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A WINNING SOLUTION FOR YOUTUBE AND UTUBE? CORRESPONDING TRADEMARKS AND DOMAIN NAME SHARING

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I. INTRODUCTION

In *Universal Tube & Rollform Equipment Corp. v. YouTube, Inc.*[1] ("*YouTube* litigation"), the United States District Court for the Northern District of Ohio granted in part and denied in part a motion to dismiss various claims against the YouTube video-sharing service.[2] The plaintiff was Universal Tube & Rollform Equipment ("Universal"), a manufacturer of pipes and tubing products.[3] Since 1996, Universal has used the domain name utube.com, which is phonetically the

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1. 504 F. Supp. 2d 260 (N.D. Ohio 2007).
2. *Id.* at 263. The parties subsequently settled the litigation.
3. *Id.*

same as YouTube's domain name, youtube.com.[4] Youtube.com was registered in 2005 and gained almost immediate popularity as a video-sharing website.[5] As a result, Universal claimed that it experienced excessive web traffic by Internet users looking for youtube.com and mistakenly typing utube.com into their web browsers.[6] Universal's servers were initially unable to handle this traffic, which resulted in interruptions to its online business.[7] The *YouTube* litigation, although factually idiosyncratic, raises questions about how effectively current laws and policies resolve disputes in which two different companies assert trademark interests that correspond to the same or similar domain names.[8] In fact, since the inception of the domain name system there have been many examples in which several parties with legitimate trademark rights assert claims to the same corresponding domain name, such as when several companies whose name included the word Delta all sought the domain name delta.com.[9]

The "first-come, first-served" method has its pitfalls, at least as a policy governing domain name distribution. This policy has been in use since the inception of the domain name system,[10] although it has been modified to prioritize legitimate trademark interests over the interests of cybersquatters.[11] In a contest between two or more parties,

4. *See id.*

5. *See id.*

6. *Id.*

7. *Id.*

8. The term "corresponding" in this Article shall refer to domain names that are identical or confusingly similar to an unregistered or registered trademark. *See infra* Part III (discussing the applicable standards under trademark law and the Uniform Domain Name Dispute Resolution Policy).

9. *See infra* note 50 and accompanying text.

10. Jessica Litman, *The DNS Wars: Trademarks and the Internet Domain Name System*, 4 J. SMALL & EMERGING BUS. L. 149, 151 (2000) ("Network Solutions registered .com domain names on a first-come, first-served basis, just as all the Internet domain names had always been allocated." (citation omitted)).

11. *See* Anticybersquatting Consumer Protection Act § 3002(a), 15 U.S.C.A. § 1125 (West Supp. 2007); ICANN, Uniform Domain Name Dispute Resolution Policy (Oct. 24, 1999) [hereinafter UDRP], http://www.icann.org/dndr/udrp/policy.htm; *see also* Jonathan O. Nilsen, *Mixing Oil with Water: Resolving the Differences Between Domain Names and Trademark Law*, 1 J. HIGH TECH. L. 47, 51 (2002) ("[A] cybersquatter is a person who registers a domain name that matches a well-known company for the purpose of ransoming it to that company."(citation omitted)). In this Article, the term "legitimate interests" generally refers to registered or unregistered trademark interests. However, there are other kinds of legitimate interests that may arise in relation to a domain name outside of the trademark context such as interests in free expression. The Author has discussed these interests extensively in other contexts. *See, e.g.*, Jacqueline D. Lipton, *Beyond Cybersquatting: Taking Domain Name Disputes Past Trademark Policy*, 40 WAKE FOREST L. REV. 1361, 1407–09 (2005) [hereinafter Lipton, *Beyond Cybersquatting*]; Jacqueline D. Lipton, *Commerce Versus Commentary: Gripe Sites, Parody and the First Amendment in Cyberspace*, 84 WASH. U. L. REV. 1327 (2006) [hereinafter Lipton, *Commerce Versus Commentary*]; Jacqueline D. Lipton, *Who Owns "Hillary.com"? Political Speech and the First Amendment in Cyberspace*, 49 B.C. L. REV. 55 (2008) [hereinafter Lipton, *Who Owns "Hillary.com"?*]. This Article limits its consideration to competing legitimate trademark interests that correspond to a given domain name or set of domain names.

each of whom has an interest corresponding to the same domain name, the first to register generally will prevail, unless the parties privately agree to transfer the name.

Is this policy efficient? Could the domain name registration and dispute resolution system accommodate multiple trademark interests that correspond to the same domain name so that, for example, Delta Air Lines and Delta Faucets could share delta.com? Although nothing in the current domain name registration system stops trademark holders from reaching private domain name sharing agreements, this option has not been popular in practice.[12] Further, laws that focus on preventing trademark infringement and cybersquatting cannot provide effective solutions to domain name disputes between two or more holders of legitimate trademarks.[13]

There have also been attempts to deal with domain name disputes at a technological level. In recent years, the Internet Corporation for Assigned Names and Numbers ("ICANN") has added, and continues to debate adding more, generic top-level domains[14] ("gTLDs") to the system.[15] The availability of more gTLD options for similar domain names theoretically promotes a type of sharing: it allows multiple parties with competing, legitimate trademarks that correspond to the same or similar domain names to register different variations of the relevant domain names by using different gTLDs.[16] This approach,

12. There is no legal or technological reason why trademark holders cannot enter into such contracts, although there may be few economic incentives to do so. One good example of a private domain name sharing arrangement arose with respect to the domain name playtex.com, which is discussed in detail in Part III.A. *See also* Eric Goldman, *Deregulating Relevancy in Internet Trademark Law*, 54 EMORY L.J. 507, 546 (2005) ("[S]ome domain names resolve to a 'gateway page' (also referred to as a 'shared page' or 'intermediate page') for the sole purpose of allowing multiple trademark owners or licensees to 'share' the domain name through links on the page to their respective sites." (citation omitted)).

13. *See infra* Part III.

14. A domain name is an easy-to-remember string of characters that Internet users may use to navigate to a particular computer or website on the Internet. The domain name consists of a series of alphanumeric labels separated by dots. The right-most label following the terminal dot is known as the top-level domain name. Most top-level domains consist of three or more letters. Top-level domains are commonly used, at least in theory, by a particular class of organization. These domains are called "generic top-level domains" ("gTLDs"). While domain names may be registered in three gTLDs (.com, .net, and .org) without restriction as to the identity of the registrant, other gTLDs are designed for a limited purpose (for instance, .mil by the military). In contrast, country code top-level Domains ("ccLTDs") usually consist of two letters and are intended for use by websites in particular countries or territories. ICANN, Top-level Domains, http://www.icann.org/tlds (last visited May 12, 2008).

15. In 2000, ICANN added seven new gTLDs to the domain name system: .aero, .biz, .coop, .info, .museum, .name, and .pro. *Id.* ICANN proposed adding even more new gTLDs. *See* ICANN, Status Report for Ongoing GNSO Policy Development Process, http://www.icann.org/processes/gnso/current-issues.html (last visited May 12, 2008).

16. Some new gTLDs, such as .eu, use "sunrise periods," which allow entities with a legitimate trademark corresponding to a given domain name to gain priority in registration of the name before the domain space is opened to the general public. When two or more entities assert interests corresponding to the same domain name during the sunrise period, this

however, has not been particularly effective because the new gTLDs are used infrequently while the .com gTLD remains popular.[17] The current regulatory system is also silent on the issue of phonetically similar domain names that are spelled differently, such as utube.com and youtube.com.

Another potential technological solution to the problem of multiple trademark holders asserting interests corresponding to the same or similar domain names might be more sophisticated search engines. Domain names may be increasingly unimportant in the age of complex Internet search engines, because Internet users can effectively find what they are looking for by using a search engine such as Google, rather than by manually entering the domain name.[18] In this view, it therefore does not matter if a given trademark holder does not own the most intuitive version of its corresponding domain name. Why would it matter if Delta Airlines did not hold delta.com if Internet users could still easily find Delta Airline's website by using a search engine? Unfortunately, sophisticated search engines offer no assistance when users simply guess the domain name. For example, in the YouTube scenario, search engines did not protect Universal from the kind of reverse trademark confusion that caused its servers to go down daily because of traffic destined for youtube.com.[19] These users relied on their domain name guess, rather than a search engine, in their attempts to locate the popular video-sharing website.[20]

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period may provide an additional opportunity for the parties to negotiate a sharing arrangement before the registration is finalized. Under the UDRP, current gTLDs like .com, .net, and .org have no sunrise period, so such a solution would not apply to them. *See infra* note 134.

17. Goldman, *supra* note 12, at 545.

18. *See, e.g.*, *id.* at 548 ("For some searchers, search engines have supplanted the DNS's core search function of delivering known websites. In turn, top search engine placements have eclipsed domain names as the premier Internet locations." (citation omitted)). *But see* Lipton, *Commerce Versus Commentary*, *supra* note 11, at 1340 (explaining that users will continue to use domain names to identify particular websites, despite the importance of search engines).

19. According to Universal, the presence of youtube.com has caused several problems:

> Traffic at utube.com's website increased from a "few thousand" visitors per month before youtube.com began operating to approximately 70,000 visitors *per day*. This influx of visitors has caused Universal's web servers to crash on multiple occasions. This, in turn, impedes access to Universal's website by its customers, with a resultant loss in sales. . . . Finally, Universal maintains that confusion between the two websites has tarnished Universal's reputation.

Universal Tube & Rollform Equip. Corp. v. YouTube, Inc., 504 F. Supp. 2d 260, 263–64 (N.D. Ohio 2007).

20. In February 2008, Universal moved its online business to the domain name utubeonline.com and began using its original domain name, utube.com, as a content-sharing service. *See* Utube, http://www.utube.com (last visited May 12, 2008).

After many years of domain name disputes involving similar trademark interests,[21] it is time to think more creatively about how the legal and regulatory systems can facilitate better solutions to these problems. Trademark and domain name systems should become more nuanced in order to address different types of conflicts involving the same domain name. This Article examines the possibility of developing domain name sharing strategies in cases such as YouTube and Universal. In particular, it presents a proposal to expand the Uniform Domain Name Dispute Resolution Policy[22] ("UDRP") to facilitate domain name sharing arrangements. A domain name sharing policy implemented under the UDRP would lead to better data about when sharing might be effective, to more sharing in appropriate cases, and ultimately to the development of new sharing norms that include privately negotiated arrangements. Resolving domain name disputes through the UDRP would also have the advantage of being a low-cost, global option.

This proposal focuses on disputes that involve competing legitimate registered or unregistered trademark interests corresponding to a domain name. Sharing is not a viable solution when a dispute involves a bad faith registrant of a domain name, such as a cybersquatter, who has no particular plans for a given domain name other than an intent to transfer it to a trademark holder for a commercial profit.[23] A cybersquatter has no incentive to share because he has no interest in continuing to use the name. The name is valuable to the cybersquatter only as an asset that can be sold to a trademark holder.

