d Cir. 2000).

125. *See id.* at 493.

126. *See id.* at 494.

127. *Id.*

128. *See id.*

129. *See id.*

130. *See Sporty's Farm L.L.C.*, 202 F.3d at 494.

131. *See id.*

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Note

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the Federal Dilution Trademark Act; (2) Omega and its subsidiary, Sporty's Farm, had diluted the mark when they used it as a domain name that "effectively compromise[d] Sportsman's Market's ability to identify and distinguish its goods"¹³²

The first question before the appellate court was whether the ACPA applied.¹³³ The district court had used the FTDA to decide the case, but during the case's pendency on appeal the ACPA was enacted.¹³⁴ As a result, the court determined that the ACPA specifically applied to this case.¹³⁵

Because the ACPA applied, the second matter for the court to decide was which of the nine bad faith intent factors applied. The first factor reviewed by the court was whether the name "sporty's" had a distinctive quality.¹³⁶ The court stated it had no doubt of Sportsman's trademark in "sporty's."¹³⁷ The court found that the "registration of the sporty's [trade]mark . . . entitle[d] Sportsman's to the presumption of an inherently distinctive" trademark.¹³⁸

The second factor the court examined was whether "sportys.com" was confusingly similar or identical to Sportman's Market, Inc.'s trademark.¹³⁹ The court stated that while "sportys.com" was not exactly the same as "Sporty's," it was similar enough to be confusing to consumers.¹⁴⁰

The third factor the court used in its determination of bad faith intent was whether the domain name "sportys.com" by Sporty's Farm was registered with a bad faith intent.¹⁴¹ Here, the court used several of the factors laid out under bad faith in the ACPA, and determined that neither Sporty's Farm nor Omega held the right to "sportys.com" at the time the domain name was registered by Omega.¹⁴²

In addition, the court reviewed facts that were unique to this case, looking for bad faith intent.¹⁴³ The explanation Omega gave about how it came up with the name "Sporty's Farm" was not credible according to

132. *Id.* at 495.

133. *See id.* at 496.

134. *See id.* at 495.

135. *See id.* at 497. *See also* Hamm v. City of Rock Hill, 379 U.S. 306, 306 (1964). There, the Supreme Court decided that "if subsequent to the judgment and before the decision of the appellate court, a law intervenes and positively changes the rule which governs, the law must be obeyed" *Id.* at 312-13. The court in Sporty's Farm L.L.C. determined that they might apply the ACPA to this case since in between the trial level case and appeal the ACPA was enacted. *See* Sporty's Farm L.L.C. v. Sportsman's Market, Inc., 202 F.3d 489, 497 (2d Cir. 2000).

136. *See Sporty's Farm L.L.C.*, 202 F.3d at 495.

137. *See id.* at 498.

138. *Id.* at 497 (citing Equine Technologies Inc. v. Equitechnology, Inc., 68 F.3d 542, 545 (1st Cir. 1995)).

139. *See id.* at 498.

140. *See id.* at 498-99.

141. *See id.*

142. *See id.* at 498. Sportsman's Market has had a federally registered trademark since 1985. *See id.* at 494.

143. *See id.* at 499.

the court.¹⁴⁴ Omega was aware of Sportsman's distinctive and famous "sporty's" mark.¹⁴⁵ The court found that Omega had registered the domain name with an improper motive, so that, Sportsman's could not register and use it.¹⁴⁶

The court concluded that Sporty's Farm did infringe on Sportsman's legal rights by using the domain name sportys.com.¹⁴⁷ However, the court did not award damages because the ACPA does not allow damages in "respect to the registration, trafficking, or use of a domain name that occurs before the date of the enactment of this Act."¹⁴⁸ Additionally, the court did not award damages under the Federal Trademark Dilution Act because the district court determined that the behavior did not amount to willful dilution, and the law was uncertain at the time Omega registered the domain name.¹⁴⁹

2. *Shields v. Zuccarini*

On March 22, 2000, *Shields v. Zuccarini*,¹⁵⁰ the second case dealing with the Anticybersquatting Consumer Protection Act, was decided in the United States District Court for the Eastern District of Pennsylvania.¹⁵¹ The plaintiff, Joseph Shields, was a graphic artist and creator of "Joe Cartoon," a collection of cartoons.¹⁵² In 1997, he registered the domain name www.joecartoon.com.¹⁵³ After the Joe Cartoon site became popular, the defendant, John Zuccarini, registered five different domain names varying slightly from "www.joecartoon.com," such as: "joescartoon.com," "joecarton.com," "joescartoons.com," "joecartons.com," "cartoonjoe.com."¹⁵⁴ When the

144. *See id.* The appellate court determined that Sportsman's was entitled to a "forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark." *Id.* at 500 (quoting 15 U.S.C. § 1125(d)(1)(C) (1999)). "This is precisely what the district court did here . . ." *Id.* However, the appellate court did not award the statutory damages available under the ACPA because it provides "that any remedies created by the new act are 'in addition to any other civil action or remedy otherwise applicable.'" *Id.* Since the district court did not award any damages under FTDA because of the lack of willful intent, the appellate court could not award the statutory damages available under § 1125(d). *See id.*

145. *See Sporty's Farm L.L.C.*, 202 F.3d at 499.

146. *See id.* The court stated:

Omega created another company in an unrelated business that received the name Sporty's Farm so that it could (1) use the sportys.com domain name in some commercial fashion, (2) keep the name away from Sportsman's, and (3) protect itself in the event that Sportsman's brought an infringement claim alleging that a 'likelihood of confusion' had been created by Omega's version of cybersquatting.

Id.

