Master of the Domain (Name): A History of Domain Name Litigation and the Emergence of the Anticybersquatting Consumer Protection Act and Uniform Dispute Resolution Policy

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I.   INTRODUCTION

Today's society is one in which information is *the* most valuable commodity.   The crystallized, bipolar environment of political ideologies, in which many of us grew up, no longer exists.   In its place we find an international community in which promotion of cultural, ideological and political concepts occur not by force, but through open and welcome exchange.   Most relevant to this comment is the fact that informational exchange is no longer restricted by the once conventional means of communication: mail, telephone or facsimile.   The advent of the Internet allows for the access of information in a medium that is instantaneous, globally permeating and near perpetual in its existence.

While intrepid entrepreneurs and visionaries continue to forge the commercial and social limits of the Internet frontier, it is the duty of jurisprudence to delineate and decree what realms of this technology shall remain forbidden.   Such guidance is necessary to preserve basic concepts of fairness and equity.   As society becomes more dependent on the exchange of information, entities that control access to the same will find themselves wielding an awesome power, which has the potential for immeasurable abuse if not held in check by the appropriate authority.[1]

This comment will cover a host of interrelated topics in the continually evolving field of Internet law and perhaps its biggest quandary—domain name infringement.   Domain names are the key to accessing information on the Internet and to control this access is to

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[1] Literary great George Orwell realized the value of information—and its control: "Whoever controls the past controls the future. Whoever controls the present controls the past."

possess the aforementioned power.   In the economic sense, the perspective from which this comment is written, the possession of such power can be the key to a company's ability to achieve commercial success and the source of curtailing consumers' potentially endless buying power.

II.   INTERNET FUNDAMENTALS

Like the overwhelming legal jargon that a first-year law student must master in order to comprehend the material in a casebook, the Internet, too, has its own lexicon that hinders analysis of relevant legal issues. Proper understanding of the domain name infringement issue and the remedial powers vested in the Federal Trademark Dilution Act (FTDA),[2] the Anti-Cybersquatting Consumer Protection Act (ACPA)[3] and the Uniform Domain Name Dispute Resolution Policy (UDRP)[4] requires a basic understanding of some key Internet concepts and related terminology.

The United States District Court for the Eastern District of Pennsylvania, in *American Civil Liberties Union v. Reno*,[5] provided an excellent explanation of many Internet concepts in its constitutional examination of the Communications Decency Act. The Eastern District found that "[t]he Internet is not a physical or tangible entity, but rather a giant network which interconnects innumerable smaller groups of linked computer networks. It is thus a network of networks."[6] While similar to an interconnecting web of telephone networks, the Internet differs in that no single person or commercial or government entity controls its operation.[7] The Internet "exists and functions as a result of the fact that hundreds of thousands of separate operators . . . independently decided to use common data transfer protocols to exchange communications and information."[8]

While computers that are a part of the Internet may be owned by individuals, businesses or the government, "[t]he resulting whole is a decentralized, global medium of communications . . . that links people, institutions, corporations, and governments around the world.

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[2] 15 U.S.C.A § 1125(c) (West 2000).

[3] 15 U.S.C.A § 1125(d) (West 2000).

[4] INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (ICANN), *Uniform Domain Name Dispute Resolution Policy* (Oct. 24, 1999), *available at* http://www.icann.org/udrp/udrp-policy-24oct99.htm (last updated June 4, 2000) [hereinafter THE POLICY].

[5] Am. Civil Liberties Union v. Reno, 929 F. Supp. 824 (E.D. Pa. 1996).

[6] *Id*. at 830, ¶ 1.

[7] *Id.* at 832, ¶ 11.

[8] *Id.*

The Internet is an international system."[9] The Internet can be equated to a technological cooperative in which no entity reigns supreme and where users interact with one another within a community of shared data and information.

This matrix is organized so any computer that is a part of the Internet can communicate with any other computer using a standard rubric for data transmission and reception.[10] Another element of this communications medium, and perhaps the most widely known aspect of the Internet, is the *World Wide Web* (Web). The Web is "a collection of information resources contained in documents located on individual computers around the world."[11] On the Web, Internet users will find *web pages*, "interactive presentation[s] of data" that are accessible to almost any computer.[12] Web pages contain information such as text, pictures, audio, video and links to other web pages.[13]

With a mode of communication—TCP/IP—and the content and information that makes up the Internet—web pages—the only component of the Internet that remains to be examined is a means to access the information contained on the Internet. That means is not only the key to unlocking the aforementioned wealth of information on the Internet, but is also at the heart of domain name infringement and is the subject that makes up the remaining content of this comment.

III. THE DOMAIN NAME SYSTEM: IP ADDRESSES AND DOMAIN NAMES

The multitude of computers and their banks of information that have become nodes in the tangled web of data on the Internet are each identified via a series of numeric identifiers called an *internet protocol address*, or *IP address*.[14] IP addresses function similarly to a

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[9] *Id.* at 831, ¶ 4.

[10] Transmission Control Protocol/Internet Protocol (TCP/IP) is the aforementioned rubric that makes Internet communication possible. TCP breaks a file down into electronic packets while IP routes the packets to their final destination. Once the packet reaches its destination, TCP reassembles the individual packets into the complete file. *See generally* PAUL L. SCHLIEVE, DEMYSTIFYING TCP/IP (2d ed. 1997).