Part II of this Article describes the prevalence of disputes arising between trademark holders with legitimate interests corresponding to the same domain name. Part III shows that current legal and regulatory mechanisms cannot effectively resolve conflicts between holders of competing trademark interests. Part IV proposes an expansion of the UDRP that would resolve these disputes by facilitating domain name sharing. Part V summarizes the benefits and limitations of such sharing arrangements and concludes that domain name sharing is likely to change how domain names are managed and assigned in the future.

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21. *See* Litman, *supra* note 10, at 153 (listing examples of contests between multiple legitimate trademark holders with respect to the same or similar domain names).

22. ICANN administers the domain name system. *See* ICANN, About, http://icann.org/about (last visited May 12, 2008). The UDRP is a private arbitration system sponsored by ICANN that currently deals with disputes to protect legitimate trademark holders against cybersquatting and other bad-faith practices in the domain space. *See* UDRP, *supra* note 11.

23. See *infra* Part III.C for a definition of bad-faith cybersquatting.

II. CONFLICTING TRADEMARK INTERESTS CORRESPONDING IN SIMILAR DOMAIN NAMES

ICANN administers the domain name system.[24] The system was originally established to make it easier to navigate the World Wide Web by allowing users to find relevant websites through the use of alphanumeric strings of characters — domain names that could be typed directly into a web browser's address bar. Domain names therefore make it unnecessary for an Internet user to know the actual Internet Protocol ("IP") address[25] of the relevant website. The actual IP address of the website is represented by a long string of numbers, which is very difficult to remember and for which there is no easy-to-use consumer directory. Alphanumeric domain names that map onto IP addresses, by contrast, are generally very easy to remember.

Initially, the system was established on a first-come, first-served basis by ICANN.[26] In other words, whoever applied for a domain name first could generally register the name. Domain name registrars do not have the time, expertise, or legal duty to monitor the legal bona fides of an applicant for a domain name.[27] The registrars' costs would increase dramatically if they could be held liable for the registration of a domain name to which another party had a legal interest or entitlement.[28]

As a result, it soon became apparent that the simple first-come, first-served approach could be abused by cybersquatters who had no particular interest in the names they registered, other than to profit by transferring the names to entities with a legitimate interest in them. An example is Dennis Toeppen, who registered over 200 domain names — many of which corresponded to well known trademarks.[29] Initially, cybersquatting was addressed by courts under domestic trademark law;[30] ultimately, it was addressed at a more global level by

24. ICANN, *supra* note 15.
25. *See id.*
26. Litman, *supra* note 10, at 151.
27. The registrars provide a purely technological function; their offices are not staffed with legal experts. Requiring such expertise as the registrar level would increase the costs of the system and deter new players from entering the registry market.
28. In the early days of the domain name system, registries were occasionally sued for the registration of particular domain names. *See, e.g.*, Lockheed Martin Corp. v. Network Solutions, Inc., 194 F.3d 980, 980 (9th Cir. 1999) (rejecting a claim against Network Solutions for registering domain names corresponding to Lockheed's trademarks). A company in New Mexico also sued Network Solutions when it suspended the company's registration of the roadrunner.com domain name in the wake of trademark infringement complaints from Warner Brothers. *See* Lipton, *Beyond Cybersquatting*, *supra* note 11, at 1407–08; Litman, *supra* note 10, at 156.
29. Dennis Toeppen, Dennis Toeppen's Home Page, http://www.toeppen.com (last visited May 12, 2008); *see also* Lipton, *Beyond Cybersquatting*, *supra* note 11, at 1370.
30. *See, e.g.*, Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1318 (9th Cir. 1998).

ICANN's adoption of the UDRP.[31] In the United States, the Anticybersquatting Consumer Protection Act[32] ("ACPA") inserted provisions into the Lanham Act to address cybersquatting.

The first-come, first-served approach to registration was modified during the 1990s as courts, legislatures, and regulatory bodies placed restrictions on bad faith domain name registrations.[33] Registrars also tightened contractual restrictions imposed on registrants through the registration application.[34] The new restrictions require an applicant to warrant that, to its knowledge, it is not infringing on another's rights,[35] and that it will submit to a UDRP arbitration if there is a complaint brought by someone with a legitimate interest corresponding to the domain name, such as a trademark.[36] The domain name system now addresses cybersquatting, and ICANN has adopted relatively fast, simple, and convenient procedures for addressing complaints made by legitimate trademark holders.[37]

The system, however, does not address other problems. Efforts to regulate the domain name system have stalled since the end of the twentieth century. Regulators apparently assumed that once the problem of cybersquatting was resolved, the first-come, first-served system would remain an effective way to allocate domain names.[38] Indeed, regulators have paid little attention to other types of conflicts between two or more entities asserting interests corresponding to similar domain names.[39] As case law and arbitral decisions have demonstrated since the 1990s, cybersquatting may be only the tip of the iceberg of domain name conflicts.[40]

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31. *See* UDRP, *supra* note 11.

32. Pub. L. No. 106–113, 113 Stat. 1501 (1999) (codified as amended at 15 U.S.C. §§ 1125(d), 1129 (2000)).

33. There were other modifications to the first-come, first-served approach with respect to some of the newer top-level domains. *See* Goldman, *supra* note 12, at 545 ("[N]ew TLDs in the recent years have abandoned the 'first to register' relevancy algorithm, giving priority to trademark owners.").

34. *See* UDRP, *supra* note 11, ¶ 2.

35. *Id.* ¶ 2(b).

36. *Id.* ¶ 4(a).

37. *See infra* Part III.D.

38. *See* Lipton, *Beyond Cybersquatting*, *supra* note 11, at 1362–63.

39. *See id.* at 1364–65.

40. There are many kinds of legitimate interests in domain names, other than trademark interests, that should be protected by the domain name system. These other interests result in new kinds of disputes, including: (1) competitions between trademark holders and those wanting to criticize or parody trademark holders; (2) competitions between trademark holders and those wanting to assert free speech interests more generally; (3) competitions over domain names between people with corresponding personal names and those wanting to comment on those people, either in a positive or negative way; (4) conflicts between people with non-trademark interests — such as personal names, cultural, or geographic interests — in particular domain names and cybersquatters attempting to extort money for use of those domain name; and (5) conflicts among competing interests in domain names relating to political campaigns. These kinds of conflicts are now beginning to be addressed in relevant literature, judicial and arbitral decisions, and the regulatory reform process. *See* Lipton,

One kind of conflict that cannot be effectively resolved under the current system is a conflict between two or more holders of trademarks corresponding to the same or similar domain names.[41] Delta.com is an example of a domain name in which many parties have competing trademarks corresponding to the same domain name. Since the initial registration of the name, at least three corporations with corresponding trademarks have sought to obtain and maintain its registration — Delta Air Lines, Delta Financial, and DeltaComm Internet Services.[42] The domain name now belongs to Delta Air Lines as a result of negotiations with Delta Financial, which obtained the name from DeltaComm Internet Services.[43]

The *YouTube* litigation is an example of parties claiming interests corresponding to similar, but not identical, domain names.[44] Two companies with phonetically similar trademarks — utube.com and youtube.com — were engaged in litigation involving their respective domain names.[45] This dispute may have been resolved more easily if the companies were prepared to share one or both domain names and redirect customers from a shared main web page to the separate website of each company.[46] Such disputes were less pronounced before the Internet and inception of the domain name system. In the physical world, multiple companies can hold the same or similar trademarks in either different markets or different geographic areas.[47] The Internet, however, allows one company to have a global reach under its registered domain name.

Beyond Cybersquatting, *supra* note 11; *see also* Margreth Barrett, *Domain Names, Trademarks and the First Amendment: Searching for Meaningful Boundaries*, 39 CONN. L. REV. 973 (2007); Lipton, *Commerce Versus Commentary*, *supra* note 11; Lipton, *Who Owns 'Hillary.com'?*, *supra* note 11.

41. *See* Lipton, *Beyond Cybersquatting*, *supra* note 11, at 1405–13.

42. *Id.* at 1406.

43. *Id.* There are numerous other trademark interests corresponding to the delta.com domain name, including Delta Faucets and Deltacom Business Solutions. *See infra* notes 123–125 and accompanying text.

44. *See* Universal Tube & Rollform Equip. Corp. v. YouTube, Inc., 504 F. Supp. 2d 260, 263 (N.D. Ohio 2007).

45. It was not clear whether either company, YouTube or Universal, had a valid trademark corresponding to its domain name. Neither is yet registered. YouTube has applied for registration of various YouTube marks, while Universal relied on unregistered trademark rights in utube.com. *See id.*

46. Of course it could have been resolved in other ways: for example, disclaimers on each website noting that the site is not affiliated with the other trademark holder's website, coupled with the inclusion of a hyperlink to the other trademark holder's website. Sharing would enable Universal to address the increased traffic that led to shut down of its servers by requiring YouTube to help maintain a shared server that would resolve to each of the separate company's web pages. *See infra* Part IV.C.

47. *See* Stuart Weinstein, *The Cyberpiracy Prevention Act: Reconciling Real Space Sectoral and Geographic Distinctions in the Use of Internet Domain Names Under the Lanham Act*, 9 U. MIAMI BUS. L. REV. 145, 158 (2001) ("[A]n entity may use an identical mark as another, as long as he does not use that mark within the same sector or industry. As with geographical protection of a user's mark, the scope of protection is determined as an evidentiary matter, looking at the likelihood of consumer confusion." (citations omitted)).

The current legal and regulatory framework for domain name disputes does not help in the type of situation that gave rise to the *YouTube* litigation, because neither party is likely to be able to assert that the other registered a domain name in bad faith. Private negotiations among parties are a possible solution; however, as the delta.com example demonstrates, private negotiations are likely to lead to the trademark holder with the deepest pockets securing the domain name. This outcome does not bode well for smaller or newer players who may hold legitimate trademark interests corresponding to the same or similar domain names.

The domain name system will always face the problem of disputes between two or more entities with similar interests corresponding to the same or similar domain names. The trademark system allows different entities to hold the same or similar trademarks in different product or geographic markets.[48] Unlike trademarks, domain names are currently unique because only one entity can register a given domain name at any given time.[49] Of course, different people can own *similar* domain names at the same time: Delta Air Lines could use delta.com while Delta Financial used delta.biz or delta.org.[50] However, this division of similar domain names across gTLDs tends not to occur in practice, partly because nothing stops one trademark holder from registering multiple iterations of a domain name — Delta Air Lines could use many permutations of domain names with "delta" in them. Regardless of the different gTLDs available, domain name registrants will probably still prefer to hold the .com version of a relevant domain name because it is the most intuitive for electronic commerce activity. Currently, it is the most likely variant a web surfer will type into a web browser to look for a relevant website.[51]

48. *See id.*

49. As Jessica Litman explained in her article *The DNS Wars: Trademarks and the Internet Domain Name System*:

> You can see that the whole situation was a collision waiting to happen. Out here in meat space, we can have a whole bunch of different owners of *Acme* as a trademark — the last time I counted there were more than a hundred different trademark registrations, in addition to all the local unregistered *Acme* marks you can find by just looking in the telephone book. On the Internet, only one person can own acme.com.

Litman, *supra* note 10, at 152.

50. As of the date of this writing, Delta Financial, a mortgage company, is using deltafinancial.com to wrap up its suspended loan-making operations. *See* Delta Financial Corporation, http://www.deltafinancial.com (last visited May 12, 2008).