147. *See id.*

148. *Id.* at 500 (quoting 15 U.S.C. § 1125(d)(1)(A) (1999)).

149. *See id.*

150. 89 F. Supp.2d 634 (E.D. Pa. 2000).

151. *See id.* at 635.

152. *Id.*

153. *See id.* In 1998, Joseph Shields won "'shock site of the day' from Macromedia" and since then the site received "over 700,000 visits per month." *Id.*

154. *Id.* These sites trapped Internet users by not allowing them to exit except by "clicking on a succession of ads." *Id.*

plaintiff filed suit seeking injunctive relief, as well as statutory damages under the ACPA, the defendant changed the site's content displaying only a message stating it was a political protest to the www.joecartoon.com site.¹⁵⁵

The first issue the court reviewed was whether "Joe Cartoon" was a "distinctive or famous mark entitled to protection" under the ACPA.¹⁵⁶ The court turned to the factors listed in 15 U.S.C. § 1125(c)(1) to determine distinctiveness.¹⁵⁷ The first factor the court analyzed was the uniqueness of the mark.¹⁵⁸ The court determined "Joe Cartoon" was unique because it was the only type of Internet site of its kind in the nation using the phrase "Joe Cartoon."¹⁵⁹ Next, considering the second and third factors of the statute,¹⁶⁰ the court looked at the number of visitors to Shields' site; the retail locations where his products appeared; popularity of the site by word-of-mouth; and the locations where he had advertised his products.¹⁶¹ The court determined that there were over 700,000 visits per month to the Internet sites, and that Joe cartoon products had been sold all over the country both through retail stores and the Internet.¹⁶² The fourth factor under § 1125(c)(1) is the area where joecartoon.com had been used.¹⁶³ The court stated the geographical extent of Shields' joecartoon.com was nationwide.¹⁶⁴

The next factor the court looked to under § 1125(c) was the distribution of Shields' mark.¹⁶⁵ The court stated that merchandise from Shields' cartoons was being distributed on the Internet, in retail stores, and at tourist sites.¹⁶⁶ The sixth factor under § 1125(c) the court determined was how recognizable joecartoon.com was in the consumer market.¹⁶⁷ The court stated that the award "shock site of the day" that Shields won demonstrated that the site and cartoon had recognition.¹⁶⁸ The final factor the court evaluated was the similarity of joecartoon.com

155. *See id.* at 635-37.

156. *Id.* at 638.

157. *See id.*

158. *See* 15 U.S.C. 1125(c)(1)(A) (Supp. 1998).

159. *Id.* "This factor suggests both the inherent and the acquired distinctiveness of the mark," even though "Joseph was the ninth most popular name in America . . ." *Id.*

160. *See Shields*, 89 F. Supp.2d at 638-39. The second factor is "the duration and extent of use of the mark in connection with the goods or services with which the mark is used." 15 U.S.C. § 1125(c)(1)(B) (Supp. 1998). The court stated that for the last fifteen years Shields had used the name "Joe Cartoon." *Shields*, 89 F. Supp.2d at 638-39. In addition, Shields had used the domain name www.joecartoon.com for the last two years, "in connection with his animation's and the sale of products featuring his drawings." *Id.* at 638. The third factor under 1125(c)(1) is "the duration and extent of advertising and publicity of the mark." 15 U.S.C. § 1125(c)(1)(C) (Supp. 1998).

161. *See Shields*, 89 F. Supp.2d at 639.

162. *See id.*

163. *See id.*; *see also* 15 U.S.C. § 1125(c)(1)(D) (Supp. 1998).

164. *See Shields*, 89 F. Supp.2d at 639.

165. *See* 15 U.S.C. § 1125(c)(1)(E) (Supp. 1998).

166. *See Shields*, 89 F. Supp.2d at 639.

167. *See* 15 U.S.C. § 1125(c)(1)(F) (Supp. 1998).

168. *Shields*, 89 F. Supp.2d at 635.

to other marks in use.¹⁶⁹ The court simply stated that in the past fifteen years, Shields' Joe Cartoon was the only such cartoon in existence.¹⁷⁰

After determining that Joe Cartoon was distinctive and/or famous, the court had to decide whether "Zuccarini's domain names are 'identical or confusingly similar to' Shields's mark."¹⁷¹ Shields produced evidence showing that Internet users were confused by Zuccarini's site.¹⁷² The court decided Zuccarini's purpose in creating the sites was to confuse users.¹⁷³

Next, the court had to determine whether Zuccarini acted with bad faith intent.¹⁷⁴ The court noted the nine factors provided by § 1125(d)(1)(B)(i), but focused on the defendant's statement he made in court.¹⁷⁵ The defendant, Zuccarini, admitted to the trial court "that he registered the variations on 'Joe Cartoon,' as well as thousands of other domain names . . . in an effort to divert Internet traffic to his sites."¹⁷⁶

Even though the factors of 15 U.S.C § 1125(d)(1)(B)(i) implicated the defendant, he argued he was entitled to the protection of § 1125(d)(1)(B)(ii).¹⁷⁷ Zuccarini argued that his motive for registering the names was lawful because he created the sites to protest Joe Cartoon's use of "the graphic and gruesome depictions of brutality to animals"¹⁷⁸ Ultimately, the court found Zuccarini's purpose in creating the sites was to make money and not to protest the brutality against animals.¹⁷⁹ The court found it hard to believe that the gruesome nature of the cartoons would motivate Zuccarini to create a web site to protest a cartoon, since he had never complained about animal cruelty before.¹⁸⁰

After reviewing all factors under § 1125, the court determined that the defendant had no legal right to register the domain names due to the absence of a bona fide business use of any variation of Joe Cartoon.¹⁸¹ The defendant's acts exemplified the behavior the Anticybersquatting Consumer Protection Act was intended to prevent.¹⁸²

169. *See id.* at 639.