[11] Brookfield Communications, Inc. v. West Coast Entm't Corp., 174 F.3d 1036, 1044 (9th Cir. 1999). *See also Am. Civil Liberties Union v. Reno*, 929 F. Supp. 824, 835-36, ¶ 36 (E.D. Pa. 1996)

[12] Avery Dennison Corp. v. Jerry Sumpton, 189 F.3d 868, 872 (9th Cir. 1999).

[13] *See Brookfield Communications,* 174 F.3d at 1044. *See also Am. Civil Liberties Union*, 929 F. Supp. at 836, ¶ 33.

[14] Marcus J. Millet, *Same Game in a New Domain—Some Trademark Issues on the Internet*, 198 N.J. LAW. 32 (1999), *microformed on* N.J. LAW., Aug. 1999 (Heins Bar Jour. Serv.) (for

street address or telephone number and tell the Internet user's computer where to look for information on the Web. Each of these strings of digits are unique; each section has its own meaning and is part of the overall direction scheme that tells the computer where to go.[15]

But the use of an IP address, although the everyday language for a computer, is a language that is nearly unintelligible to the average Internet user. Therefore, a more user-friendly system of instructing a computer where to look for information was developed. That system consists of domains and domain names.

A *domain* is nothing more than a collection of information that is associated with one or more users.[16] It follows, therefore, that a *domain name* is a set of characters designating where a particular domain is located.[17]   Domain names function as mnemonic designations of information. When entered into a user's web browser, they automatically look up the corresponding IP address.[18] Consequently, every web page has a corresponding domain name.[19]

When a user seeks to place a web page and the information it contains on the Internet, the user must register the domain and domain name with a *domain name registrar*, such as Network Solutions, Inc. (NSI).[20] Registrars maintain a database of registrations and a system for translating user-friendly domain names into a corresponding computer-friendly IP address.[21]   While the user and the actual computer might be speaking different languages (domain names versus IP addresses), the registrar's *domain name server* acts as a translator and takes the user to the correct location on the Web.[22]

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example, an IP address might look like: 204.71.200.74; this particular address correlates with <www.yahoo.com>).

[15] *See generally* Chuck Semeria, *Understanding IP Addressing, at*

http://www.3com.com/nsc/501302s.html (Apr. 26, 1996).

[16] *See* Millet, *supra* note 14.

[17] *Id.*

[18] Dan L. Burk, *Trademarks Along the Infobahn: A First Look at the Emerging Law of Cybermarks*, 1 RICH. J.L. & TECH. 1, ¶ 12 (Apr. 10, 1995), *available at*

http://www.richmond.edu/jolt/v1i1/burk.html.

[19] Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1318 (9th Cir. 1998).

[20] Network Solutions, Inc. (http://www.networksolutions.com), is no longer the exclusive registrar of domain names. For the <.com>, <.net> and <.org> TLDs, a domain name registrant could apply for registration with Register.Com (http://www.register.com) or Internet Names WorldWide (http://www.inww.com) among others. A complete list of all licensed domain name registrars and the TLDs they service is available at http://www.norid.no/domreg.html (last updated May 18, 1999).

[21] *See* Avery Dennison Corp. v. Sumpton, 189 F.3d 869, 872 (9th Cir. 1999).

[22] *See* Millet, *supra* note 14, at 33. *See also* Management of Internet Names and Addresses, 63

To translate a domain name into its corresponding IP address, the user must employ a web browser's *uniform resource locator* (URL). The URL refers to a set of characters that specify the location of a particular item of information and includes the domain name as well as additional information regarding the particulars of the information within the domain.[23]   The URL acts as the "global address of documents and other resources of the World Wide Web."[24]   For example, in the URL http://www.scu.edu, the 'http' section tells the computer which *protocol*[25] to use while <www.scu.edu> directs the computer to the proper domain name/IP address in order to locate the desired information.[26]

Like an IP address, domain names contain multiple fields of information. With the aforementioned example of <www.scu.edu>, <.edu> is the *top-level domain* (TLD). A number of TLDs exist on the Web, such as the aforementioned <.edu> for educational institutions, <.gov> for United States government agencies and institutions, <.com> for commercial use, <.org> for not-for-profit organizations, <.mil> for the United States military and <.net> for network organizations.[27] Several country-coded TLDs (ccTLDs) such as <.ca> (Canada), <.th> (Thailand) and <.uk> (the United Kingdom) also exist.[28] However, especially during the infancy of the Web and NSI's monopoly over the <.com> TLD, there was minimal scrutiny regarding the registration of TLDs to the proper class of requesting entity, which has contributed to the current infringement problem.[29]

Fed. Reg. 31,741 (June 10, 1998) (the domain name system translates Internet names into the IP numbers needed for transmission of information across the network).

[23] *See* Millet, *supra* note 14, at 33.

[24] *Webopedia: Online Computer Dictionary for Internet Terms and Technical Support*, *at* http://webopedia.internet.com/TERM/U/URL.html (last modified June 24, 1998).

[25] Protocol is the format for transmitting data between two devices. The protocol informs the computer what "language" to speak with the other computer in order to properly request and receive the desired data. Protocols also determine methods of error checking in the transmission of data and means of data compression. Another important function of protocol is its determination of how the sending source will indicate it has finished transmitting data and the receiving source's indication of successful acquisition of that data. *Webopedia: Online Computer Dictionary for Internet Terms and Technical Support*, *at* http://webopedia.internet.com/term/p/protocol.html (last modified Sept. 01, 1996).