51. This assumes that Internet users will continue to use the domain name system as a search tool. *See infra* text accompanying notes 185–187 (describing how the domain name system is used as a search tool). *But see* Goldman, *supra* note 12, at 543–48 (discussing the limitations of the domain name system as an effective Internet search tool in comparison with Internet search engines).

The current situation therefore wastes resources because multiple domain names are registered by the same company yet map to the same website, contrary to ICANN's original reasons for creating and adding new gTLDs.[52] Additionally, this allocation of domain space can make it difficult for Internet users to find particular websites. If a given trademark holder very aggressively registers multiple iterations of a domain name that also corresponds to someone else's trademark, Internet users may have trouble finding the website of the less aggressive trademark holder because all the obvious iterations of the domain name are held by the more aggressive trademark holder.

Search engine technology can alleviate these difficulties. Even without a memorable or intuitive domain name, a good search engine can often find a relevant site, prioritizing it so it appears somewhere on its first page of search results.[53] However, even with sophisticated search engine technology, the trademark holder who has monopolized multiple iterations of a domain name has an advantage because it will be easier for Internet users to guess and remember its domain names. Users do not have to rely on search engines to find the website of the more aggressive trademark holder in the way they must to find the websites of less aggressive holders of similar trademarks.

Domain name sharing is a better solution when trademark holders with similar interests compete for the same domain name or set of domain names. The domain name system could and should be expanded to facilitate the sharing of a domain name between two or more trademark holders. One way to facilitate sharing would be to have the domain name map onto a shared, main web page that contains hyperlinks to each trademark holder's separate page.[54] Sharing would reduce the amount of wasted resources and complex searches. This solution would also be more efficient for both trademark holders and their online customers. The easiest way to achieve this sharing of domain names is by expanding the UDRP arbitration procedure so that arbitrators can mandate sharing arrangements in appropriate cases.

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52. *See* Wallace Koehler, *ICANN and the New 'Magnificent Seven*,*'* SEARCHER, Feb. 2001, at 56 (noting that new gTLDs were needed because all the "good" domain names, particularly those corresponding to valuable trademarks, were already taken). In theory, the introduction of new gTLDs would have allowed new registrants to register variations of existing names. In practice, however, many of the new names were reserved for trademark holders. Goldman, *supra* note 12, at 545 ("[N]ew TLDs in the recent years have abandoned the 'first to register' relevancy algorithm, giving priority to trademark owners.").

53. See *id.* at 532–52 for a detailed explanation of the operation of modern search engines.

54. *Id.* at 546 ("[S]ome domain names resolve to a 'gateway page' (also referred to as a 'shared page' or 'intermediate page') for the sole purpose of allowing multiple trademark owners or licensees to 'share' the domain name through links on the page to their respective sites.").

III. LIMITATIONS OF THE CURRENT LEGAL AND REGULATORY SYSTEM

At least in the United States, the current domain name registration system provides a party with a trademark interest corresponding to a domain name four avenues[55] for complaining about someone else's registration of that domain name. The avenues include two actions under traditional trademark law — the trademark infringement action[56] and the trademark dilution action.[57] A party may also have a legal action under the newer provisions of the ACPA or a right to arbitration under the UDRP. All avenues suffer from a common problem: each is designed to determine who has the better trademark interest corresponding to a given domain name. The result will be an allocation of the domain name to a single trademark holder. These avenues are thus helpful to a trademark holder who complains of domain name registration by someone who does not have a legitimate interest corresponding to the domain name. They are not, however, designed to resolve disputes between trademark holders who all have legitimate trademark interests corresponding to the same domain name.

A. Trademark Infringement

No regulations specifically governed domain name disputes prior to 1999, when the ACPA and UDRP came into effect.[58] In the absence of specific regulations, a number of plaintiffs brought traditional trademark infringement actions.[59] In a traditional trademark infringement action, the holder of a registered[60] or unregistered[61] trademark can seek relief to prevent consumer confusion regarding the

55. Citizens of most jurisdictions will be able to avail themselves of at least three of these avenues: trademark infringement, trademark dilution, and a UDRP proceeding. The United States has an additional avenue under the ACPA, which is unique to U.S. trademark legislation. *See infra* Parts III.A–D.

56. 15 U.S.C. § 1114(1) (2000) (infringement of a registered trademark); *id.* § 1125(a)(1) (infringement of an unregistered trademark).

57. 15 U.S.C.A. § 1125(c)(1) (West Supp. 2007) (dilution of a famous mark).

58. *See* Anticybersquatting Consumer Protection Act § 3002(a), 15 U.S.C.A. § 1125 (West Supp. 2007); ICANN, Timeline for the Formulation and Implementation of the Uniform Domain-Name Dispute-Resolution Policy, http://www.icann.org/udrp/udrp-schedule.htm (last visited May 12, 2008).

59. *See, e.g.*, Brookfield Commc'ns, Inc. v. West Coast Entm't Corp., 174 F.3d 1036 (9th Cir. 1999) (litigation surrounding moviebuff.com); Hasbro, Inc. v. Clue Computing, Inc., 66 F. Supp. 2d 117 (D. Mass. 1999), *aff'd*, 232 F.3d 1 (1st Cir. 2000) (litigation surrounding clue.com); Planned Parenthood Fed'n of Am., Inc. v. Bucci, No. 97 Civ. 0629 (KMW), 1997 WL 133313 (S.D.N.Y. Mar. 19, 1997), *aff'd*, 1998 WL 336163 (2d Cir. Feb. 9, 1998) (litigation surrounding plannedparenthood.com).

60. 15 U.S.C. § 1114(1).

61. *Id.* § 1125(a)(1).

source of goods or services sold under the mark.[62] To establish trademark infringement, the plaintiff must prove ownership of a trademark right in the relevant domain name, as well as a likelihood of consumer confusion by virtue of the defendant's use of the name.[63] In early cases, it was not difficult for trademark holders to establish trademark interests corresponding to domain names.[64] However, proving consumer confusion was more problematic.[65] It was not clear that the mere registration and use of a domain name corresponding to the plaintiff's trademark would confuse consumers about the source of the given products or services when the website did not allude to any of the goods or services sold by the plaintiff.[66]

Similar problems in establishing trademark infringement may arise when a defendant markholder uses a domain name for the sale of products or services that consumers are unlikely to confuse with those of the plaintiff markholder. If the marks apply to different goods or services, courts are unlikely to find likelihood of consumer confusion about the source of relevant goods or services.[67]

Similar trademarks can also exist for similar goods or services in different geographic markets.[68] U.S. courts have held that different companies may use similar marks for similar products in different geographic locations.[69] The principle also operates at the international

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62. ANNE GILSON LALONDE & JEROME GILSON, GILSON ON TRADEMARKS § 5.01 (64th rev. 2007) ("The fundamental aim of trademark law is to avoid . . . consumer confusion about the source of products or services.").

63. *See Hasbro*, 66 F. Supp. 2d at 121 ("To prevail on a trademark infringement claim, a plaintiff must show 1) use and therefore ownership of the mark 2) use by the defendant of the same mark or a similar one, and 3) likelihood that the defendant's use will confuse the public, thereby harming the plaintiff.").

64. *See* Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1326–27 (9th Cir. 1998) (explaining the importance of a company being able to use its trademarks that correspond to domain names). Although *Panavision* was a trademark dilution case, not an infringement proceeding, for both causes of action plaintiffs are still required to show ownership of a trademark that corresponds with the domain name. *See id.* at 1326.

65. The *Panavision* case involved a trademark dilution claim, rather than a trademark infringement claim, most likely because the plaintiff could not establish that the cybersquatter's use of panavision.com for posting photographs of the town Pana, Illinois, created consumer confusion between the photographs and the goods sold by Panavision. *See id.* at 1324. The court instead held that Toeppen's purchase and offer to sell panavision.com constituted a "commercial use" of the Panavision mark that diluted the mark's value. *See id*. at 1324–27. A dilution action does not require a showing of consumer confusion. *See infra* Part III.B.

66. *See Hasbro*, 66 F. Supp. 2d at 121.

67. *See* Weinstein, *supra* note 47, at 158 ("[A]n entity may use an identical mark as another, as long as he does not use that mark within the same sector or industry. As with geographical protection of a user's mark, the scope of protection is determined as an evidentiary matter, looking at the likelihood of consumer confusion.").

68. In the United States, this is often referred to as the "concurrent use" doctrine. David Barrett, *The Future of the Concurrent Use of Trademarks Doctrine in the Information Age*, 23 HASTINGS COMM. & ENT. L.J. 687, 689–91 (2001) (examining U.S. legislative history of the "concurrent use" doctrine in trademark law).

69. *Id.*; *see, e.g.*, Nat'l Ass'n for Healthcare Commc'ns, Inc. v. Cent. Ark. Area Agency on Aging, Inc., 257 F.3d 732, 737 (8th Cir. 2001) (granting an injunction against a federal

level. Two different companies, for example, were entitled to use the "Healthy Choice" mark for frozen dinners in two different countries — the United States and Australia.[70] Another example is the "Scrabble" trademark for the popular board game.[71] This mark is registered to one company in North America and another outside of North America.[72]

While trademark infringement law has generally established that two trademarks can coexist in markets that provide different services or goods, or in markets that provide similar services or goods to different geographical areas, the Internet and its domain name system have complicated the issue. This complexity is particularly apparent for geographic markets. In the physical world, the concurrent use doctrine provides that businesses operating in different geographic markets can continue using similar trademarks, even when they are selling similar goods or services.[73] However, when the businesses move into the world of electronic commerce and want to use domain names corresponding to their trademarks, the situation becomes more complex.[74] If two companies that operate in different geographic markets in the physical world each hold the same or a similar mark, what happens when one of them attempts to register the "trademark".com version of the mark as a domain name?

Presumably, the relevant website will be accessible from most places in the world,[75] including the geographic locations of both

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trademark owner and allowing the mark's use by another user in an a six-county area where that user had already used the mark); Dawn Donut Co. v. Hart's Food Stores, Inc., 267 F.2d 358, 360 (2d Cir. 1959) (holding no likelihood of confusion when plaintiff and defendant used similar marks in different product markets).

70. ConAgra Inc v McCain Foods (Aust) Pty Ltd (1992) 33 F.C.R. 302 (Austl.).

71. U.S. Trademark No. 524,505 (filed Dec. 16, 1948), *available at* http://tarr.uspto.gov/servlet/tarr?regser=serial&entry=71570633.

72. Hasbro, Inc. holds the relevant trademarks in the United States and Canada while J.W. Spear & Sons Limited of England, a subsidiary of Mattel, Inc., holds these trademarks in other countries. *See* Welcome to WorldWide Scrabble, http://www.scrabble.com (last visited May 12, 2008). Scrabble.com is an example of a privately negotiated domain name sharing arrangement.

73. *See* Barrett, *supra* note 68, at 689.

74. Businesses in the "Information Age" face a complex situation:

> The Internet has become an increasingly common information repository shared by many individuals. This instant interconnection of individuals and businesses now threatens the basis on which the concurrent use doctrine rests; i.e., ignorance of another's mark due to geographic distance and the overlap of remote territories due to the Internet. The increasing commercial use of the Internet gives rise to the possibility that the Internet may effectively give at least some degree of *notice* to any subsequent user that another person is using the text-based trademark in question.