170. *See id.* at 638.

171. *Id.* at 639.

172. *See id.* The evidence Joseph Shields produced was an e-mail he had received from an Internet user stating "I tried to look up you[r] website yesterday afternoon and a protest page came up. Will I have trouble entering the site at times because of this?" *Id.*

173. *See id.*

174. *See id.* at 637-38.

175. *See id.* at 639.

176. *Id.* at 640.

177. *See id.*

178. *Id.*

179. *See id.* *See also* 15 U.S.C. § 1125(d)(1)(B)(ii) (1999) stating: "Bad faith intent described under subparagraph (A) shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful." *Id.*

180. *See Shields*, 89 F. Supp.2d at 640-41.

181. *See id.* at 641.

182. *See id.* at 642.

3. *The Importance of the Two Cases Mentioned*

These two cases show courts' willingness to accept and apply the bad faith factors to the facts of each case. In addition to the enumerated factors, these two courts created and used other factors specific to each case.¹⁸³ Congress gave federal courts broad discretion to determine bad faith intent, because the factors of each case are unique and will not necessarily fit neatly within the factors provided by the ACPA.¹⁸⁴ Therefore, cybersquatters will have a harder time avoiding court penalties because it is harder to predict how courts will determine bad faith intent.

B. Internet Corporation for Assigned Names and Numbers

Before 1998, there were no international laws regarding the Internet and cybersquatting.¹⁸⁵ In 1997, the Clinton Administration suggested that the governance of the Internet should be consistent across state and international borders.¹⁸⁶ Accordingly, in 1998, the U.S. Department of Commerce sought the support of the World Intellectual Property Organization (WIPO) to develop a uniform trademark and cybersquatting resolution.¹⁸⁷ The WIPO created a not-for-profit international corporation called Internet Corporation for Assigned Names and Numbers (ICANN). ICANN is made up of private sector Internet stakeholders. This corporation exists to develop and administer international policy for domain names.¹⁸⁸

183. See *e.g.* *Sporty's Farm L.L.C. v. Sportsman's Market, Inc.*, 202 F.3d 489, 499 (2d Cir. 2000). The court stated that the case is unique and "does not fit neatly into the specific factors enumerated by Congress" *Id.*

184. See S. REP. NO. 106-140, at 12 (1999). See H.R. REP. NO. 106-412, at 10 (1999).

185. See Carroll, *supra* note 4, at 1.

186. See *A Framework for Global Electronic Commerce*, at 3 (1997), available at <http://www.ecommerce.gov>; see also Jonathan M. Eisenberg, *A Guide to the Anticybersquatting Consumer Protection Act*, JOURNAL OF INTERNET LAW, at 9 (2000), available at http://www.gcwf.com/articles/journal/jil_march00_1.html.

187. See Eisenberg, *supra* note 186, at 9. Even though the White House and Department of Commerce sought the help of the WIPO for a uniform resolution, Congress still passed the Anticybersquatting Consumer Protection Act. See *id.* The Clinton Administration was concerned that the ACPA "would undercut a voluntary dispute resolution process being developed by the International Corp. for Assigned Names and Numbers . . ." Ritcheyna Shephard, *No Cybersquatter Protection Yet*, 22 NAT'L L. J. B8 (1999). See also U.S. Department of Commerce, *Management of Internet Names and Addresses*, available at http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.html. "The World Intellectual Property Organization (WIPO) has identified cybersquatting as a global problem and that '[f]amous and well known marks have been the special target of a variety of predatory and parasitical practices on the Internet.'" S. REP. NO. 106-140, at 7 (1999) (citing World Intellectual Property Organization, *Management of Internet Names and Addresses: Intellectual Property Issues 8* (1999)).

188. See Denniston & Kubiszyn, *supra* note 6, at 42. See also U.S. Department of Commerce, *Management of Internet Names and Addresses*, available at http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.html. The U.S. Department of Commerce stated:

The U.S. Government believes that the Internet is a global medium and that its technical management should fully reflect the global diversity of Internet users. We recognize the need for and fully support mechanisms that would ensure international input into the management of the domain name system. In withdrawing the U.S. Government from DNS

ICANN established the Uniform Domain Name Dispute Resolution Policy (UDNDRP) to handle any disputes over the ownership of domain names, and to provide a faster and cheaper alternative to litigation.¹⁸⁹ As a condition to registering a domain name, when a person registers a .com or .org or .net, the UDNDRP will now be a standard policy proscribed upon the domain name holder.¹⁹⁰

ICANN's UDNDRP policy mandates that the parties must attend mandatory Alternative Dispute Resolution¹⁹¹ to determine if the domain name is similar or identical, if there is a legitimate interest in the domain name, and if it has been registered in bad faith.¹⁹² All three elements must be established at the proceeding.¹⁹³ In addition, the challenger to

management and promoting the establishment of a new, non-governmental entity to manage Internet names and addresses, a key U.S. Government objective has been to ensure that the increasingly global Internet user community has a voice in decisions affecting the Internet's technical management.

Id. The new organization should maintain "the stability of the Internet . . . [and] encourage innovation and maximize individual freedom." *Id.*

189. See ICANN, Uniform Domain Name Dispute Resolution Policy (October 24, 1999), available at <http://www.icann.org/udrp/udrp-policy-24oct99.htm>; see also Cabell, *supra* note 71, at 12. The article stated:

The UD[ND]RP is a fast track. Once the complainant has paid the fee, the respondent must be notified within three days and has 20 days to respond. Upon receipt of the response, the panel has 14 days to make its decision. Parties will be notified within three days of the decision and the respondent has only 10 days after that to block implementation by seeking a court order in a mutual jurisdiction.