[26] *See Webopedia: Online Computer Dictionary for Internet Terms and Technical Support*, *at* http://webopedia.internet.com/TERM/U/URL.html (last modified June 24, 1998).

[27] *Webopedia: Online Computer Dictionary for Internet Terms and Technical Support*, *at* http://webopedia.internet.com/TERM/T/TLD.html (last modified Jan. 4, 2001).

[28] *Id.*

[29] It is not unusual to find, for example, a commercial institution with a <.org> or <.edu> TLD. The TLDs most commonly misapplied are <.com>, <.net>, <.org> and <.edu>. There is a great deal of scrutiny, however, in the registration of <.mil> and <.gov> TLDs. Allyn Taylor,

While improper TLD/registrant pairing is a problem, the core of the domain name infringement problem results from misapplying *second-level domain names* (SLDs). The SLD often describes the actual name of the entity hosting the web site or gives some indication as to the nature of the site.   In the URL http://www.CNN.com, <http://> is, again, the protocol designation, <.com> is the TLD and 'CNN' is the SLD. The SLD has the potential to indicate to the user that it is accessing a site hosted by the news service CNN. Likewise, with http://www.volkswagen.com, the SLD indicates that a user is accessing a site operated by the car manufacturer Volkswagen. In many cases, as with these two examples, the SLD of a domain name is the trademark of the entity operating the site. It is the use of trademarks as SLDs that has led to the problem of domain name infringement.

IV. GETTING STUCK IN THE WEB: DOMAIN NAME REGISTRATION

For an individual or entity to obtain a domain name, the registrant files an application with a licensed domain name registrar such as NSI or Register.com indicating the SLD/TLD combination the applicant desires.[30] Since each web site must have a unique domain name, the registrar checks the availability of the requested domain name.[31] If another party previously registered a desired SLD/TLD, the registrant must choose a different combination.[32]   Other than requiring applicants to make certain representations regarding their contact information, registrars do not make exhaustive—if any—

Address at Santa Clara University School of Law (Dec. 3, 1999) (speaking on domain names and the challenge they present to trademark law). *See also Webopedia: Online Computer Dictionary for Internet Terms and Technical Support*, *at*
http://webopedia.internet.com/TERM/T/TLD.html (last modified Jan. 4, 2001).   With the commercial potential of the Internet, competition for domain names has become fierce. For example, of all the companies named 'Acme, Inc.,' only one can have the domain name <www.acme.com>. The ICANN Board recently approved seven new TLDs to help alleviate this situation. *See infra* note 286.

[30] Both NSI and Register.com offer extremely simple application forms where the user indicates the desired domain name, contact information and the length of registration. Both sites took less than five minutes to register a domain name. *Network Solutions, at* http://www.nsi.com (last visited Apr. 25, 2001); *Register.com, at* http://www.register.com (last visited Apr. 25, 2001).

[31] With both NSI and Register.com, this is the first step following indication of a desired domain name. If the name is not available, the registrar suggests registration in another TLD or a slight variation to the SLD. *Id.*

[32] For example, if a registrant applies for <www.X.com> and discovers prior assignment, he might attempt <www.X.org> or <www.X.net>. The TLD may not properly correspond to the web site's function (*i.e.*, <www.X.org> for an electronic commerce site; <.org>, generally, is reserved for not-for-profit groups), but notwithstanding the misdescription, registration remains permissible.

determinations into a registrant's legal right to use a particular SLD/TLD combination with regard to potential infringement of otherwise properly registered trademarks.[33]

Further contributing to the domain name infringement problem is the conveyance of domain names on a first-come, first-served basis.[34] Such a practice provides unethical parties—*cybersquatters*—an incentive to beat out a rightful trademark holder in the registration process so they may hold the domain name hostage and demand compensation from the trademark holder.[35]

Notwithstanding the present unethical behavior of cybersquatters, the seeds of the registration problem were sown more than twenty-five years ago when the Department of Defense's Advanced Research Projects Agency (DARPA) funded research for the transmission of electronic data through packet-switching technology—the foundation of Internet communication.[36] Using this new packet-switching technology, DARPA assisted in the creation of an elementary network of computers that represented a microcosm of what the Internet would become.[37]

When the scale of this proto-Internet (called ARPANET) was, at

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[33] Brookfield Communications, Inc. v. West Coast Entm't Corp., 174 F.3d 1036, 1044 (9th Cir. 1999). Since the implementation of the UDRP, however, a registrant "represent[s] and warrant[s] . . . that . . . the registration of the domain name will not infringe upon or otherwise violate the rights of any third party." THE POLICY, *supra* note 4, ¶ 2. Furthermore, the provisions of the UDRP—including the aforementioned warranty—are "incorporated by reference into [the] Registration Agreement" for any domain name. THE POLICY, *supra* note 4, ¶ 1. Therefore, any new registration or subsequent re-registrations of previously registered domain names are all subject to the UDRP.