Id. (emphasis added); *see also* Litman, *supra* note 10, at 152.

75. Some countries can block some content technologically so that not all websites are accessible throughout the world. *See* RAYMOND KU & JACQUELINE LIPTON, CYBERSPACE LAW 100 (2d ed. 2006) (noting China's attempts to regulate Internet content by blocking access to websites within China through technological means).

markholders. Any notion that the concurrent use of the two marks in the physical world would not confuse consumers is lost in cyberspace. Even if a markholder uses a corresponding domain name to do business within a limited region, the availability of the markholder's web page in other places may still create consumer confusion with another trademark. Further, businesses that establish web pages at particular domain names often want to expand their geographic reach. There are likely to be few cases in which a domain name user does not intend or realize that a corresponding domain name may enter the geographical area of another markholder.

Domain name sharing is a solution to a problem that trademark law was never intended to and cannot resolve. If parties opt to share domain names in relevant cases, costly trademark infringement litigation[76] could be avoided. This is not to say that trademark infringement actions should never be available in conflicts between competing legitimate trademark holders over particular domain names. There may be cases in which litigation is the appropriate way to solve a dispute. But adding an inexpensive and accessible alternative to the system could avoid wasted resources and reduce the cost of consumer search time.

Instead of Universal fighting with YouTube over who has the better rights to the relevant trademarks and domain names, the system should provide a means for them to share one or both of the domain names in question. One possible solution would have both utube.com and youtube.com domain names resolve onto a shared website where users could choose between tubing products and user videos. This option is likely to be a more useful and cost effective resolution to the domain name conflict than litigation designed to determine the validity of a party's trademarks.[77] Even if Universal initially operated in a distinct geographic area but now has a more extensive geographic reach because of its web business, it is not seriously competing with YouTube. While people looking for YouTube's website may have been confused by the utube.com website,[78] a shared gateway page would resolve this confusion.

This solution would, of course, require cooperation between the two companies, which current trademark law does not facilitate. Pri-

76. Litman, *supra* note 10, at 155 (noting the often prohibitive cost of trademark infringement and dilution litigation in early domain name disputes).

77. In the *YouTube* litigation, Universal unsuccessfully attempted to have YouTube's trademark applications cancelled. During the litigation, YouTube argued that Universal had not proved a legitimate unregistered trademark right in its domain name utube.com. Universal Tube & Rollform Equip. Corp. v. YouTube, Inc., 504 F. Supp. 2d 260, 266 (N.D. Ohio 2007).

78. Universal presented some evidence of confusion occurring in practice, by showing an increased number of hits to utube.com since the inception of YouTube's video sharing service and also by producing abusive emails it received from people mistakenly searching for YouTube's service at the utube.com website. *Id.* at 263–64.

vate agreement is also possible,[79] but when one party has deeper pockets than the other — as in the YouTube situation[80] — there is little incentive for that party to cooperate with the smaller business. Facilitating such arrangements through regulatory intervention would create new norms for domain name use that are ultimately more efficient for both trademark holders and Internet users than the current regime.

Another example of a case in which sharing would have been more useful than a trademark infringement action was *Hasbro, Inc. v. Clue Computing, Inc.*[81] This case was effectively the reverse of the dispute in the *YouTube* litigation. Rather than the smaller player complaining that its customers were being confused by the online presence of the larger player (as in the *YouTube* litigation), the larger player in *Hasbro* complained that its customers were being confused by the online presence of a smaller player.[82] Clue Computing had chosen the domain name clue.com as a joke relating to people who were "clueless" about computers.[83] Hasbro was concerned about Clue Computing's domain name registration because it also corresponded to Hasbro's registered trademark for the Clue board game.[84]

Hasbro was unsuccessful in its trademark infringement claim against Clue Computing because it failed to establish sufficient consumer confusion to support the claim.[85] This result seems unobjectionable as a matter of trademark law.[86] To demonstrate actual confusion, Hasbro had produced only two or three emails over several years in which people had contacted Clue Computing in error, thinking its website was related to the Clue board game.[87] The court also expressed concern about protecting legitimate, competing uses of a domain name.[88] The court alluded to the first-come, first-served basis of the domain name system, noting that "[i]f another Internet user has an innocent and legitimate reason for using the famous mark as a domain name and is the first to register it, that user should be able to use

79. For current examples of private agreements, see Welcome to WorldWide Scrabble, *supra* note 72; Playtex, http://www.playtex.com (last visited May 12, 2008).

80. YouTube most likely has significantly deeper pockets than Universal because YouTube was recently purchased by Google, the popular search engine company. *See* Andrew Ross Sorkin & Jeff Leeds, *Music Companies Grab a Share of the YouTube Sale,* N.Y. TIMES, Oct. 19, 2006, at C1, *available at* http://www.nytimes.com/2006/10/19/technology/19net.html.

81. 66 F. Supp. 2d 117 (D. Mass. 1999).

82. *See id.* at 119.

83. *Id.*

84. *See id.*

85. *Id.* at 124.

86. *See id.* at 122–26 (applying the likelihood of confusion factors to find a lack of evidence supporting such likelihood).

87. *Id.* at 124 (concluding that Hasbro had produced only "a few scraps of evidence" of actual consumer confusion).

88. *See id.* at 133.

the domain name, provided that it has not otherwise infringed upon or diluted the trademark."[89]

Given the current state of the law, this Article argues that the domain name system should begin facilitating sharing in situations where the entities' trademarks correspond to the same or similar domain names. Trademark infringement litigation has its place in the offline world and in certain online situations involving domain names. Trademark actions may be particularly useful against a party who has registered a domain name in bad faith to extort money from the holder of a corresponding trademark. However, there are clearly cases in which two distinct parties could both claim a legitimate trademark interest corresponding to the same or similar domain names. Domain name sharing is a more appropriate avenue for resolving these disputes than trademark infringement litigation.

B. Trademark Dilution

A trademark holder could also file a trademark dilution action against the registrant of a domain name corresponding to its trademark.[90] A trademark dilution action protects the holder of a famous mark[91] against the blurring or tarnishment of the mark.[92] When two trademark holders have trademark interests corresponding to the same or similar domain names, a dilution action may provide even less assistance than an infringement action. For one thing, a mark must be famous to be the subject of a dilution action.[93] Although recent trademark jurisprudence has made this requirement fairly easily to satisfy,[94] it is unclear whether some of the marks that are the subject of competing domain name uses would meet this condition.[95]

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89. *Id.*

90. 15 U.S.C.A. § 1125(c) (West Supp. 2007).

91. A new definition of famous mark was recently inserted into the Lanham Act by the Trademark Dilution Revision Act of 2006, Pub. L. No. 109–312, 120 Stat. 1730 (codified as amended at 15 U.S.C.A. § 1125(c)). A famous mark is a mark that is "widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner." 15 U.S.C.A. § 1125(c)(2)(A).

92. *Id.* § 1125(c)(1); *see* GILSON LALONDE & GILSON, *supra* note 62, § 5A.01[1] ("Federal dilution law protects famous trademarks from unauthorized uses that are likely to impair their distinctiveness or harm their reputation. It enables owners of those marks to maintain their value as source indicators and as symbols of good will.").

93. 15 U.S.C.A. § 1125(c)(1).

94. Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1698–99 (1999) (noting that some courts have found trademark dilution even without engaging in a "fame" analysis). The pre-2006 "fame" requirement discussed by Professor Lemley was a common law test; Congress has since amended the Lanham Act to set forth a statutory test. *See supra* note 91. The factors provided by the statute are:

> (i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.

For example, utube.com may not be a sufficiently famous mark to support a dilution action under state or federal trademark law.[96] If the company in question is small and operates predominantly in a small geographic area, the fame of the mark may be questionable.[97] On the other hand, if YouTube's mark is valid, it may be sufficiently famous to allow YouTube to counterclaim against Universal for trademark dilution. YouTube has become a globally popular video sharing website. However, it is unlikely that Universal's activities are sufficiently significant to dilute the distinctive quality of YouTube's mark. Even if some Internet users would be confused by Universal's utube.com domain name,[98] this confusion would be irrelevant to a dilution action.[99] Although consumer confusion is not a requirement for proving trademark dilution, a dilution action still has features that limit its usefulness.

In the past, trademark dilution actions have failed in the domain-name context when competing trademark interests have been involved. In *Hasbro*, for example, the plaintiff Hasbro was concerned about trademark dilution as well as infringement.[100] However, Hasbro did not prevail on its infringement claim or its dilution claims. The court held that a trademark holder does not automatically have a right to monopolize a corresponding domain name through a dilution action.[101] To prevail in an action for dilution by tarnishment would have required Hasbro to show that Clue Computing had used Hasbro's mark in an unwholesome manner or for a low quality product; the court found that Hasbro could not sustain such a showing.[102] Dilution

> (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.
> (iii) The extent of actual recognition of the mark.
> (iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

15 U.S.C.A. § 1125(c)(2)(A).

95. Although federal courts have not consistently interpreted the statutory test for fame, one court has described a situation in which a mark may not be famous. *See* Green v. Fornario, 486 F.3d 100, 105 (3rd Cir. 2007) ("[I]t seems several steps short of probable that a [baseball player] with such a brief, and largely undistinguished, professional career limited to one team in one area would have a name that is 'widely recognized by the general consuming public of the United States.'" (quoting 15 U.S.C.A. § 1125(c)(2)(A))).

96. Universal brought its dilution claim under Ohio state law rather than federal law, perhaps because its utube.com mark could not have met the federal standard. *See* Universal Tube & Rollform Equip. Corp. v. YouTube, Inc., 504 F. Supp. 2d 260, 267 (N.D. Ohio 2007). While the utube.com mark might have been sufficiently famous within the state of Ohio, it may not have been sufficiently famous on a national level to support a dilution claim.

97. *See Green*, 486 F.3d at 105; *Universal Tube*, 504 F. Supp. 2d at 267.

98. Universal alleged consumer confusion in its action against YouTube. *Universal Tube*, 504 F. Supp. 2d at 264.

99. *See* 15 U.S.C.A. § 1125.

100. Hasbro, Inc. v. Clue Computing, Inc., 66 F. Supp. 2d 117 (D. Mass. 1999).

101. *Id*. at 133.

102. *Id*.

by blurring, on the other hand, requires that "the marks must be similar enough that a significant segment of the target group sees the two marks as essentially the same."[103]

One might question whether the policy underlying trademark dilution law is appropriate for the kinds of cases discussed here. A dilution action is intended to prevent trademarks that entities have built up through the investment of significant time and effort from being blurred or tarnished in the minds of consumers.[104] However, when the dilution provisions were added to the Lanham Act, Congress did not have the domain name system in mind.[105] Domain names may create a challenge to trademark law that is better resolved through channels other than trademark dilution actions. Allowing the markholder with the deepest pockets potentially to monopolize the domain name that corresponds to the trademark is not the purpose of trademark dilution law. Alternative solutions, such as domain-name sharing, will provide better results for society and a greater potential for development of the domain name system in future years.