Id. at 13.

190. See Cabell, *supra* note 71, at 13.

191. See ICANN, Uniform Domain Name Dispute Resolution Policy, at 2, (October 24, 1999), available at <http://www.icann.org/udrp/udrp-policy-24oct99.htm>. There are three ICANN approved arbitration providers: World Intellectual Property Organization (WIPO), National Arbitration Forum (NAF), Disputes.org/e Resolution Consortium (DeC). See *id.* The fee for filing the complaint with ICANN approved arbitration providers is \$1,000 and it cost nothing to the respondent. See *id.* When the fee is paid, the arbitration providers will assign one or three panelists to resolve the domain dispute. See *id.* at 3. See also David P. Miranda, *The Master of Your Domain Name*, 18 IPL NEWSLETTER, 23 (2000). For ICANN definitions, rules and procedure refer to ICANN, *Rules for Uniform Domain Name Dispute Resolution Policy* (1999), available at <http://www.icann.org/udrp/udrp-rules-24oct99.htm>. See also E. Casey Lide, Note, *ADR and Cyberspace: The Role of Alternative Dispute Resolution in Online Commerce, Intellectual Property and Defamation*, 12 OHIO ST. J. ON DISP. RESOL. 193 (1996) (discussing further information on alternative dispute resolution in e-commerce). See also *New ADR Process Clears its First Internet Dispute*, 18 Alternatives to High Cost Litig. 23 (WestLaw LawPrac. Index) (2000). The first matter to be resolved by the alternative dispute resolution under ICANN's Uniform Dispute Resolution Policy was with the World Wrestling Federation Entertainment Inc. and the domain holder of "www.worldwrestlingfederation.com," Michael Bosman. See *id.* ICANN held that the bad faith requirement was satisfied because three days after Bosman registered the domain name, he contact the WWF Entertainment, Inc. and offered to sell the domain name to the WWF Entertainment Inc., "for valuable consideration in excess of any out-of-pocket costs." *Id.* (citing World Wrestling Federation Entertainment, Inc. v. Bosman, Case No. D99-0001 (1999), available at <http://arbiter.wipo.int/domains/decisions/html/d99-0001.html>). See also Domain Name Rights Coalition, Uniform Domain Name Dispute Resolution Policy, available at <http://minion.netpolicy.com/dnrc/UDRPchanges929.html> (discussing comments on ICANN's Uniform Domain Name Dispute Resolution Policy).

192. See ICANN, Rules for Uniform Domain Name Dispute Resolution Policy (October 24, 1999), available at <http://www.icann.org/udrp/udrp-rules-24oct99.htm>. The complaint should describe the manner in which complainant has a right in the domain name and why the respondent has no right to the domain name. See *id.*

193. See *id.*

the domain name holder must demonstrate the use of bad faith.¹⁹⁴ ICANN's Uniform Domain Name Dispute Resolution Policy does not define bad faith, but provides several examples, such as: registering a domain name to sell to the owner of the trademark for an inflated cost; registering a domain name to prevent the owner of the trademark from using it; registering a domain name to harm another's business; or attracting consumers to a website by confusing the cybersquatter's domain name with another.¹⁹⁵

The complainant has the initial burden of proving bad faith intent. As a defense, the respondent must demonstrate their right to the domain name by showing one of the following: 1) a bona fide use of the domain name; 2) a common use of domain name in connection with domain name holder; or 3) a good faith intent to use the domain name in a noncommercial way.¹⁹⁶

194. See *World Wrestling Federation Entertainment, Inc., v. Michael Bosman*, Case No. D99-0001 (1999), at 4, available at <http://arbitrator.wipo.int/domains/decisions/html/d99-0001.html>. "It is clear from the legislative history that ICANN intended that the complainant must establish not only bad faith registration, but also bad faith use." *Id.* The Ninth Circuit has also evaluated bad faith use. See *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1316 (9th Cir. 1998). The court equated exploitation with bad faith use, stating:

Toeppen's argument misstates his use of the Panavision mark. His use is not as benign as he suggests. Toeppen's "business" is to register trademarks as domain names and then sell them to the rightful trademark owners. He "acts as a 'spoiler,' preventing Panavision and others from doing business on the Internet under their trademarked names unless they pay his fee" . . . As the district court found, Toeppen traded on the value of Panavision's marks. So long as he held the Internet registrations, he curtailed Panavision's exploitation of the value of its trademarks on the Internet, a value which Toeppen then used when he attempted to sell the Panavision.com domain name to Panavision.

Id. at 1325. See also *Beverage and More, Inc. v. Glenn Sobel Mgt., AF-0092* (2000), available at <http://www.eresolution.ca/services/dnd/decisions/0092.html>; see also Ellen Rony and Peter Rony, *The Domain Name Handbook: High Stakes and Strategies in Cyberspace* (1999), available at <http://www.domainhandbook.com/udrp.html> (listing other ICANN cases decided or pending).

195. See ICANN, Uniform Domain Name Dispute Resolution Policy (October 24, 1999), available at <http://www.icann.org/udrp/udrp-policy-24oct99.htm>. ICANN listed the following as evidence of bad faith:

- (i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or
- (ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
- (iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.

Id.