[34] While the warranties of the UDRP apply to all registrants, neither registrar had any procedural safeguards in place to ensure that the registrant was who he claimed to be and that he had any rights in the domain name sought. Registrars have little reason to make such an investigation or determination as they are, for the most part, immune to suit under the ACPA per Section 1125(d)(2)(D)(ii), which states that "[t]he domain name registrar or registry . . . shall not be liable . . . except in the case of bad faith or reckless disregard." The UDRP, per Rule 3(b)(xiv)(b), likewise waives all liability against the registry. INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (ICANN)*, Rules for Uniform Dispute Resolution Policy* (Oct. 24, 1999), *at* http://www.icann.org/udrp/udrp-rules-24oct99.html (last modified Jan. 3, 2000) [hereinafter THE RULES]. Liability for a registrar is equally as questionable under the FTDA, as "NSI's limited role as a registrar . . . coupled with the inherent uncertainty in defining the scope of intellectual property rights in a trademark militates against finding that NSI knew or has reason to know of potentially infringing uses by others." Lockheed Martin Corp. v. Network Solutions, Inc., 985 F. Supp. 949, 951 (C.D. Cal. 1997), *aff'd*, 194 F.3d 980 (9th Cir. 1999).

[35] Millet, *supra* note 14. Cybersquatters are those who "appropriate brand names with the sole intent of extorting money from the lawful mark owner." 145 CONG. REC. S9,744, 9,750 (statement of Sen. Hatch).

[36] Management of Internet Names and Addresses, 63 Fed. Reg. at 31,741 (June 10, 1998).

[37] *Id.*

the time, quite small, a graduate student at the University of California at Los Angeles, Dr. Jon Postel, single-handedly undertook the maintenance of tracking IP addresses, much like domain name registrars do today.[38]   As the network and lists grew, DARPA permitted Dr. Postel to delegate some of his administrative functions to a group known as SRI International, a Department of Defense contractor.[39]   As growth continued, an entity known as the Internet Assigned Numbers Authority, later known as the Internet Corporation for Assigned Names and Numbers (ICANN), took on performance of the tasks previously handled by Dr. Postel and SRI.[40]

Tracking registration proved to be incredibly taxing and on July 1, 1997, as part of the Clinton Administration's *Framework for Global Electronic Commerce*, the Secretary of Commerce privatized the management of the domain name system in order to increase competition and facilitate international participation in its management.[41]   As part of that agreement, five companies were chosen to participate in a competitive shared registry for the <.com>, <.net> and <.org> TLDs.[42]   The agreement marked "a major milestone in the joint efforts of the public and private sectors to bring Internet users the benefits of real competition in registration services in the most popular Internet domains."[43]   The agreement also opened the door to domain name infringement as bottom-line profits became more paramount to orderly and consistent registration requirements.

V. THE IMPORTANCE OF PREVENTING DOMAIN NAME INFRINGEMENT

A critical question is whether domain name infringement is worthy of the attention, much less federal legislation and international arbitration. According to one legal scholar, "[i]n the information age, wealth is increasingly concentrated in intellectual property."[44]

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[38] *Id.*

[39] *Id.*

[40] *Id.*

[41] Memorandum of Understanding Between the United States Dep't of Commerce and Internet Corporation for Assigned Names and Numbers (on file with author).

[42] ICANN Press Release, *ICANN Names Competitive Domain-Name Registrars* (Apr. 21, 1999) (on file with author). The five registrars named to participate in the program were America Online, CORE (Internet Council of Registrars), France Telecom/Oléane, Melbourne IT and Register.Com. Before that, registration services in the <.com>, <.net> and <.org> domains were provided by Network Solutions, Inc., who had enjoyed an exclusive right to handle registrations, under a 1993 Cooperative Agreement with the United States Government.

[43] *Id.* (quoting Esther Dyson, Interim Chairperson of ICANN).

[44] *See* Millet, *supra* note 14.

Business today thrives on the Internet and electronic commerce more than ever before.[45] Despite the recent swoon in the Internet industry, a number of businesses continue to sell their products exclusively on the Internet—Amazon.com and eBay.com, for example.[46] Other businesses may not sell their products directly over the Internet, like the earlier example of <volkswagen.com>, but use the Web as a cheap and effective means of advertising and providing instantaneous information about their products and where they can be purchased.

But what should happen if a business finds its trademark is unavailable as a domain name for use on the Internet or its domain name is confused with another domain or is significantly diluted by another party? Consider this dilemma with the fact that the Internet, in 1990, had less than one million users worldwide.[47] Ten short years later, the Internet has become an integral part of everyday communications and commerce, with over 100 million users now on-line.[48] The entire world is slowly, but surely, getting on-line. To hinder the ability of an entity to use the Internet for commerce is to pose a "very serious threat to consumers and the future growth of electronic commerce."[49]

Domain name infringement poses a threat to the most basic objectives of trademark law: "reducing the customer's costs of shopping and making purchasing decisions."[50] Trademarks permit a purchaser to quickly and easily ascertain the quality, history and dependability of an item displaying a trusted trademark. If a consumer purchased item X bearing a certain trademark and benefited from that purchase, that consumer is likely to feel comfortable in the

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[45] In 1999, on-line commercial sales were estimated to have reached $18 billion. John McCormick, *The Internet 500: Deep Well*, Interactive Week (citing Forrester Research), *at* http://www.zdnet.com/intweek/stories/news/0,4164,2394349,00.html (Nov. 15, 1999).

[46] *See generally* Joseph Gallivan, *Dot-Com's Death*, NEW YORK POST, Nov. 9, 2000 (providing a brief, but concrete, overview of the collapsing dot-com marketplace), *at* http://www.nypost.com/11092000/business/15296.htm.