C. The Anticybersquatting Consumer Protection Act

The ACPA is designed to prevent bad faith cybersquatting. It was designed to prevent the conduct of the kind of Internet user represented by Dennis Toeppen: the practice of purchasing multiple domain names corresponding to famous trademarks in the hope of profiting from the transfer of those names to relevant trademark holders.[106] The ACPA revisions to the Lanham Act require the defendant to have had "bad faith intent to profit"[107] in registering, trafficking in, or using a domain name that corresponds[108] to a relevant trademark.[109]

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103. *Id.* at 135 (quoting 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:90.1 (4th ed. 1996)).

104. GILSON LALONDE & GILSON, *supra* note 62, § 5A.01 ("Federal dilution law protects famous trademarks from unauthorized uses that are likely to impair their distinctiveness or harm their reputation. It enables owners of those marks to maintain their value as source indicators and as symbols of good will.").

105. The dilution action predated the advent of the domain name system. *See* 15 U.S.C.A. § 1125(c) (West Supp. 2007).

106. *See* Lipton, *Beyond Cybersquatting*, *supra* note 11, at 1387–92. Through the ACPA, Congress made a policy choice to discourage speculative behavior like Toeppen's. *See* Litman, *supra* note 10, at 151 ("It's hard to know how to think about domain name speculators. These folks saw some unclaimed property that they believed would be valuable someday, so they invested in it. Turns out they were right. Our society thinks about that sort of activity in different ways depending on the circumstances. Sometimes we encourage it . . . . Sometimes, we simply won't permit it. If the potential valuable resource is a trademark, and someone tries to register it and put it in her trademark warehouse in case she gets the chance to sell it to someone else some day, she can't.").

107. 15 U.S.C. § 1125(d)(1)(A)(i) (2000).

108. Section 1125(d)(1)(A)(ii) contemplates domain names that are identical or confusingly similar to a mark and domain names that are identical, confusingly similar to, or dilutive of, a famous mark. *See id.* § 1125(d)(1)(A)(ii).

The ACPA sets out a number of factors that a court may consider in determining whether the defendant's conduct meets the bad faith requirement. These factors include: (1) "the trademark or other intellectual property rights" of the registrant in the domain name;[110] (2) the extent to which the domain name corresponds to the registrant's personal name;[111] (3) the registrant's prior use of the domain name in connection with a bona fide offering of goods or services;[112] (4) the registrant's bona fide noncommercial or fair use of the relevant trademark in a site accessible under the domain name;[113] (5) the registrant's intent to divert customers from a corresponding trademark holder's online location to its own location in a way that could harm the goodwill associated with the trademark;[114] (6) whether the registrant has offered to transfer the name to another for financial gain without having used or having intended to use the name for a bona fide purpose;[115] (7) the provision of false contact information by the registrant on the domain name registry;[116] and (8) the registrant's acquisition of multiple domain names that the registrant knows are identical or confusingly similar to other people's trademarks.[117]

Although the ACPA can be applied effectively against bad faith cybersquatters, its potential application in cases of multiple competing trademark interests that correspond to the same domain name is more problematic. If a trademark holder can prove that a second trademark holder in fact registered a domain name — or a trademark and then a corresponding domain name — with the intent to extort money from the complainant, the holder has a cause of action under the ACPA. For example, suppose a domain name registrant acquires a trademark on "Fluffy Animal Organization" and registers fao.com. The registrant meets the first ACPA factor, ownership of a trademark interest corresponding to the domain name.[118] But if FAO Schwarz has its own trademark interest corresponding to the domain name fao.com, the registrant would likely be liable to FAO Schwarz in an action under the ACPA if the remaining factors point toward Fluffy Animal

109. *Id.* § 1125(d)(1)(A)(ii).
110. *See id*. § 1125(d)(1)(B)(i)(I).
111. *See id.* § 1125(d)(1)(B)(i)(II).
112. *See id.* § 1125(d)(1)(B)(i)(III).
113. *See id.* § 1125(d)(1)(B)(i)(IV).
114. *See id.* § 1125(d)(1)(B)(i)(V). The registrant can interfere with 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." *Id*.
115. *See id.* § 1125(d)(1)(B)(i)(VI).
116. *See id.* § 1125(d)(1)(B)(i)(VII).
117. *See id.* § 1125(d)(1)(B)(i)(VIII).
118. *See id.* § 1125(d)(1)(B)(i)(I).

Organization's bad faith intent to profit from sale of the domain name to FAO Schwarz.[119]

However, in a case where the domain name registrant registered the trademark for a legitimate purpose, resolving such a conflict with FAO Schwarz may be more problematic. If the domain name registrant is the officer of a legitimate organization called the Fluffy Animal Organization, and the registrant can establish that the organization is making a bona fide use of fao.com and not solely intending to profit from its sale, an ACPA action by FAO Schwarz would likely not be successful. It may be, however, that the toy company could instead bring a trademark dilution action, arguing that its mark is famous[120] and that the registrant's use of the fao.com domain name blurs or tarnishes its mark, thereby interfering with its distinctive quality.[121] FAO Schwarz might also be able to bring a trademark infringement action. If, for example, the registrant of fao.com sells fluffy animal toys on her website, FAO Schwarz might be able to argue that registrant's activities are causing consumer confusion as to the source of FAO Schwarz's products, since FAO Schwarz also sells such toys.[122]

Nevertheless, there may be cases where none of these trademark actions are available — delta.com is a prime example. At least three companies have similar trademarks in different markets: Deltacom Business Solutions,[123] Delta Faucets,[124] and Delta Air Lines.[125] Each has established a mark and could claim a legitimate trademark interest corresponding to the delta.com domain name.[126] None of the companies could be shown to have registered the domain name with the intent to profit from its transfer to another company, which under the ACPA may demonstrate intent to engage in cybersquatting.[127] Given the absence of evidence necessary to satisfy the ACPA factors pointing to bad faith in registration of the domain name, an ACPA action would not be available in a domain name dispute among these companies.[128] A trademark infringement action would also be unlikely to succeed because consumer confusion is unlikely, assuming that the companies continue to operate in different markets.[129] A dilution action might be successful if one of the parties claimed its mark was

119. *See id.* § 1125(d)(1)(B)(i)(II)–(VIII).
120. *See* 15 U.S.C.A. § 1125(c)(2)(A) (West Supp. 2007).
121. *See id.* § 1125(c)(1).
122. *See* 15 U.S.C. § 1114(1) (2000).
123. *See* U.S. Trademark No. 75124424 (filed June 24, 1996).
124. *See* U.S. Trademark No. 76233807 (filed Apr. 2, 2001).
125. *See* U.S. Trademark No. 72433473 (filed Aug. 22, 1972).
126. *See* 15 U.S.C. § 1125(d)(1)(A) (2000).
127. *Cf. id.* § 1125(d)(1)(B)(i)(VI).
128. *See id.* § 1125(d)(1)(B)(i)(I)–(VIII).
129. *See id.* § 1114(1).

famous.[130] For example, if Deltacom registered delta.com, Delta Air Lines could argue that it had a famous mark and that Deltacom was blurring the distinctive quality of its famous mark.[131] As this analysis suggests, none of these litigation strategies is as efficient — or as predictable — as an alternative like domain name sharing. Trademark litigation is always costly,[132] and, when Internet domain names are concerned, the results can be unpredictable in practice.[133]

D. The Uniform Domain Name Dispute Resolution Policy

Unlike the previously discussed avenues for domain name dispute resolution, the UDRP is not part of federal trademark legislation. The UDRP is a private dispute resolution mechanism developed by ICANN and incorporated into the domain name system via contract between each domain name registrant and the registering authority.[134] As part of the domain name registration agreement, the registrant agrees that if someone else complains about the mark's registration, the registrant will submit to a UDRP arbitration to resolve the dispute.[135]

The UDRP provides a simple, fast, inexpensive,[136] and predominantly online[137] procedure for resolving disputes regarding Internet domain name registration. Its advantages are its speed, low cost, and simplicity. Its disadvantage is that, like the ACPA, it was designed to protect trademark holders against bad faith cybersquatters.[138] The UDRP's scope does not currently include other kinds of conflicts, such as competitions between multiple legitimate trademark holders

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130. 15 U.S.C.A. § 1125(c) (West Supp. 2007).

131. *See id*.

132. *See* Litman, *supra* note 10, at 155 (noting the often prohibitive cost of trademark infringement and dilution litigation in early domain name disputes).

133. *See id*.

134. The policy currently applies only to registrants who register .com, .org, or .net names, as well as those who register names in certain country-code top-level domains. UDRP, *supra* note 11, nn.1–2.

135. UDRP, *supra* note 11, ¶ 4(a).

136. For example, the fee schedule charged by one of the ICANN-approved mediation services ranges from $1,500 to $5,000, depending on the number of domain names in dispute and the number of arbitrators. The schedule also has a provision for larger fees in disputes involving more than ten domain names. World Intellectual Property Organization, Schedule of Fees Under the UDRP (Dec. 1, 2002), http://www.wipo.int/amc/en/domains/fees/index.html.

137. Because most aspects of these disputes occur online, ICANN has determined that it is unnecessary for parties to appear in another jurisdiction. Documentation is submitted in paper or electronically to arbitrators who make decisions without conducting in-person hearings. *See* ICANN, Rules for Uniform Domain Name Dispute Resolution Policy, RR. 2, 13, 16 (Aug. 26, 1999) [hereinafter UDRP Rules], http://www.icann.org/udrp/udrp-rules-24oct99.htm.

138. *See* UDRP, *supra* note 11, ¶ 4(a)(i) (applying the UDRP to disputes where registrant has registered a name that is identical or confusingly similar to another's trademark); *id.* ¶ 4(a)(iii) (applying the UDRP only to domain names registered and used in bad faith).

who may have interests corresponding to the same or similar domain name. Paragraph 4(a) makes the UDRP applicable only to disputes in which (1) the domain name at issue is identical or confusingly similar to the complainant's registered trademark or service mark, (2) the registrant has no rights or legitimate interest corresponding to the domain name, and (3) the domain name was registered and is being used in bad faith.[139]

The UDRP and the ACPA define bad faith in similar terms. Under the UDRP, bad faith involves registration of a domain name with the intent to sell it to the rightful trademark holder or to prevent the rightful trademark holder from using it.[140] The UDRP also includes other bad faith factors similar to those a party must prove in a trademark infringement action. One factor is the intent to disrupt the business of a competitor by using a domain name that corresponds to the competitor's trademark.[141] Another factor is the intent to attract the complainant's customers by using the domain name to confuse customers about the connection between the activities conducted through the website located at the domain name, and the goods or services identified by the complainant's trademark.[142]

The only remedies currently available to a complainant under the UDRP are cancellation of the domain name in question or transfer of the name to the complainant.[143] Such remedies are available if a UDRP arbitrator or panel of arbitrators[144] decides both that the complainant has established bad faith registration and use of the name[145] and that the registrant has not adequately established a legitimate interest corresponding to the name.[146] The UDRP provides a vague definition for "legitimate interest," by providing a non-exclusive list of potential legitimate interests that a registrant may seek to establish in a domain name.[147] The list includes trademark-like interests, such as using the domain name in connection with a bona fide offering of goods and services, as well as making a legitimate noncommercial or fair use of the domain name.[148]

The first legitimate use factor would most likely cover the problematic situation where two or more competing trademark holders assert trademarks that are identical to or confusingly similar with a given domain name, and each trademark holder has established an

139. *Id.* ¶ 4(a)(i)–(iii).
140. *Id.* ¶ 4(b)(i)–(ii).
141. *Id.* ¶ 4(b)(iii).
142. *Id.* ¶ 4(b)(iv).
143. *Id.* ¶ 4(i).
144. *See* UDRP Rules, *supra* note 137, R. 3(b)(iv).
145. UDRP, *supra* note 11, ¶¶ 4(a)(iii)–4(b).
146. *See id.* ¶ 4(c) (describing how a registrant might establish a legitimate use of the name in arbitral proceedings).
147. *Id.* ¶ 4(c).
148. *Id.* ¶ 4(c)(i), (iii).

interest corresponding to that domain name. Most UDRP arbitrations in these cases would not result in an order to cancel or to transfer the domain name. The complainant may therefore reason that it is not worth the time and effort to bring a UDRP arbitration if the registrant can establish a legitimate trademark interest corresponding to the domain name.