196. See *Id.* ICANN lists the following as ways to demonstrate one's rights to a domain name:

- (i) before any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or
- (ii) you (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or

There are several benefits to utilizing ICANN's UDNDRP as opposed to the United States' ACPA. First, UDNDRP resolves the problem of international jurisdiction by providing that all registrants of domain names are bound by ICANN's policy.¹⁹⁷ ICANN's jurisdiction applies to any dispute no matter the location of any party.¹⁹⁸ The second benefit is that the time for discovery and motions is shortened—a decision is usually entered within sixty days after filing.¹⁹⁹ Finally, ICANN allows for electronic filing of papers such as motions and responses.²⁰⁰

ICANN's Uniform Domain Name Dispute Resolution Policy allows for an efficient resolution to the international cybersquatting problem. However, there are still many problems that have not been resolved by this new law.

C. Problems with the United States ACPA and ICANN's UDNDRP

There are several problems with the United States' ACPA and ICANN's URNDRP. First, these two acts allow big businesses to aggressively pursue smaller businesses that hold legitimate domain names.²⁰¹ The threat and cost of litigation and potential damage awards allow large corporations to obtain domain names by intimidating individuals and small corporations, making settlements more likely.²⁰²

The second problem with both of these laws is that courts do not interpret domain names as property of the registrant. In *Lucent Technologies v. LucentSucks.com*,²⁰³ the court stated that Congress has the power to make domain names property, however, Congress has not done so.²⁰⁴ Since Congress has not acted, courts consider domain names to be addresses. As e-commerce grows, the domain name will become more valuable because it is not only the Internet address to the business's web site, but it also represents to the consumer the identity of the business, in a manner similar to a trademark. In some cases, the domain name is the business's name. The domain names are even

(iii) you are making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

Id. See also *Beverage and More, Inc. v. Glenn Sobel Mgt.*, AF-0092 (2000), available at <http://www.eresolution.ca/services/dnd/decisions/0092.html>.

197. See ICANN, Rules for Uniform Domain Name Dispute Resolution Policy (October 24, 1999), available at <http://www.icann.org/udrp/udrp-rules-24oct99.htm>.

198. See *id.*

199. See *Miranda*, *supra* note 191, at 40.

200. See ICANN, Rules for Uniform Domain Name Dispute Resolution Policy (October 24, 1999), available at <http://www.icann.org/udrp/udrp-rules-24oct99.htm>.

201. See Debra Baker, *Standing Up to Cybersquatters*, 86 A.B.A. J. 18, 20 (2000).

202. See *id.* Thus, big businesses "can write these scary demand letters to mom and pop domain registrants" Eisenberg, *supra* note 186, at 10.

203. 95 F. Supp.2d 528 (E.D. Va. 2000).

204. See *id.* at 535

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advertised by companies in commercials, webpage ads and magazine ads. Under the law, domain names should be considered property of the business, not just an address.

Other problems arise directly from ICANN's Uniform Domain Name Dispute Resolution Policy. First, ICANN's UDNDRP does not prevent either party from seeking resolution of the dispute in the courts.²⁰⁵ The Arbitrator's decision is not implemented until ten days after the decision is announced; at which time it becomes binding.²⁰⁶ A party dissatisfied with the arbitration may simply set aside the ruling by filing a lawsuit within ten days after the announcement of the arbitrator's decision.²⁰⁷ This option allows a further waste of the parties' time, inhibiting the fast track of arbitration that ICANN was designed to accomplish.²⁰⁸ One solution is to cut off the parties' right to go to court by making the arbitration automatically binding.

Second, UDNDRP provides "no remedy other than the transfer of the domain to the trademark holder"²⁰⁹ Thus, businesses cannot recover damages caused by the cybersquatters' Internet site, including harm to the business trademark's reputation and goodwill. At most, businesses will only recover exclusive use of the domain name. The availability of the damage remedy is the primary reason why the United States Anticybersquatting Consumer Protection Act holds more appeal to an injured party.

Third, UDNDRP provides "safe harbors" which cybersquatters will soon learn to manipulate.²¹⁰ To fall within the safe harbor, a registrant must have a legitimate purpose for registering the domain name.²¹¹ A legitimate purpose would include using the site to sell goods and/or services.²¹² Cybersquatters may start to sell goods, or provide a service, so that it allows them to fit within the legitimate purpose exception.²¹³ ICANN Arbitrators and courts will soon need to develop bad faith intent factors to aid in discerning legitimate business practices from cybersquatter false pretenses.

Finally, UDNDRP does not mention whose trademark law ICANN

205. See ICANN, Uniform Domain Name Dispute Resolution Policy (October 24, 1999) available at <http://www.icann.org/udrp/udrp-policy-24oct99.htm>.

206. See *id.*; see also Latham and Watkins Litigation Department Bulletin No. 105, A New Era for Domain Name Disputes: Congress and ICANN Arm Trademark Owners with New Tools for Dealing with Cybersquatters, at 6, (February 2, 2000), available at <http://www.lw.com/pubs/clientAlert/htm/alert105.html>.

207. See ICANN, Uniform Domain Name Dispute Resolution Policy at 4 (October 24, 1999) available at <http://www.icann.org/udrp/udrp-policy-24oct99.htm>; see also Latham and Watkins Litigation Department Bulletin No. 105, *supra* note 206, at 5.

208. See Latham and Watkins Litigation Department Bulletin No. 105, *supra* note 206, at 6.

209. See *id.*

210. See *id.*

211. See *id.*

212. See *Telaxis Comm. Corp. v. Minkle*, Case No. D2000-0005, available at <http://www.arbiter.wipo.int/domains/decisions/html/d2000-0005.html>.

213. See *id.*

will accept.²¹⁴ Some countries employ trademark laws that may be contrary to United States' trademark law. Significantly, ICANN has failed to address which countries' trademark laws will be accepted as valid and which ones infringe on other countries' trademark laws.

