

# Trademark Law on the Internet — Mousetrapped

Shields v. Zuccarini,  
89 F. Supp. 2d 634 (E.D. Pa. 2000)

by  
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*Shields v. Zuccarini* tells the story of an enormously profitable cyber-opportunist who, with impunity, flouted the law created to protect trademark owners against conduct like his.<sup>1</sup> In this case and others, the United States District Court for the Eastern District of Pennsylvania fined John Zuccarini under the Anticybersquatting Consumer Protection Act of 1999 (“ACPA”),<sup>2</sup> which provides special trademark protection against a relatively new infringement scheme perpetrated on the Internet by Zuccarini and others. So far — at least as to Zuccarini — justice has not prevailed.

Zuccarini registered misspellings of the domain names of many popular websites. This enabled him to trap Internet users who carelessly misspelled the domain names for these popular sites. Once “mousetrapped” in Zuccarini’s website, the Internet user would have to click on a succession of advertising windows to escape. Zuccarini profited by collecting between ten and twenty-five cents for each ensnared visitor’s click. As a result, Zuccarini’s income approached \$1 million a year.<sup>3</sup> But while this “mousetrapper” collected his advertising royalties, the traps frustrated online customers and jeopardized the goodwill of those companies whose domain names had been targeted.

The court’s first encounter with John Zuccarini occurred in March 2000 when Joseph Shields, the artist and owner of “Joe Cartoon,” filed suit against him.<sup>4</sup> The court ordered a permanent injunction to stop Zuccarini’s ACPA violations and fined him \$10,000 for each of his five bad-faith infractions.<sup>5</sup> Despite the court’s order, Zuccarini *increased* his activities and registered

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1. *Shields v. Zuccarini*, 89 F. Supp. 2d 634, 635 (E.D. Pa. 2000).
2. Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d).
3. *Shields*, 89 F. Supp. 2d at 635.
4. *Id.* at 634.
5. *Shields v. Zuccarini*, No. CIV.A.00-494, 2000 WL 1053884, at \*1 (E.D. Pa. July 18, 2000).

thousands of new mousetrap-designed websites.<sup>6</sup> Companies and individuals across the country — including Electronic Boutique Holdings — filed dozens of suits against Zuccarini.<sup>7</sup> Because the Pennsylvania district court had plainly ordered Zuccarini to stop mousetrapping, the court was understandably hostile to his continuing conduct and invoked the maximum penalties available for the new violations.

Despite the continuing court orders, Zuccarini refused to stop mouse-trapping because his enterprise was so profitable. He registered more elaborate and more effective traps, ignoring the injunctions and fines. Furthermore, he went “underground” to avoid service of additional lawsuits.<sup>8</sup> Zuccarini’s Internet enterprise allowed him to operate from anywhere. With such a determined pirate, court actions under the ACPA seem ineffective. For this reason, Congress should devise a new strategy to stop the destructive activities of such pirates.

“Mousetrapping” is a cutting-edge scheme made possible by the explosive popularity of the Internet. Advertisers of every description — from credit-card companies to magazine publishers to device manufacturers — pour millions of dollars into Internet advertising.<sup>9</sup> These advertisers convince owners of popular websites to place advertising links on their websites. In return, the advertisers pay the website owners for each website visitor who also clicks on the advertising link. While Zuccarini had no legitimate website content of his own, he cleverly used misspelled domain names of popular websites to trap thousands of unsuspecting visitors in his websites.<sup>10</sup> Even Zuccarini admitted his surprise at how often people mistyped domain names.<sup>11</sup>

Zuccarini maximized his advertising profits by requiring trapped Internet visitors on his websites to use dozens of clicks when attempting to leave his website. This frustrated customers wound up lost in his mazes, and this damaged the goodwill of the legitimate website.<sup>12</sup> Zuccarini designed his web pages to trap the victim further by blocking the usual avenues of escape. For example, clicking on the small “x” in the window’s upper righthand corner normally

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6. *Id.*

7. *See, e.g.,* Elecs. Boutique Holdings Corp. v. Zuccarini, No. CIV. A. 00-4055, 2000 WL 1622760 (E.D. Pa. Oct. 30, 2000).