The *YouTube* litigation is an example. Universal requested in its complaint that the domain name youtube.com be cancelled or transferred.[149] The main concern cited by its complaint was the cost of maintaining its servers because of the extra traffic generated by people looking for youtube.com.[150] If Universal were serious about its request to transfer the domain name, it would have been more efficient to first bring a UDRP proceeding rather than a series of trademark claims and other tort actions under state and federal law.

Universal's use of litigation rather than UDRP arbitration suggests that Universal intended to force a negotiated settlement with YouTube that would include compensation for the cost of upgrading and maintaining Universal's servers. Litigation provides more time in which to attempt a private settlement between the parties than a UDRP arbitration. However, a serious attempt to have the youtube.com domain name cancelled, either through a UDRP arbitration or in court, would probably not be of much real assistance to Universal. Even if Universal could have YouTube's domain name deregistered, Universal's website would probably still experience additional, misdirected traffic for a long time because the YouTube name is now so pervasive in popular culture.

In the future, it is possible that YouTube may want utube.com cancelled or transferred to it. However, litigation or arbitration to accomplish this result would likely be wasteful because YouTube has no particular need or use for the domain name beyond having it as an additional address for its own service. Although some Internet users are probably confused by the two domain names, litigation or arbitration to establish whether Universal or YouTube has better rights to either domain name is unlikely to prove fruitful for either registrant. Both parties seem to have legitimate interests corresponding to their respective domain names, based at least on unregistered trademark rights.[151] Because of this, a contest in which either Universal or You-

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149. *See* Second Amended Complaint ¶ 3, Universal Tube & Rollform Equip. Corp. v. YouTube, Inc., 504 F. Supp. 2d 260 (N.D. Ohio 2007) (No. 3:06CV02628), 2006 WL 4029728.

150. *See id.*

151. *But see id.* ¶ 67 (seeking cancellation of YouTube's trademark applications). At the time of the writing of this Article, it is not clear whether either Universal or YouTube has a legitimate trademark interest corresponding to its domain name. Universal had not registered utube or utube.com as a mark and has been relying on common-law unregistered interests in the mark as the basis of its trademark related claims. YouTube currently has several applications for registration of a "youtube" trademark, but the registration process has not

Tube wins control of both names is not an efficient result. This situation therefore may lend itself to a sharing or other cooperative arrangement between the parties. A solution that minimizes user confusion while enabling both entities to retain access to the domain names would be less wasteful.

IV. Facilitating Domain Name Sharing Arrangements

A. Private Negotiations for Domain Name Sharing

Expansion of the UDRP to facilitate domain name sharing would supplement the sharing arrangements currently possible through private agreements.[152] The problem with relying on private arrangements is that the current system provides little incentive for parties to negotiate sharing arrangements. This Article advocates the development of an arbitration procedure that can facilitate such arrangements for conflicting trademark holders. Even when parties do have incentive to negotiate sharing arrangements, the absence of established norms governing the sharing of domain names may make the idea seem too novel to pursue without any third party assistance. The establishment of a sharing system facilitated by a third party — such as UDRP arbitrators — will encourage competing trademark holders to negotiate domain name sharing arrangements.

Non-assisted private domain name sharing arrangements seem to work only in a minority of cases. A typical example of when such an arrangement might occur is the sale of a division of a business, where the seller retains trademark interests in the parts of the business that are not being sold, but transfers or licenses the use of similar trademarks to the purchaser of the division. This division likely happened with the sale of Playtex Company's apparel division to Hanes in 1991.[153] The Playtex trademarks used with respect to apparel were sold with the division, while the trademarks used for baby products remain with the original company. The playtex.com domain name is now shared between the two entities.[154]

To share the domain name, Playtex and Hanes have established a shared web page at the playtex.com domain name with hyperlinks to

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been completed. YouTube is therefore also currently relying on unregistered trademark interests corresponding to its domain name.

152. *See* Goldman, *supra* note 12, at 546 (noting that some domain names direct the browser to shared "gateway page[s]" for the purpose of allowing multiple trademark holders or licensees to share effectively a relevant domain name through links on the gateway page to each entity's individual website); s*ee also* Welcome to WorldWide Scrabble, *supra* note 72; Playtex, *supra* note 79.

153. *See* Playtex, *supra* note 79.

154. Goldman, *supra* note 12, at 546 n.134 (providing this example and others of domain name sharing).

each company's separate home page. The domain name is registered to the Playtex Marketing Corporation[155] — a corporation that holds all of the relevant trademarks.[156] The shared web page proclaims: "Although we may have a name in common . . . [w]e are two completely separate companies."[157] The page is then divided into two sections that each hyperlink to a different company — the left-hand section links to the web page for Playtex Products (which has the domain name playtexproducts.com), and the right-hand section links to the web page for Playtex Apparel (which has the domain name playtexbras.com). Consumers can find the company they are looking for by (1) knowing or guessing the individual domain names for each company and typing them directly into a web browser, (2) searching for the relevant company or its product lines with an Internet search engine, or (3) intuitively guessing the playtex.com name and typing it into a web browser, and then following the link from the shared website. The sharing arrangement makes online navigation easier by giving Internet users an additional means for finding their desired destination. Additionally, it avoids wasted resources because neither company monopolizes or seeks to monopolize multiple domain names corresponding to its trademark through litigation or arbitration.

Private sharing arrangements are likely to work when the sale of part of a company and its trademarks creates incentives for both parties to cooperate. Ultimately, private sharing arrangements of this kind may be effective in other circumstances where the markholders competing for a given domain name have financial incentives to cooperate. Private sharing agreements may also be possible if a domain name conflict arises between two or more entities who each adopt a conciliatory approach to such conflicts — which is often not the case in the business world.

There might also be financial incentives for similar-sized trademark holders with competing trademarks of similar value to share domain names rather than engage in litigation or arbitration over establishing "better" interests corresponding to a domain name. Where there is a fairly even balance in trademark interests between two or more entities, there may be more incentive to share. However, recent private agreements regarding the domain name system do not suggest this is the case. For example, Delta Faucets and Delta Air Lines privately negotiated the transfer of delta.com from Delta Faucets to Delta

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155. WHOIS Domain Registration Results, http://www.networksolutions.com/whois/results.jsp?domain=playtex.com (last visited May 12, 2008).

156. *See* Playtex, *supra* note 79. That some companies find it necessary to incorporate separate marketing companies to hold their corresponding trademarks may pose an additional obstacle to private sharing agreements; however, the necessity or possibility of taking such a step is not addressed in this Article. This step may not be necessary in a UDRP-facilitated sharing arrangement.

157. *Id.*

Air Lines, rather than enter into a sharing arrangement.[158] Universal and YouTube likewise did not reach a private sharing agreement for either or both of their domain names — although this case probably does not involve equally valuable trademarks, given the immense popularity of the YouTube video sharing service.

Private sharing agreements are also possible when parties each own a similar trademark that they have concurrently used in different geographic areas. The scrabble.com domain name is an example. The Scrabble trademark is registered to different companies in different regions. Hasbro owns the Scrabble trademark in the United States and Canada, while a British subsidiary of Mattel owns the mark in the rest of the world.[159] Each company has held and used these marks for a long period of time and each is equally well-established within its own respective territory. The website at scrabble.com requires the user to select the user's location, which then routes the user to the home page appropriate for the selected location.[160]

Part of the reason why parties today tend to negotiate, litigate, or arbitrate for *transfer*, rather than *sharing*, of a domain name may be that this is how registrants understand the system to work. Since the early days of the domain name system, the emphasis has been on sole ownership of domain names. It is true that at any one time only one party can formally register a given domain name. This limitation is a technological constraint of the system. However, there is no reason why the registrant cannot be a holding company, like Playtex Marketing Corporation, which manages the shared interests in similar trademarks that correspond to the same domain name. Most entities appear to have equated the idea that only one entity can *register* a domain name at a given time with the idea that only one entity can *use* the domain name at a given time.

Sharing can change this norm. If there is a viable number of competing interests,[161] and sufficient incentive to share, the domain name system could be adjusted to facilitate sharing in more cases. Currently, in many situations, the barriers to reaching an agreement may be too high for parties to successfully negotiate a private sharing arrangement.[162] In these situations, the facilitation of such agreements

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158. The delta.com domain name formerly resolved to a website hosted by Delta Faucets.

159. Welcome to WorldWide Scrabble, *supra* note 72.

160. *See id.* The domain name is registered to Hasbro-Mattel. DomainTools, Scrabble.com, http://whois.domaintools.com/scrabble.com (last visited May 12, 2008).

161. If there are a large number of parties claiming similar trademark interests in the same domain name, sharing would not be viable because the shared web page would be as difficult to navigate as a large list of search engine results.

162. There are likely hidden costs associated with private sharing arrangements. The annoyance of Internet users who are forced to choose and click the appropriate hyperlink is an example. These costs still are likely to be less than the costs associated with not reaching an agreement, which would force at least one of the parties to move their website to a domain name that corresponds less closely with the party's trademark.

by a third party is appropriate. If enough agreements can be facilitated by a third party — such as an arbitrator under a modified version of the UDRP — over time domain name usage norms would further encourage sharing without intervention.

B. Expanding the Uniform Domain Name Dispute Resolution Policy to Include Domain Name Sharing

UDRP arbitrators would be the most able to facilitate sharing agreements. For arbitrators to act as facilitators, the UDRP would have to be modified to provide not only for transfer and cancellation orders which are currently available, but also for sharing agreements. Any agreement facilitated under the UDRP would not necessarily preclude other avenues of redress for a party dissatisfied with the outcome. Even if modified to provide for sharing agreements, the UDRP is a creature of contract and cannot deprive courts of otherwise competent jurisdiction.[163] A party could still choose to litigate its trademark interests corresponding to a domain name after an unsatisfactory result under a UDRP arbitration.