D. The First Amendment "Free Speech" Argument

As soon as the United States Anticybersquatting Consumer Protection Act and ICANN's Uniform Domain Name Dispute Resolution Policy were enacted, Internet users became concerned for their First Amendment²¹⁵ free speech rights. These laws allow trademark holders to gain further ground in prohibiting free speech against their trademarks on the Internet, by allowing them to have the final say as to who may legitimately use a domain name.²¹⁶

There are two cases where trademark holders prevailed despite claims of free speech violations. In *Morrison & Foerster LLP v. Wick*,²¹⁷ Morrison & Foerster L.L.P. sued Wick who had registered multiple variations of the name "Morrison & Foerster."²¹⁸ The court stated that there are plenty of different forms of speech that a person can use to protest a business; such as, the use of a different, uncontroverted, domain name.²¹⁹ Additionally, in *Denver Area Education Telecommunications Consortium, Inc. v. Federal Communications Commission*,²²⁰ the Supreme Court stated it is not practical to protect domain names since technology is advancing so quickly.²²¹ Furthermore, the court noted that it is possible, in the future, that domain names may be considered a form of protected speech.²²² Free speech protection only applies to those words that have a communicative message even if there is another's trademark in that message.²²³ So long as the domain name

214. Obviously, the United States Trademark law will be acceptable because the United States government initially pushed for an international organization to determine domain names and domain name disputes.

215. U.S. CONST. amend. I. "Congress shall make no law . . . abridging the freedom of speech . . ." *Id.*

216. See *Yankee Pub. Inc. v. News America Pub. Inc.*, 809 F. Supp. 267, 275-76 (S.D.N.Y. 1992). The court stated:

The grant to one person of the exclusive right to use a set of words or symbols in trade can collide with the free speech rights of others. When another's trademark (or a confusingly similar mark) is used without permission for the purpose of source identification, the trademark law generally prevails over the First Amendment. Free speech rights do not extend to labeling or advertising products in a manner that conflicts with the trademark rights of others. In these circumstances, the exclusive right guaranteed by the trademark law is generally superior to the general free speech right of others.

Id. (citing *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989)).

217. No. Civ.A.00-2-465, 2000 WL 432774, at *1 (D. Colo. 2000).

218. *Id.* at *2.

219. See *id.* at *10.

220. 518 U.S. 727 (1996).

221. See *id.* at 742.

222. See *id.*

223. See *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp.2d 176, 197-98 (W.D.N.Y. 2000) (citing *Planned Parenthood Federation of America, Inc. v. Bucci*, 1997 WL 133313 (S.D.N.Y. 1997)).

that is identical or similar to a trademark is not used for “commercial”²²⁴ gain, there is no intentional consumer confusion nor harm to the corporation’s trademark reputation.²²⁵

But even in situations where a domain name is not used for commercial gain, the Anticybersquatting Consumer Protection Act enables trademark holders to keep a domain name from being registered because of the potential for consumer confusion and trademark infringement.²²⁶ Free speech is impeded when a person, motivated to register a domain name for a political or commentary purpose, would not do so because of the ACPA.²²⁷ If free speech were inhibited in that manner, corporations would be able to prohibit and/or control protected speech, especially critical commentary.²²⁸

Courts must look beyond the factors of the ACPA for expressive content that should be protected. In *Name.Space, Inc., v. Network Solutions, Inc.*,²²⁹ the plaintiff sued alleging antitrust and First Amendment violations because it was not permitted to be an Internet domain name registration service.²³⁰ The court stated that even though a domain name may be functional, such as providing an address, there is a communicative aspect that implies protection under the First Amendment.²³¹ This decision indicates that courts are beginning to realize the expression value of domain names, as well as the value of the information they allow the user to access.

224. *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 307-08 (D.N.J. 1998). “In *Planned Parenthood*, the use by the defendant of the plaintiff’s mark was found to be ‘commercial’ for three reasons: (1) the defendant was engaged in the promotion of a book, (2) the defendant was a non-profit political activist who solicited funds for his activities, and (3) the defendant’s actions were designed to harm the plaintiff commercially.” *Id.* See also *Planned Parenthood Federation of America v. Bucci*, 1997 WL 133313, at *5 (S.D.N.Y. 1997).

225. See *CPC Int’l, Inc. v. Skippy Inc.*, 214 F.3d 456, 461 (4th Cir. 2000). See also *Virginia State Bd. of Pharmacy v. Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976); *Anheuser-Busch, Inc. v. L&L Wings, Inc.* 962 F.2d 316, 321-22 (4th Cir. 1992). “The non-commercial use of a domain name that impedes a trademark owner’s use of that domain name does not constitute dilution.” *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 959 (C.D. Cal. 1997). “Some people are always confused . . . [That’s why a] higher showing of confusion is appropriate where, as here, First Amendment interests are at stake.” *Playboy Enter., Inc. v. Netscape Communications, Corp.*, 55 F. Supp.2d 1070, 1083 (C.D. Cal. 1999). The courts do not want a corporation monopolizing certain words just because they are trademarks. See *id.*

226. See Eisenberg, *supra* note 186, at 9-10.

227. See *id.*

228. See *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 33 (1st Cir. 1987); see also *CPC Int’l, Inc. v. Skippy Inc.*, 214 F.3d 456, 462 (4th Cir. 2000); *New Kids on the Block v. News America Publ’g, Inc.*, 971 F.2d 302, 307 (9th Cir. 1992); Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1710-11 (1999); Henry H. Perrit, Jr., *Tort Liability, The First Amendment, and Equal Access to Electronic Networks*, 5 Harv. J.L. & Tech. 65, 122 (1992). See generally Oscar S. Cisneros, *Bally Total Fitness Holding Corp. v. Faber*, 15 BERKELEY TECH. L.J. 229, 239 (2000) (discussing *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp.2d 1161, 1161 (C.D. Cal. 1998)). “By tracking Bally’s alleged indiscretions and poor business practices, Faber’s site serves as a watchdog and pushes Bally—and its competitor—to provide better services.” *Id.*

229. 202 F.3d 573 (2d Cir. 1999).