8. *Id.* at \*8.

9. *Id.* at \*3.

10. *Id.* at \*6.

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

12. *Id.* at 640.

closes the web window, but Zuccarini engineered it to lead to even more advertising.<sup>13</sup>

Zuccarini's mousetraps soon landed him in court. Although the ACPA was enacted on November 29, 1999 — after he initiated his scheme — the Act applied retroactively to Zuccarini since his behavior continued after the statute's enactment.<sup>14</sup> Zuccarini first appeared before the Pennsylvania federal district court in March 2000.<sup>15</sup> Joe Shields, the owner of "Joe Cartoon" and the operator of the website joecartoon.com, filed suit after receiving e-mail complaints from customers.<sup>16</sup>

Zuccarini had registered the names "joescartoon.com," "joecarton.com," "joescartoons.com," and "cartoonjoe.com" — all misspellings of Shields's domain name "joecartoon.com." Zuccarini had intentionally designed his sites to be similar to Shields's legitimate website, both to trap wayward visitors and to profit from them.<sup>17</sup> Before the court, Zuccarini claimed that his mousetrap websites were for political protest and that the First Amendment protected them.<sup>18</sup> The court rejected this argument and ordered a temporary injunction pending a final decision.<sup>19</sup>

At the time of the injunction, the joecartoon.com website received thousands of visits daily, totaling approximately 700,000 visits per month.<sup>20</sup> Even with only a tiny fraction of joecartoon.com visitors mistyping the domain name and ending up in Zuccarini's traps, the mousetrapping activity yielded hundreds of dollars per day. Trapping careless joecartoon.com visitors was so profitable for Zuccarini that he completely ignored the injunction and continued operating his joecartoon.com traps. This conduct forced Shields to go to the website domain name administrator with a court order to shut down Zuccarini's five infringing joecartoon websites.<sup>21</sup>

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13. *Elecs. Boutique*, 2000 WL 1622760, at \*5.

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

15. *Id.* at 634.

16. *Id.* at 635.

17. *Id.* at 637.

18. *Id.* at 640.

19. *Id.* at 641.

20. *Id.* at 635.

21. *Shields v. Zuccarini*, No. CIV. A. 00-494, 2000 WL 1056400, at \*3 (E.D. Pa. June 5, 2000).

The court granted Shields's motion for summary judgment on June 5, 2000.<sup>22</sup> It held that "Zuccarini [had] registered variations of Shield's names willfully, in bad faith, and in violation of the ACPA."<sup>23</sup> Next, the court considered statutory damages and attorney's fees. The ACPA allows the court to award statutory damages between \$1,000 and \$100,000 per infringing domain name, as the court considers just.<sup>24</sup> The court awarded Shields \$10,000 per infringement for a total of \$50,000.<sup>25</sup> It then awarded attorney's fees of \$35,798, and costs amounting to \$3,310.<sup>26</sup>

Zuccarini sought safe harbor from these fees, claiming that he had acted with statesmanship by not contesting Shields's summary-judgment motion. In response, the court stated: "The theory seems to be that, having been caught red-handed and having lost at the preliminary injunction stage, Shields should let bygones be bygones. We are aware of no such authority that would warrant such a silly amnesty."<sup>27</sup> The court also noted that Zuccarini should have no trouble paying the fines because he had admitted to making nearly \$1 million dollars a year from his numerous look-alike domain names.<sup>28</sup>

The court also identified examples of Zuccarini's violations after the March 2000 injunction, including registered misspellings of the following celebrity names: Britney Spears, Eminem, Kevin Spacey, and Tom Green.<sup>29</sup> As the court observed: "He [had] also registered variations on *Survivor*, *Big Brother*, *Mission: Impossible*, L.L. Bean and even the Pillsbury Doughboy."<sup>30</sup>

Although he mildly protested in court, Zuccarini did not appeal the decision. In fact, he removed himself from the legal arena completely after the July 2000 fines were imposed.