The UDRP has already facilitated the quick and easy resolution of cybersquatting cases. The UDRP also appears to have reduced the pressure on local court systems by quickly and cheaply remedying bad faith registrations and uses. A similar result could be achieved for domain names by facilitating their sharing by holders of similar trademarks. The UDRP should be modified to ensure cost-effective sharing arrangements when viable and appropriate.

To accomplish this, a new section should be added to the UDRP that covers disputes in which a complainant need not allege that a domain name has been registered in bad faith.[164] The new section would provide for an arbitration proceeding in which a complainant could assert that it has similarly legitimate trademark interests, as compared to the registrant, in a given domain name based on the holding of a corresponding trademark. Instead of requesting a transfer or cancellation of the domain name registration, the complainant could seek a sharing agreement.[165] Domain name registrants would agree to participate in the mandatory arbitration proceeding covering domain

163. This is expressly recognized by the UDRP. UDRP, *supra* note 11, ¶ 4(k) ("The mandatory administrative proceeding requirements set forth in Paragraph 4 shall not prevent either you or the complainant from submitting the dispute to a court of competent jurisdiction for independent resolution before such mandatory administrative proceeding is commenced or after such proceeding is concluded.").

164. This proceeding would be in addition to the proceeding already available to remedy bad faith registration. *See id.* ¶ 4(a).

165. Under the current framework in the UDRP, the only remedies available are transfer or cancellation of a domain name. *Id.* ¶ 4(i).

name sharing, just as they already agree to participate in proceedings covering bad faith registration.[166]

Such a mandatory procedure does in some ways run counter to our thinking about the domain name system. We are used to the idea that if a registrant has a legitimate trademark interest corresponding to a given domain name and was the first to register the name, that registrant should be entitled to retain sole registration. This view persists because the system has paid little attention to other trademark holders who might also be able to assert interests corresponding to the same domain name. If ICANN and Congress were prepared in 1999 to outlaw cybersquatting by adopting the UDRP and enacting the ACPA, respectively, why would they not be prepared to facilitate sharing amongst legitimate trademark holders now? In the early 1990s, it was not necessarily obvious to everyone that cybersquatting was a wrongful practice.[167] In those days, the registration system was pretty much first-come, first-served, regardless of trademark ownership;[168] the courts and ICANN quickly changed this practice to protect trademark holders against cybersquatters. The rationale for this change was that the practice of cybersquatting wasted domain name resources and was confusing to Internet users. The experience with cybersquatting suggests the importance of reviewing the domain name system now to avoid the wasted resources and confusion created by conflicts between two legitimate trademark holders. The remedy is domain name sharing.

If a new arbitration procedure were added to the UDRP to facilitate domain name sharing on the basis of the complainant's assertion of a legitimate trademark interest corresponding to the relevant domain name, the registrant should be entitled to oppose the assertion. One possible defense could be that the complainant's interest in the domain name is not sufficiently strong to support a sharing arrange-

166. Paragraph 4 is a mandatory proceeding. The registrant contractually agrees to comply with it. *Id.* ¶ 4.

167. *See* Toeppen, *supra* note 29 (explaining that it was not clear that cybersquatting was wrongful under pre-ACPA trademark law and noting that Toeppen had litigated several domain name disputes in order to have the law clarified for his own purposes); *see also* Lipton, *Beyond Cybersquatting*, *supra* note 11, at 1388 (commenting on Toeppen's cybersquatting activities and noting that pre-ACPA law was unclear as to whether cybersquatting was prohibited as a matter of trademark law and practice).

168. Litman, *supra* note 10, at 151 ("Network Solutions registered .com domain names on a first-come first-served basis, just as all the Internet domain names had always been allocated."); Stephen Moccaldi, Note, *Do Any Viable Solutions Exist to Prevent the Exploitation of Trademarks Used as Internet Domain Names?*, 21 SUFFOLK TRANSNAT'L L. REV. 179, 182–83 (1997) ("Under the original registration policy, [Network Solutions] simply registered domain names on a first-come, first-served basis with no requirement that the registrant actually intend to use the name in commerce. The method enabled domain name pirates to register famous trademarks as domain names without ever using them in commerce. Many pirates registered popular names and auctioned them off to the highest bidder. Trademark holders filed suits against the pirates for trademark infringement, and against NSI for contributory infringement.").

ment. Consider, for example, the hypothetical Furry Animal Organization discussed previously. If FAO Schwarz had registered fao.com (as indeed it has) and the owner of the Furry Animal Organization trademark brought a complaint under the new UDRP domain name sharing procedures, FAO Schwarz could avoid losing its exclusive right to the domain name by showing that the Organization's mark is insufficiently close to "FAO" to warrant an order to share the name.

Another ground for a registrant to oppose a complaint might be evidence that the complainant only registered a mark for the purpose of forcing a sharing arrangement, or threatening an unwanted sharing arrangement, and thus extorting money from the domain name holder.[169] If the Organization registered "Furry Animal Organization" as a trademark with the sole intent to extort money from FAO Schwarz in connection with its fao.com domain name, it should not succeed under arbitration for a sharing order. This example is a "reverse cybersquatting" situation. Rather than holding a domain name hostage to extort money from a trademark holder, a new trademark registrant tries to extort money from a legitimate domain name holder in exchange for an agreement not to use the new mark to *interfere* with the existing domain name. Reverse cybersquatting is unlikely to be much of a problem under U.S. law because a trademark can only be registered in connection with an offering of goods or services in commerce.[170] It is unlikely that anyone would go to the trouble of establishing the use of a trademark in connection with the offering of particular goods or services solely to extort money from a domain name holder.

In contrast, when the complainant does have a legitimate interest in a trademark that corresponds to the registrant's domain name, the new arbitration procedure would be designed to empower a UDRP arbitrator or panel to require the parties to share the domain name. The sharing itself could be implemented in a number of ways. One method would be for the parties to nominate an entity to hold the registration of the domain name and host a shared website that would link to each company's separate website. Alternately, one of the disputants, a new corporate entity jointly operated by the disputants, or a private individual nominated by the disputants could be required to hold the registration of the domain name. The domain name sharing order would also notify the registering authority and request a transfer of the registration to the nominated person or entity when necessary.[171]

169. The assumption that this action is a threat arises not because domain name sharing is inherently threatening (although it may be at first), but because the party bringing the complaint really has no legitimate interest in sharing the domain name.

170. GILSON LALONDE & GILSON, *supra* note 62, § 5.01.

171. This would be similar to the transfer order currently available under the UDRP. *See* UDRP, *supra* note 11, ¶ 3(c).

To streamline this aspect of the procedure, the parties could be required to nominate a likely registrant at the beginning of the proceedings in case the arbitrators issue an order to share. This may be difficult in practice if the parties are not on good terms, but the requirement would provide a good incentive for the parties to start communicating with each other. Alternatively, ICANN could provide domain name holding companies that are incorporated by ICANN or its authorized domain name registries. These companies could be transferred jointly to the parties for the purpose of holding the domain name in cases where they are ordered to share.

Use of a third party holding company either supplied by ICANN or established by the parties would probably be preferable to a transfer to one of the parties. This is because ICANN, its registrars, and its arbitrators control the technical aspects of the system, but not web content. It is much easier to enforce an order governing the identity of the domain name registrant than to enforce an order governing the nature of the shared content displayed on the web page. In other words, the best way for domain name administrators to enforce a sharing arrangement is to ensure joint ownership of the shared domain name. If one of the parties retains sole ownership of the disputed domain name, it would be difficult for the other party to enforce an order to share if the registered party later refused to establish the necessary hyperlinks to the other party's separate website.

The parties subject to a domain name sharing order may need assistance with some of the technical aspects of the domain name sharing arrangement. In particular, they may need help hyperlinking the new, shared web page to their individual web pages. The individual web pages may require new domain name registrations, or they could be subdomains of the shared domain. To facilitate sharing, it would be extremely useful if ICANN established a "domain name sharing assistance" mechanism to assist domain name sharers with these technical aspects of the process. ICANN's help would reduce the financial burden of making sharing agreements, particularly between small businesses that do not have ready access to web development personnel. Outside of ICANN, a private market could also develop for such services. There are already independent web-design services available, and some of these companies could branch into the domain name sharing business.

The creation of such services by ICANN or private parties would encourage domain name sharing agreements, whether or not the UDRP is expanded to facilitate them. It may encourage sharing in cases where the parties would be happy to share, but do not know how to do so and do not want to invest technological resources in the process. Obviously, the cost of establishing such a service would have to be borne by someone. If ICANN introduced this service, domain name registries could charge a nominal amount to finance it, as well as to fund the establishment of a portfolio of domain name holding companies. The funds could come from domain name registrants, many of whom would likely benefit from the scheme. If a private market in domain name sharing services developed, users of these services would bear some of the costs of domain name sharing. The private market and ICANN services are not mutually exclusive; both could develop concurrently.

The UDRP should be revised so that a complainant can seek an order requiring the registrant to share as an alternative to an order to transferring the domain name under the cybersquatting provisions of the policy. In other words, a particular complainant could argue that a domain name registrant registered the domain name in bad faith and that her registration should be cancelled; the complainant could also argue that if the registration is valid, the domain name should be shared. This amendment should allow all complaints to be decided in the same proceeding. This consolidation could be done at the election of the complainant, and the fees could be reduced if the two aspects of a given dispute were considered in the same arbitration. For example, if it costs $1,000 to seek either an order to share or an order to transfer under the UDRP, the cost of seeking the orders in the same proceeding could be $1,500 rather than $2,000.

Except for the new provisions discussed above, most of the UDRP would not require alteration. The new "sharing order" aspects of the UDRP would not change the limitations of the domain name system; it would remain a contractual arrangement that cannot completely remove disputes from the jurisdiction of state or federal courts.[172] The procedural rules[173] governing UDRP disputes would be the same under the proposed provisions as under the existing provisions in terms of how complaints are made,[174] arbitrators are selected,[175] fees are paid,[176] and the like. Even the provisions relating to transfers and cancellations of domain names during and subsequent to arbitrations[177] probably would not require revision. Granting an order to share domain names would require also granting an order to transfer the domain name to an entity that would hold it on behalf of the parties. The UDRP's representations that determine when a domain name registrar will affect such a transfer — for example, when it receives an order from an arbitral tribunal[178] — would not require revision. Likewise, the provisions of the UDRP that limit transfers of

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172. *See* UDRP, *supra* note 11, ¶ 4(k).
173. UDRP Rules, *supra* note 137.
174. *Id*. R. 3.
175. *Id*. R. 3(b)(iv).
176. *Id*. R. 19.
177. UDRP, *supra* note 11, ¶¶ 3, 7–8.
178. *Id*. ¶ 3(b).

domain names[179] or changes of registrar[180] for the disputed domain name would not require revision.

Not only would the insertion of the new sharing scheme into the UDRP require little revision of the UDRP's policies, the scheme would also be easy to modify because the UDRP specifically allows domain name registrars to modify the policy at any time with the permission of ICANN.[181] ICANN would have to sponsor the sharing scheme proposed by this Article for it to take effect.