[47] WORLD INTELLECTUAL PROPERTY ORG. (WIPO), FINAL REPORT OF THE WIPO DOMAIN NAME PROCESS: THE MANAGEMENT OF INTERNET NAMES AND ADDRESSES/INTELLECTUAL PROPERTY ISSUES ¶ 166, *available at* http://wipo2.wipo.int./process1/report/index.html (Apr. 30, 1999); s*ee also* Amer. Civil Liberties Union v. Reno, 929 F. Supp. 824, 831, ¶ 3 (E.D. Pa. 1996).

[48] *See* Millet, *supra* note 14. *See also Am. Civil Liberties Union*, 929 F. Supp. at 831, ¶ 3; 145 CONG. REC. S10,305 (Aug. 5, 1999) ("Ten million customers shopped for some product using the Internet in 1998 alone. . . . 5.3 million households will have access to financial transactions like banking and stock trading by the end of 1999.").

[49] 145 CONG. REC. S14,985, 15,019 (Nov. 19, 1999) (statement of Sen. Hatch).

[50] *See* Brookfield Communications, Inc. v. West Coast Entm't Corp., 174 F.3d 1036, 1053 (9th Cir. 1999) (quoting Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 163-64 (1995)).

purchase of item Y bearing the same mark in the future. The law, in this manner, "helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product."[51] Domain name infringement—cybersquatting or otherwise—upsets these elementary premises of consumer protection by allowing unscrupulous competitors to free-ride on the mark holder's good will and reputation.

VI. DOMAIN NAME INFRINGEMENT AND PRE-ACPA/UDRP
    TRADEMARK LITIGATION

   A. *The Likelihood of Confusion and Domain Name
       Infringerment*

In many cases, Internet users know exactly where they are going on the Web and enter the URL of the desired web site. Occasionally, a user does not know the complete URL of a web site and makes an educated guess by entering the trademark of a company followed by a <.com>—<trademark.com>. This approach is often successful as many web sites use their trademark as an SLD.[52] Companies that market on the Internet intentionally seek "to make the search for their web site as easy as possible. They do so by using a corporate name, trademark, or service mark as their web site address."[53]

But what happens when an Internet user looks for a web site using the trademark of a company and instead finds a totally unrelated service? For example, if an Internet user types in the URL <www.whitehouse.com>, the user might reasonably expect to find a web site about the presidential residence at 1600 Pennsylvania Avenue. In fact, the URL reveals a pornographic web site. While the actual URL is <www.whitehouse.gov>, the user's mistake in typing the incorrect URL is an honest and conceivable one. The Internet user could try again with the assistance of a search engine or the user could become frustrated and give up the search.[54] One can only begin to imagine the commercial losses suffered from frustrated Internet users giving up their search for a product or service.

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[51] *Id.* (quoting *Qualitex*, 514 U.S. at 163-64).

[52] *See* Playboy Enters. v. Universal Tel-A-Talk, Inc., No. CIV.A.96-6961, 1998 WL 767440, at *2 (E.D. Pa. Nov. 3, 1998); *see also* Cardservice Int'l, Inc. v. McGee, 950 F. Supp. 737, 741 (E.D. Va. 1997), *aff'd*, 129 F.3d 1258 (4th Cir.1997).

[53] *See* Panavision Int'l, LP v. Toeppen*,* 141 F.3d 1316, 1327 (9th Cir. 1998); *see also* Beverly v. Network Solutions, Inc., No. C-98-0337-VRW, 1998 WL 320829, at *1 (N.D. Cal. June 12, 1998).

[54] *See infra* note 60.

A domain name serves as more than a part of the domain name/IP address dichotomy because "[a] significant purpose of the domain name is to identify the entity that owns the Web site."[55] This premise is in perfect harmony with the aforementioned <trademark.com> logic. A domain name that is identical to a company's well-known trademark "may be a valuable corporate asset, as it facilitates communication with a customer base."[56] The domain name, in the world of electronic commerce, serves not only as a means of accessing a web site without entering a complicated IP address, but also serves as an indicia of quality as to the web site's information or commercial product.[57]

When consumers purchase a product with a certain trademark on the packaging, they know they are purchasing a product of a certain quality and dependability based on their experiences with other goods bearing the same trademark.[58] While information regarding quality and dependability may not appear on the packaging, the trademark conveys all of this information.[59] The same theory carries over to a domain name and the communicative value of that name.

When Internet users access <amazon.com>, they know they are accessing a tried and proven electronic commerce site that sells millions of books that can be reviewed and purchased with a user-friendly interface without ever leaving home. The domain name of <amazon.com> is thus much more than a device for avoiding the entry of a complicated IP address as it also tells the user the history, quality and dependability of the web site and its services.

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[55] *Panavision Int'l*, 141 F.3d at 1327.

[56] MTV Networks, Inc. v. Curry, 867 F. Supp. 202, 203-04 n.2 (S.D.N.Y. 1994).

[57] *See* Peter Brown, *New Issues in Internet Litigation*, 471 PRAC. L. INST. 151, 156 (1997). *See also* Indus. Rayon Corp. v. Dutchess Underwear Corp., 92 F.2d 33, 35 (2d Cir. 1937), *cert. denied*, 303 U.S. 640 (1937) ("[A] trademark is . . . a word or symbol indicating the origin of a commercial product.").

[58]   The protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a trademark exploits this human propensity by making every human effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol.

Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co., 316 U.S. 203, 205 (1942).