Given the court's knowledge of Zuccarini's continuing behavior, it is doubtful that the court imposed sufficiently punitive fines. After all, the court explicitly acknowledged his high profits and his continuing ACPA violations, even in the face of earlier orders to stop. Perhaps the court reasoned that Zuccarini would learn his lesson after being hit with over \$88,000 in fines. But

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22. *Id.*

23. *Shields v. Zuccarini*, No. CIV.A.00-494, 2000 WL 1053884, at \*1 (E.D. Pa. July 18, 2000).

24. Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1117(d).

25. *Shields*, 2000 WL 1053884, at \*2.

26. *Id.*

27. *Id.* at \*1 n.3.

28. *Id.*

29. *Id.* at \*1 n.2.

30. *Id.*

the court soon realized that Zuccarini did not receive the court's "clear" message — that he was not even listening.

One month after Zuccarini's fine was imposed, Electronics Boutique Holdings Corp. ("EB") brought another ACPA action against him.<sup>31</sup> This time, Zuccarini had used EB's ebworld.com to set five traps, including ebworl.com and ebwold.com.<sup>32</sup> EB had received 2.6 million visitors to its website in the previous eight months.<sup>33</sup> Even if only one percent of those visitors accidentally mistyped the domain name, the number of trapped customers would exceed 20,000 per year from this website alone.

EB claimed that Zuccarini had knowingly violated the ACPA by registering misspelled versions of EB's domain name in a bad-faith effort to "mousetrap" EB's customers.<sup>34</sup> EB further argued that the damages were incalculable and that the court should use its discretion to fine Zuccarini the maximum permitted under the ACPA.<sup>35</sup>

By this time, Zuccarini had moved his operations underground, making it impossible to serve him with process by conventional means for the scheduled hearing on EB's injunction motion. Zuccarini avoided phone calls and stealthily entered and exited his building.<sup>36</sup> For these reasons, in the absence of conventional service, the court issued an injunction, which Zuccarini again ignored.<sup>37</sup>

As before, shutting down the websites required a court order to the domain name administrator.<sup>38</sup> In response to the administrator's notification, Zuccarini sent heated e-mail messages, demanding that the domain names remain activated and claiming that only upon his authority could they be shut down.<sup>39</sup> Zuccarini also told the administrator that the court had not contacted either him or his lawyer. But Zuccarini had not retained counsel for the EB

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31. *Elecs. Boutique*, 2000 WL 1622760.

32. *Id.* at \*2.

33. *Id.* at \*4.

34. *Id.*

35. *Id.* at \*6.

36. *Id.* at \*1.

37. *Id.* at \*3.

38. *Id.* at \*1.

39. *Id.*

lawsuit.<sup>40</sup> Zuccarini failed to appear in court to defend himself and was unreachable after the hearing.<sup>41</sup>

The court analyzed the ACPA case step-by-step, as if the case were being vigorously contested. Even after giving Zuccarini the benefit of every doubt, the court again found that he had used confusingly similar domain names with the bad-faith intent to profit.<sup>42</sup> The court also recognized that Zuccarini had actually accelerated his mousetrap production, planting traps around celebrities' names, famous brands, company names, television shows, and movies.<sup>43</sup> The court also mentioned several other cases brought by Radio Shack, Office Depot, Nintendo, Hewlett Packard, the Dave Mathews Band, the Wall Street Journal, Encyclopedia Britannica, Calvin Klein, and Yahoo! — all alleging the same type of wrongdoing.<sup>44</sup>

The court ruled: "*Mr. Zuccarini boldly thumbs his nose at the rulings of this court and the laws of our country. I find justice requires that damages be assessed against Mr. Zuccarini in the amount of \$100,000 per infringing domain name, for a total of \$500,000.*"<sup>45</sup> The court also awarded \$30,643 in attorney's fees and costs.<sup>46</sup> Would this be effective in forcing Zuccarini to stop? Would he pay his fines?