230. See *id.*

231. See *id.* at 585-86. However, the court stated that it “depends on the domain name in question, the intentions of the registrant, the contents of the website, and the technical protocols that govern the DNS.” *Id.* at 585.

Fortunately, the Anticybersquatting Consumer Protection Act and the Uniform Domain Name Dispute Resolution Policy both attempt to balance the protection of trademark owners while providing for those who wish to use a trademark for a noncommercial use, such as for commentary, parody, critique, or news reporting.²³² For example, under both provisions, the domain name holder is responsible for providing evidence to show that the website name qualifies as one of the protected forms of speech.²³³ Unfortunately, the only way to resolve such a dispute and determine if it falls within a protected speech category is through litigation.

In *Lucent Technologies, Inc. v. LucentSucks.com*,²³⁴ the plaintiff brought suit after the defendant registered the domain name “lucentSucks.com”, which contained sexually explicit photographs.²³⁵ The Fourth Circuit found merit in the domain name holder’s assertion of a First Amendment free speech right, in that, an effective parody²³⁶ would not confuse consumers, and therefore would not infringe on a corporation’s trademark.²³⁷ Here, as in other cases under the ACPA, the domain name holder bore the burden of showing that the parody website would not confuse consumers visiting the site.²³⁸

To meet the burden, a parody must be obvious to the consumer immediately upon opening the website.²³⁹ The domain name itself may provide a good indicator to the Internet user that the site is a parody.²⁴⁰ Good examples of parody domain names are “‘scientology-kills.com’ or ‘microsoftsux.com.’”²⁴¹ In *L.L. Bean, Inc. v. Drake Publishers, Inc.*,²⁴² the company L.L. Bean, Inc. brought a lawsuit against Drake Publishers for

232. See *Lucent Technologies, Inc. v. LucentSucks.com*, 95 F. Supp.2d 528, 535 (E.D. Va. 2000). See also *Cliff Notes, Inc. v. Bantam Doubleday Dell Pub. Group., Inc.*, 886 F.2d 490, 495 (2d Cir. 1989); *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp.2d 176, 197-98 (W.D.N.Y. 2000); *Yankee Publishing Inc. v. News America Publ'g Inc.*, 809 F. Supp. 267, 276 (S.D.N.Y. 1992).

233. See *Lucent Technologies, Inc.*, 95 F. Supp.2d at 535.

234. 95 F. Supp.2d 535 (E.D. Va. 2000).

235. See *id.* at 535-36.

236. See *Morrison & Foerster L.L.P. v. Wick*, 2000 WL 432774, at *9 (D. Colo. 2000). “A parody ‘must convey two simultaneous—and contradictory—messages: that it is the original, but also that it is not the original and is instead a parody.’” *Id.* (citing *Hormel Foods Corp. v. Jim Henson Productions, Inc.*, 73 F.3d 497, 503 (2d Cir. 1996)). See also *Jordache Enterprises, Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486 (10th Cir. 1987) (stating “[a] parody relies upon a difference from the original mark, presumably a humorous difference, in order to produce its desired effect.”); *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 970 (10th Cir. 1996) (stating that “in the case of a good trademark parody, there is little likelihood of confusion, since the humor lies in the difference between the original and the parody.”).

237. See *Lucent Technologies, Inc.*, 95 F. Supp.2d at 535 (citing *Anheuser-Busch, Inc. v. L&L Wings, Inc.*, 962 F.2d 316, 321 (4th Cir. 1992)).

238. See *id.* at 535-36. See also *Morrison & Foerster L.L.P.*, 2000 WL at *1; *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp.2d 176, 176 (W.D.N.Y. 2000).

239. See *OBH, Inc.*, 86 F. Supp.2d at 191. See also *Lucent Technologies, Inc.*, 95 F. Supp.2d at 535-36.

240. See *OBH Inc.*, 86 F. Supp.2d at 191.

241. See Domain Name Rights Coalition, Uniform Domain Name Dispute Resolution Policy, available at <http://minion.netpolicy.com/dnrc/UDRPchanges929.html>.

242. 811 F.2d 26 (1st Cir. 1987).

publishing a magazine containing the L.L. Bean trademark and nude models in sexually explicit positions.²⁴³ The court stated Drake Publishers was parodying the trademark, not anything else.²⁴⁴ The purpose of a trademark parody is to make people laugh at things associated with the trademark.²⁴⁵ However, even though parodies are considered protected speech, businesses still claim that the use of a domain name for a trademark parody injures business.²⁴⁶

Finally, if and when a court imposes an injunction on the use of the domain name, it must be narrowly construed and “prohibit only unlawful conduct.”²⁴⁷ The U.S. Supreme Court has acknowledged the fact that injunctions must be specific when addressing First Amendment rights.²⁴⁸

The courts and Congress need to take a closer look at protecting domain names as a form of free speech before it is too late. Why run the risk of restricting or criminalizing the expressions of innocent people using the Internet to express their personal beliefs?²⁴⁹

E. Problems and Solutions with Network Solutions, Inc., Policy and Top Level Domain Names

1. NSI Policy of Not Investigating Domain Name/Trademark Conflicts

A predominant problem arises in domain name registry because NSI fails to investigate the record of the Patent and Trademark Office (PTO) to determine if a proposed domain name conflicts with an existing trademark.²⁵⁰ NSI’s policy is to leave the record search up to the domain name applicant.²⁵¹ NSI could easily utilize the PTO to execute a trademark search when an applicant attempts to register a domain name, but does not do so.²⁵²

Some have called for a new government agency to oversee this,²⁵³

243. *See id.* at 27.