[59]   Brand names and trademarks become associated with expectations of a particular quality. Reputations based on consistent past performance economize on the costs of information about the anticipated performance of a good. Thus consumers will sensibly use the brand name or reputation of the maker as a basis for choice.

A. ALCHIAN & W.R. ALLEN, EXCHANGE AND PRODUCTION: COMPETITION, COORDINATION, AND CONTROL 193 (2d ed. 1977).

Of greater concern is what occurs when a party misappropriates an entity's trademark for use as its own domain name and provides a similar or competing good of the actual trademark holder. When Internet users enter a URL under the <trademark.com> theory and happen upon a different site than they set out to find, there is a possibility the users will "fail to continue to search for [the correct] home page."[60] This failure to continue the search may be "due to anger, frustration or the belief . . . [that the desired site] does not exist."[61] Not only has the owner of the misappropriated trademark/domain name perhaps lost a sale, the competitor perhaps gained a consumer for the present purchase, and possibly the future, at the expense of the owner of the misappropriated trademark.

This scenario became reality in *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*[62] The plaintiff, Brookfield Communications, attempted to register the domain name <moviebuff.com>—the name of its searchable movie database software. The domain name registrar denied Brookfield's application when the registrar discovered that the desired domain name was assigned to the defendant, West Coast Entertainment.[63] Not only was Brookfield's desired name unavailable, it was in use by a competitor using it for on-line movie sales!

While the similarity of trademarks and domain names does not necessarily lead to *per se* consumer confusion, as there must be consideration of the relatedness of the products or services offered,[64] the similarity of the products in *Brookfield Communications*— Brookfield's "Movie Buff" movie database software and West Coast's on-line site for movie sales at <moviebuff.com>—led the court to conclude that Internet users might confuse the plaintiff's database with the defendant's web site.[65] In that conclusion, the court reiterated the lost customer scenario whereas "West Coast will have gained a customer by misappropriating the goodwill that Brookfield

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[60] Jews for Jesus v. Brodsky, 993 F. Supp. 282, 306-07 (D.N.J. 1998) (Lechner, J., quoting Wood, J., in Planned Parenthood v. Bucci, 42 U.S.P.Q.2d 1430, 1435 (S.D.N.Y. 1997); *see also* Teletech Customer Care Mgmt., Inc. v. Tele-Tech Co., 977 F. Supp. 1407, 1410 (C.D. Cal. 1997) (explaining that the seemingly endless list of potential sites found on a search engine might deter Internet users from searching for a particular web site).

[61] *Jews for Jesus*, 993 F. Supp. 282, 306-07.

[62] Brookfield Communications, Inc. v. West Coast Entm't Corp.*,* 174 F.3d 1036 (9th Cir. 1999).

[63] *See generally id.* at 1042.

[64] *Id.* at 1055.

[65] *Id.* at 1057.

had developed in its 'MovieBuff' [data base] mark."[66]

The test for the likelihood of confusion was better evidenced in *Hasbro, Inc. v. Clue Computing, Inc*[67] (*Clue Computing II)* where the plaintiff, the maker of the board game *Clue*, sought an injunction against Clue Computing, Inc., for operating a web site with the domain name <clue.com>. The court reiterated the importance of preventing use of a mark similar to that used by another party in such a way that the public would become confused about the actual source of goods or services.[68] "Such confusion might prevent the buyer from obtaining the goods he seeks or may endanger the reputation of the first user of the mark by association with the second user."[69]

The *Clue Computing II* court employed a multi-step analysis that sought to establish whether a substantial likelihood of confusion exists.[70] While the court found the marks similar (<clue.com>, the domain name versus *Clue*, the game), the environment in which the marks operated (computing versus board games) favored a finding of no confusion in the end analysis.[71] The court additionally saw little similarity in the channels of trade and advertising and further found that the sophistication of the customers would likely prevent any confusion as to the application of the mark as a domain name.[72] Strengthening this proposition was the fact that there was minimal proof of actual confusion and no evidence that the defendant sought to infringe upon the goodwill of the *Clue* board game.[73] *Clue Computing II* evidences the principle that because a trademark holder

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[66] *Id.*

[67] Hasbro, Inc. v. Clue Computing, Inc. (*Clue Computing II)*, 66 F. Supp. 2d 117 (D. Mass. Sept. 1999), *aff'd*, 232 F.3d 1 (1st Cir. 2000).

[68] *Clue Computing II,* 66 F. Supp. 2d at 121 (quoting Star Fin. Servs., Inc. v. Aastar Mortgage Corp., 89 F.3d 5, 9 (1st Cir. 1996)).

[69] DeCosta v. Viacom, Int'l, 981 F.2d 602, 605 (1st Cir. 1992), *cert. denied*, 509 U.S. 923 (1993).

[70] Those factors were: (1) the similarity of the marks, (2) the similarity of the goods or services, (3) the relationship between the parties' channels of trade, (4) the relationship between the parties' advertising, (5) the sophistication or classes of prospective purchasers, (6) evidence of actual confusion, (7) the defendant's intent in adopting the mark and (8) the strength of the plaintiff's mark. *See Star Fin. Servs.*, 89 F.3d at 10-11. The First Circuit deemed this analysis the *Star Test* as it came from the *Star. Fin. Servs.* holding. Various circuits have adopted similar tests, under different names: the *SquirtCo. Test* in the Eighth Circuit, *see* SquirtCo. v. Seven-Up Co., 628 F.2d 1086 (8th Cir. 1980); the *Sleekcraft Test* in the Ninth Circuit, *see* E&J Gallo Winery v. Gallo Cattle Co., 967 F.2d 1280 (9th Cir. 1992) and the *Roto-Rooter Test* in the Fifth Circuit, *see* Sno-Wizard Mfg., Inc. v. Eisermann Prods. Co., 791 F.2d 423 (5th Cir. 1986).