The United States District Court for the Eastern District of Pennsylvania was one of the first courts asked to protect companies under the ACPA from mousetrappers like Zuccarini. The court characterized Zuccarini's conduct as "utterly parasitic and in complete bad faith."<sup>47</sup> The court also noted that Zuccarini was not easily deterred, "observing that Mr. Zuccarini [had] failed to get the 'crystalline message' of the court in its March 22 Opinion and June 5 Order."<sup>48</sup> Here was a person who had discovered a simple, yet highly lucrative, moneymaking scheme. While never leaving his apartment, he could collect nearly a million dollars a year in advertising royalties.<sup>49</sup>

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40. *Id.*

41. *Id.*

42. *Id.* at \*4.

43. *Id.* at \*8.

44. *Id.* at \*7.

45. *Id.* at \*8 (emphasis added).

46. *Id.*

47. *Shields*, 2000 WL 1053884, at \*1.

48. *Shields*, 89 F. Supp. 2d at 642.

49. Zuccarini Mousetrap for Britney Spears, at <http://www.britneyspears.com>.

When looking critically at the court's actions in both cases, one is hard-pressed to find fault with its decisions. The court conducted full proceedings even though Zuccarini taunted the court with invented legal theories and ignored previous court orders. And by the time of the *EB* case, Zuccarini avoided the court entirely. Yet the court probably did not send a strong enough message when it opted to fine Zuccarini only \$10,000 per infraction in *Shields*. The court's later actions in *EB* were appropriate. Imposing the maximum fine of \$100,000 per violation was a proper and predictable result, given Zuccarini's extreme behavior.

Under the ACPA alone, courts appear powerless to stop extreme behavior such as that of Zuccarini, who has repeatedly ignored explicit court orders and has continued to pursue his profitable, predatory business. Although the ACPA provides \$100,000 fines for each infraction and allows for attorney's fees, more is needed. One approach would be to prohibit the registration of a domain name unless the registrant proves a legitimate interest in the name, such as the interest that a business or family would have in using its own established name.<sup>50</sup> The agencies now entrusted with registering domain names could then legally eliminate Zuccarini's traps and prevent future ones from springing up.

But there are problems with this approach. For example, it could prevent registration of some appropriate names for legitimate websites — such as those devoted to protest, parody, and other helpful information.<sup>51</sup> Further, it could deprive registrants of using creative original names and could otherwise chill the exercise of free speech. Other possible approaches include making mouse-trapping a criminal offense and imposing fines on companies that advertise with ACPA violators. But for now, it is clear that civil penalties have failed to stop — or even to slow down — Zuccarini.

While many strive to keep the government from interfering in the free flow of information over the Internet, some safeguards are necessary. Businesses

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50. Cf. Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d).

51. Those who sponsor such websites are already subject to threats and other efforts by trademark holders to take down the websites. See Alastair Alexander, *Stop Warner Brothers Bullying Potter Fans*, at <http://www.potterwar.org.uk> (visited Jan. 26, 2001). The protest website [www.potterwar.org.uk](http://www.potterwar.org.uk) was set up to protest what was being done to Harry Potter fans and to express support for everyone "getting the third degree" from Warner Brothers. The site reports that Warner Brothers has been targeting teenage fans of Harry Potter. For example, one fan registered the name "harrypotterguide.co.uk" to be used for a site dedicated to Harry Potter. Warner Brothers told her that her site is "likely to cause consumer confusion or dilution of intellectual property rights." And the company has threatened legal action unless she gives up the domain name. The same threat was made to a 15-year-old fan who registered the name "HarryPotterNetwork.net," and to a 12-year-old fan who registered the name "HarryPotterFAQ.com."

and customers alike suffer when modern-day pirates make profits by trapping unwitting website visitors. The cases against Zuccarini illustrate that the current law does not always suffice — that lucrative opportunities and anonymity may motivate even an enjoined mousetrapper to continue setting traps. The time has come for a statute that not only gets a mousetrapper's attention, but also effectively stops him in his cyberspace tracks.