244. *See id.* at 34.

245. *See id.*; *see also* Hormel Foods Corp. v. Jim Henson Productions, Inc. 73 F.3d 497, 503-04 (2d Cir. 1996). The court distinguishes between Hormel’s “SPAM” and the parody by Jim Henson’s puppet named “Spa’am”. *Id.* The court stated that there are some significant differences, like the way the puppet’s name is spelled, the way the name is pronounced with two syllables, the context in which it is used, and the different visual displays. *See id.*

246. *See id.*

247. CPC Int’l, Inc. v. Skippy Inc., 214 F.3d 456, 461 (4th Cir. 2000).

248. *See id.* *See also* Madsen v. Women’s Health Center, Inc., 512 U.S. 753, 765 (1994); NAACP v. Claiborne Hardware Co., 458 U.S. 886, 924 n.67 (1982).

249. *See Cybersquatting Bill Would Harm Legitimate Communication and Small Business*, at 2, available at <http://www.domain-name.org/Cybersquatting.html>.

250. *See* Weinfeld, *supra* note 21, at 253.

251. *See id.*

252. *See id.*

253. *See* Elizabeth Robison Martin, “Too Famous to Live Long!” *The Anticybersquatting Consumer Protection Act Sets its Sights to Eliminate Cybersquatter Opportunistic Claims on Domain Names*, 31 ST. MARY’S L.J. 797, 839-42 (2000) (calling for a governmental agency called “Federal Domain Registry” to register domain names).

but it is this author's belief that Congress and ICANN need only strong-arm the existing agency by enacting a law or requiring the registrars to adopt a policy of investigating for trademark conflicts. If a proposed domain name conflicts with a trademark, the registrars could warn the registrant that there is a trademark on that name and to proceed at its own risk. The addition of a burdensome fine for registering such a domain name in violation of an existing trademark would also discourage cybersquatting. However, as the system stands, cybersquatters are allowed free rein in registering popular domain names.

An organization called Domain Name Rights Coalition argues that the NSI policy is "unfair" because NSI policies favor large businesses.²⁵⁴ A *Wired* magazine article also expressed concern over Network Solutions' policy, pointing out that the policy favors the trademark holder over the domain name holder.²⁵⁵ This forces the domain holder to litigate in order to establish his or her innocence.²⁵⁶ Unless changes are made to the current policy, the problems with cybersquatters' ability to register a famous trademark will persist.

2. Creating New Top Level Domain Names

One suggestion to solve the domain name problems is to create many new types of Top Level Domains (TLDs). "Some would be .com clones, like .inc, .biz, .web, .zone, .store, .firm, .mall, etc. Others would be particular to types of activity, such as .software, .consultant, .sex, .usedcars, .flowers or .drugstore."²⁵⁷ Also proposed is the use of ".shop" (for small businesses) and ".banc" (for banks and financial institutions).²⁵⁸ One or two new types of TLDs might alleviate some of the current problems. One option would be to use the TLD ".home" or ".pers" for personal domain names. Which would eliminate the problems created by people using .com as a personal website, where they show off baby pictures.

The .com was intended for commercial business use, not for someone's personal homepage.²⁵⁹ Legally licensed businesses should not get the short end of the stick because someone wants to use their .com for a personal homepage. Some regulation of the use of .com is

254. See Domain Name Rights Coalition, available at <http://www.domain-name.org/dissent723.html>.

255. See Simson Garfinkel, *Roadrunner, InterNIC's After You*, available at <http://www.wired.com/wired/4.10/updata.html>.

256. See *id.*

257. Love, *supra* note 31, at 2.

258. Roger J. Cochetti, *How New Internet Top-Level Domains Could be Introduced Rapidly on a Sound Basis*, available at <http://www.nsol.com/policy/gtldpaper20000419.html>.

259. See Albert, *supra* note 17, at 280. "The top level generally designates the type of organization that is using the domain name." *Id.*

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needed, which would free up available domain names.

In addition, NSI and ICANN could require new .com registrants to provide actual proof of a legitimate business, such as a state business licensing certification.²⁶⁰ Requiring a business to prove that it is a legitimate business would alleviate the excess of people who use .com for other personal purposes.

Finally, putting all these types of TLDs into use at once would likely cause consumer confusion and would not be useful to businesses. The problem with creating new Top Level Domains is that businesses with established domain names would have to “fight to protect their trademark name in thousands of new TLDs.”²⁶¹

IV. CONCLUSION

Cybersquatting is an international problem that has only recently been addressed by governmental organizations. The United States and World Intellectual Property Organization came together to resolve this problem and developed laws intended to provide courts with more guidance in determining bad faith intentions of domain name registrants. Laws being put into effect are the first steps in insuring the proper usage of the Internet. When these laws are utilized properly, the Internet can be a useful tool for a variety of tasks, allowing a vast amount of information to be accessed by individuals, government agencies, or corporations all over the world.

²⁶⁰. Such examples are articles of incorporation, LLC operating agreement, LLP partnership agreement, or any other form that would determine the registrant is a legitimate business.

²⁶¹. Love, *supra* note 31, at 2.