[71] *Clue Computing II,* 66 F. Supp. 2d at 122-23, 126.

[72] *Id.* at 123.

[73] *Id.* at 124-25.

has established rights in a mark, accompanying rights are not automatically created in a domain name.[74]

B. Trademark Dilution and Domain Name Infringement

Before passage of the ACPA and the likelihood of confusion cause of action under Section 43(a) of the Lanham Act,[75] there existed a second, and more popular, cause of action to address alleged misappropriation of a trademark as a domain name. Such claims fell under Section 43(c) of the Lanham Act—the Federal Trademark Dilution Act.[76] While the FTDA was enacted to provide "owner[s] of a famous mark" injunctive relief "against another person's commercial use of a mark or trade name . . . after the mark has become famous and causes dilution of the distinctive quality of the mark,"[77] it was also seen as a tool to combat cybersquatting in the early days of the epidemic.[78]

Dilution is "the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of competition between the owner of the famous mark and other parties, or likelihood of confusion, mistake or deception."[79] For example, in *Panavision International, L.P. v. Toeppen*, the court held that the registration of another's trademark as a domain name "diminished the capacity of the [infringed] marks to identify and distinguish [the infringed party's] goods and services on the Internet."[80] Despite the fact that <panavision.com> was not soliciting the goods or services of another party, the actual owner of the mark—Panavision—was unable to associate the Panavision domain name with Panavision's goods and services. The result, in the eyes of the

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[74] *See* Interstellar Starship Servs. v. Epix, Inc., 983 F. Supp. 1331 (D. Ore. 1997) (finding that trademarks do not constitute a monopoly of the name or mark used).

[75] *Clue Computing II,* 66 F. Supp. 2d 117.

[76] 15 U.S.C.A. § 1125(c) (West 2000).

[77] *Id*.

[78] 211 CONG. REC. S19,312-01 (Dec. 29, 1995) (statement of Sen. Leahy).

[79] 15 U.S.C.A. § 1127 (West 2000). Blurring occurs when a defendant uses the plaintiff's trademark to identify the defendant's goods or services, creating the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff's product. *See* Ringling Bros.—Barnum & Bailey, Combined Shows v. B.E. Windows, Corp., 937 F. Supp. 204, 209 (S.D.N.Y. 1996) (quoting Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 43 (2d Cir. 1994)). Tarnishment, on the other hand, occurs when a famous mark is improperly associated with an inferior or offensive product or service thereby causing the good name associated with the trademark to be tarnished. *See* Hormel Foods Corp. v. Jim Henson Prods. 73 F.3d 497, 506 (2d Cir. 1996).

[80] Panavision Int'l, LP v. Toeppen*,* 141 F.3d 1316, 1326 (9th Cir. 1999); *see also* Intermatic, Inc. v. Toeppen, 947 F. Supp. 1227, 1240 (N.D. Ill. 1996).

court, was a lessening of the impact and power of the Panavision mark in the mind of the consumer.[81]

In *Archdiocese of St. Louis and Papal Visit v. Internet Entertainment Group, Inc.*,[82] a preliminary injunction stretched the limits of the FTDA and the *Panavision International* holding when it enjoined the defendant's use of the domain names <papalvisit.com> and <papalvisit1999.com> per the SLDs' legal status as *common law* trademarks.[83] The court granted the injunction upon a finding that the defendant had "been diluting the distinctiveness of the plaintiff's family of marks by using the name 'papal visit 1999' and derivatives thereof to identify a sexually explicit Internet site."[84] Association of these marks with adult entertainment venues was thought to be "inconsistent with the positive and spiritual uplifting image plaintiff[] [has] striven to create and maintain in connection with the Pope's . . . visit to St. Louis."[85]

While courts tend to find in favor of the trademark holder, as shown in the extreme case of *Archdiocese of St. Louis,* there are limits to the tarnishment theory of trademark/domain name use. This limitation is a result of the First Amendment's preemptory protection of speech and expression. In *Bally Total Fitness Holding Corp. v. Faber*,[86] the defendant registered the domain name <www.compupix.com>, but also included as a subdivision of the URL, </ballysucks>.[87] Bally alleged that the subdivision of the URL, </ballysucks>, confused Internet users looking for the Bally Total Fitness web site and diluted their famous mark.[88] The court disagreed and found there to be no act of infringement under a likelihood of confusion model.[89]

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[81] *Panavision Int'l*, 141. F.3d at 1327. *But see supra* note 74 (finding that trademarks do not constitute a monopoly of the name or mark used).

[82] Archdiocese of St. Louis v. Internet Entm't Group, 34 F. Supp. 2d 1145 (E.D. Mo. 1999).

[83] *Id.* at 1146. Most actions under the FTDA involve marks on the principal register of the USPTO.

[84] *Id.*

[85] *Id.*

[86] Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161 (C.D. Cal. 1998).

[87] *Id.* at 1162. The complete URL would read: http://www.compupix.com/ballysucks.