Another alternative would be to create a separate UDRP-like policy to facilitate domain name sharing arrangements. This new policy could be incorporated into domain name registration agreements in the same way that the UDRP is currently incorporated into those agreements. However, this option would entail unnecessary redundancy. It could also confuse registrants and complainants who do not understand why there are two similar, but separate, dispute resolution policies. Incorporating the two policies into the same document is simpler and more streamlined.

Because insertion of the new sharing arrangements into the UDRP would be so easy, this approach should be attempted before exploring other sharing arrangements, such as those that might be created by statute or international treaty. Congress could amend the Lanham Act to incorporate a domain name sharing remedy for cases in which two or more trademark holders are competing for the same domain name. However, it may be more difficult to effect legislative change than to revise a contractual policy like the UDRP.

Moreover, domestic trademark legislation cannot resolve international disputes between trademark holders with similar marks registered in different countries. A UDRP-based scheme could address these situations more easily. This is not to say that federal legislation could not play a role in facilitating domain name sharing. However, domain name sharing should be tried as a matter of private contract first. Domestic legislation could provide for domain name sharing if it is effective first in the private contract context.

C. Limitations of an Expanded Uniform Domain Name Dispute Resolution Policy

An advantage of incorporating a domain name sharing policy into the UDRP would be that it would generate data about how many disputes between trademark holders actually are likely to arise. It would also measure the effectiveness of domain name sharing in practice. If the scheme results in little to no effective domain name sharing, and

179. *Id.* ¶ 8(a).
180. *Id.* ¶ 8(b).
181. *See id.* ¶ 9.

parties continue to privately litigate rights in domain names, little has been lost. This outcome would at least demonstrate that the new policy does not perceptibly benefit users of the domain name system.

If, on the other hand, sharing norms do begin to emerge with the assistance of the UDRP and ICANN, this proposal allows for further new and useful developments in the domain name system. It may ultimately lead to private sharing arrangements crafted without the need for third-party facilitation. If third-party facilitation creates new norms in cyberspace, private parties can then base their negotiations on these norms rather than on the current combination of the first-come, first-served and “better rights” norms.

Of course, movement in this direction will still not completely solve disputes over domain names between legitimate trademark holders. Even if the UDRP were revised, it is likely that there would be some situations that could not be resolved by the new scheme. One such situation may be where too many parties assert a trademark interest corresponding to the same domain name. If the system is international in scope — as the UDRP is — this probability would likely be substantial. Domain name sharing arrangements may prove too unwieldy when there are numerous parties. Having many parties to an arrangement increases the probability that one party will object. Even if all of the parties do share the same domain name, the number of parties may make the shared web page difficult to navigate and no more helpful than a list of the results of an Internet search engine query. The potential advantages of sharing an easy-to-guess or easy-to-remember domain name would be lost in this situation.

Even disputes between two parties may on occasion be too complex for such a scheme. The conflict between YouTube and Universal is a good example. The involvement of two domain names — utube.com and youtube.com — complicates the dispute. In the *YouTube* litigation, Universal argued for the cancellation of youtube.com.[182] YouTube did not assert any particular interest in the utube.com domain name currently held by Universal.[183] At the very least, the parties would have to decide whether the domain name sharing agreement would include only one or both of their domain names.

In this situation, Universal might not have any particular interest in sharing youtube.com because there is no evidence that Universal’s customers are going to youtube.com in error. Universal was concerned that YouTube’s customers were going to utube.com in error. Based on the type of consumer confusion, it is the utube.com domain name that should be shared to provide the optimal result for both par-

182. Universal Tube & Rollform Equip. Corp. v. YouTube, Inc., 504 F. Supp. 2d 260, 267 (N.D. Ohio 2007).

183. YouTube has not attempted to register a utube or utube.com trademark.

ties. If the parties did share utube.com, Universal's customers could easily choose a link that would connect them to Universal's separate web page. Similarly YouTube customers, who arrived at utube.com by accident, could also choose a link that redirects them to YouTube's video service. However, it was Universal that brought the complaint that initiated the litigation and asked for the transfer of the youtube.com domain name to Universal.[184] Universal did not bring a complaint that would force it to share its own domain name with another markholder. Further, YouTube may not have been interested in bringing a proceeding for domain name sharing of the utube.com domain name against Universal, unless the consumer confusion utube.com created for YouTube's customers was more substantial.

Sharing the utube.com website between YouTube and Universal is the optimal result. However, in such cases, neither party may be sufficiently motivated to seek an order to share the domain name, even if the UDRP were amended to allow it. There is no indication that YouTube and Universal have reached a private agreement to share the domain name. The revisions suggested in this Article would mean that the complainant seeking the sharing order would not be the domain name registrant. In this case, the domain name registrant, Universal, arguably has the greater incentive to share the domain name because it currently bears the burden of the wasted resources caused by consumer confusion.

There are likely other limitations to the system proposed in this Article. In practice, sophisticated parties with well-known or valuable trademarks may still privately negotiate to secure exclusive rights to the domain names corresponding to those trademarks. The system proposed in this Article is more useful to those entities with less well-known trademarks, trademarks that are well-known only in a limited geographic area, or evenly matched resources compared to the registrant of the same or substantially similar mark. Even if the system has limitations in practice, a UDRP-facilitated sharing scheme could demonstrate a potentially more efficient use of desirable domain names.

V. CONCLUSION

This Article suggests an expansion of the UDRP to provide a new domain name sharing solution to disputes between two or more parties who each hold trademark interests corresponding to a given domain name or set of domain names. Domain name sharing remains relatively untested even in the realm of private negotiations. Since the lack of domain name sharing agreements is due more to the lack of

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184. Second Amended Complaint ¶ 3, Universal Tube & Rollform Equip. Corp. v. YouTube, Inc., 504 F. Supp. 2d 260 (N.D. Ohio 2007) (No. 3:06CV02628), 2006 WL 4029728.

sharing norms in the system than the viability of such agreements, third-party facilitation of such agreements is necessary to establish their usefulness.

So far the system has been dominated by a first-come, first-served approach to domain name registration, subject to complaints from entities who claim a better trademark interest corresponding to the domain name. In particular, the idea that only one person can register a given domain name at any one time has become conflated with the idea that only one party's interests can be expressed on the text of the associated web page. Domain name registrants do not generally consider domain name sharing as an option. Additionally, the current regulations do not address conflicts between two or more trademark holders with interests that correspond to the same domain name. The applicable provisions of the Lanham Act and the UDRP are designed to establish and protect the best trademark interest corresponding to a given domain name. It is consequently unsurprising that registration and retention of a domain name are conditioned on establishing the best trademark interest corresponding to that name.

A domain name system designed to resolve potential conflicts between competing trademark holders with interests corresponding to the same domain name would be more efficient. Facilitating domain name sharing arrangements through a mechanism such as the UDRP would assist the development of new usage norms in cyberspace. This would prevent resources from being wasted on future litigation and negotiations over who has the best right to a name in cases where the name could effectively be shared.

Of course, some would argue that a focus on updating the domain name system in this way is unnecessary given the increasing sophistication of Internet search engines. Domain names may be less important if a search engine is sophisticated enough to identify the relevant website by focusing on the substance of the web page.[185] Although this view has some merit, domain names will remain important, and developing a domain name system that is as streamlined and efficient as possible should still be a goal of Internet regulators.

Indeed, many people still use domain names for Internet searching. In fact, there is evidence that Internet users often type domain names into Internet search engine keyword search boxes in the hope of finding a relevant web page.[186] This behavior suggests that domain names will remain important search tools. Domain names also con-

185. *See* Goldman, *supra* note 12, at 543–48 (describing how domain names underperform as search tools compared to Internet search engines).

186. *Id*. at 547–48.

tinue to be a significant part of most searching algorithms and therefore are important even in prioritizing search results.[187]

Domains are also important because they allow a person to refer other people to a given website by its domain name. Directing someone to a particular website is easier if the website can be identified by a simple, intuitive domain name, rather than a list of search terms used to find the site. Finally, if domain names were truly not important in the age of sophisticated Internet search engines, parties would not still be litigating, arbitrating, and negotiating over who has the best rights to given names. However, these disputes continue. In fact, ICANN's current project to create even more generic top-level domains[188] suggests that many players in the system are very concerned about the ability to register an effective domain name.

This Article discusses only one specific problem of the current domain name dispute resolution system: its inability to resolve efficiently disputes between parties with legitimate trademark interests corresponding to the same or similar domain names. The current system also fails to handle other types of conflicts well. Other problems include a failure to protect free speech interests against trademark interests on gripe sites, parody sites, and commentary sites.[189] This Article is part of a larger project to classify different kinds of disputes that cannot be resolved under current laws and regulations.[190] Its focus on competitions between legitimate trademark holders is designed to address a problem that existed in the early days of the domain name system[191] and continues to arise today.[192]

Lest this problem continue to slip through the cracks, new possible solutions to these disputes outside of private negotiation or litigation should be developed. Private negotiation fails because there are currently few incentives to reach private agreements. For the reasons discussed above, domain name registrants assume that the best — or indeed only — solution in cases of conflict is to establish the better right in a given domain. Adding procedures to the UDRP that would

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187. *See* Topranker.in, Importance of Domain Names for Search Engine Optimization, http://www.topranker.in/important_seo_tips_for_domain_name.htm#seo_tips_for_domain_name (last visited May 12, 2008) (explaining that search engines give top priority to keywords that also appear in the site's domain name).

188. *See* ICANN, Status Report for Ongoing GNSO Policy Development Processes (July 2007), http://www.icann.org/processes/gnso/current-issues.html#newtlds.

189. *See* Barrett, *supra* note 40, at 973.

190. *See* Lipton, *Beyond Cybersquatting*, *supra* note 11; Lipton, *Commerce Versus Commentary*, *supra* note 11; Lipton, *Who Owns "Hillary.com"?*, *supra* note 11.

191. *See e.g.*, Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036 (9th Cir. 1999); Hasbro, Inc. v. Clue Computing, Inc., 66 F. Supp. 2d 117 (D. Mass 1999), *aff'd*, 232 F.3d 1 (1st Cir. 2000); Planned Parenthood Fed'n of Am. Inc. v. Bucci, No. 97 Civ. 0629 (KMW) 1997 WL 133313 (S.D.N.Y. 1997), *aff'd*, 1998 WL 336163 (2d Cir. Feb. 9, 1998); *see also* Litman, *supra* note 10, at 151–55 (discussing early domain name case law).

192. *See, e.g.*, Universal Tube & Rollform Equip. Corp. v. YouTube, Inc., 504 F. Supp 2d 260 (N.D. Ohio 2007).

facilitate domain name sharing as a viable option in appropriate contexts would be an extremely useful tool in establishing new sharing norms. These new norms would ultimately lead to a more efficient use of the domain name registration system.[193]

193. Sharing also may have applications for other kinds of disputes between competing legitimate interest holders over a given domain name. Such situations may arise with competing interests relating to personal names, or perhaps culturally significant words and phrases, or geographic place names. However, as the system is currently designed to protect trademark interests, and as trademark interests are relatively easy to establish for the purposes of arbitration, this may be a good place to start investigating the viability of sharing as a general concept. If sharing proves to be successful in the trademark context, there may be many other useful applications of the concept that could be developed over time.