[88] *Bally Total Fitness*, 29 F. Supp. 2d at 1162.

[89] First, the defendant did not use the Bally name as his primary SLD but in a lower-level SLD. *Bally Total Fitness*, 29 F. Supp. 2d at 1165. Second, there would be no user frustration in a search for the actual Bally's site under the <trademark.com> theory as, again, the defendant was not using the Bally name as part of his primary SLD. Finally, the Court found that "no reasonably prudent Internet user would believe that 'Ballysucks.com' is the official Bally site or is sponsored by Bally. *Id.* at n.2.

More importantly, the *Bally Total Fitness* court refused to find dilution under the FTDA because of the aforementioned First Amendment concerns. To Bally's dismay, the court found that the mere use of another party's trademark as a part of a domain name on the Internet did not equate to *per se* commercial use.[90] When the FTDA was penned, it was done so with its authors being well aware that free speech, fair use, opinion and commentary must be allowed to continue unabated.[91] Such was the case with *Bally Total Fitness,* as the defendant did not use the Bally mark to sell a service or product but rather to express his displeasure with Bally Total Fitness health clubs. The court was clear in holding that "trademark owners may not quash unauthorized use of the mark by a person expressing a point of view."[92]

The Ninth Circuit, however, created a glaring conflict in the interpretation of trademark dilution and domain names in *Avery Dennison Corp. v. Jerry Sumpton*.[93] In *Avery Dennison*, the court found that the defendant's appropriation of 'Avery' and 'Dennison'—both registered trademarks of the plaintiff—as domain names was *not* an act of dilution because the defendant registered the domain names under the TLD <.net> as opposed to <.com>.[94] The Ninth Circuit felt that previous decisions regarding domain names and trademark dilution "considered tradmark.com registrations" and not those of another TLD such as <.net> or <.edu>.[95] The court went on to blatantly state that "dilution does not occur with a trademark.net

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[90] *Bally Total Fitness,* 29 F. Supp. 2d at 1166 (quoting 3 JOSEPH T. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:97.2, 24-172 (4th ed. 1996). *Cf.* Bolger v. Youngs Drug Prods. Corp., 463 U.S. 60 (1983) (noting that if a communication's dominant theme is to propose a commercial transaction, then it is commercial speech and is not afforded the same broad protections offered by the First Amendment of the Constitution).

[91] Senator Orrin Hatch (R-Utah) specifically noted these precepts during congressional hearings on the dilution acts. Hatch felt the dilution statute would "not prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction." *See* 141 CONG. REC. S38,559 (Dec. 29, 1995) (statement of Sen. Hatch).

[92] *See* L.L. Bean, Inc. v. Drake Publishers, 811 F.2d 26, 29 (1st Cir. 1987) (quoting Lucasfilm, Ltd. v. High Frontier, 622 F. Supp. 931, 933-35 (D.D.C. 1985); *see also* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25(2) cmt. i (1995) ("[e]xtension of the anti-dilution statute to protect against damaging non-trademark uses raises substantial free speech issues . . . ."). *Cf.* Lucent Techs. v. Johnson, 56 U.S.P.Q. 2d 1637, 1639-40 (C.D. Cal. 2000) (finding that the use of 'yourcompanysucks' as a domain name does not equate to *per se* First Amendment safe harbor in trademark litigation).

[93] Avery Dennison Corp. v. Jerry Sumpton, 189 F.3d 868 (9th Cir. 1999).

[94] *Id.* at 880-81.

[95] *Id.* at 880.

registration."[96]   Numerous other cases have come to the opposite conclusion.[97]

Despite the glaring contradictions of FTDA decisions involving domain names and the overextension of rights that were granted in cases such as *Archdiocese of St. Louis*, the FTDA was drafted with a certain amount of intent that it actually be used for combating domain name infringement. Senator Patrick Leahy felt that the "anti-dilution statute [would] help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others."[98] Unfortunately, jurisprudence is not founded on the concept of good intent and the FTDA was, in fact, misconstrued and overextended on numerous occasions that lead to conflicts in application of the law, judicial activism in the application of the law and the cry for new legislation drafted specifically to deal with cybersquatters and domain name infringement.[99]

Use of the FTDA as a cybersquatting remedy is not without its problems and sometimes creative judicial solutions. Referring again to *Panavision International, L.P. v. Toeppen*, after Panavision discovered Toeppen had already registered the sought after domain name, Panavision contacted Toeppen only to have him demand $13,000 for its surrender. Panavision refused to be extorted and filed

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[96] *Id.* at 881.

[97] *See* Brookfield Communications, Inc. v. West Coast Entm't Corp., 174 F.3d 1036, 1055 (9th Cir. 1999) (observing that the differences between the mark 'MovieBuff' and the domain name <moviebuff.com> are "inconsequential in light of the fact that Web addresses are not caps-sensitive and that the '.com' top-level domain signifies the site's commercial nature."); *see also* Shade's Landing, Inc. v. Williams, 76 F. Supp. 2d 983, 990 (D. Minn. 1999) ("[B]ecause all domain names include one of these extensions, the distinction between a domain name ending with '.com' and the same name ending with '.net' is not highly significant.").

[98] 141 CONG. REC. S38,561 (Dec. 29, 1995) (statement of Sen. Leahy).

[99] The FTDA was originally to be applied only in cases where "use of another's trademark as a domain name is deceptive or intentional". Hasbro Inc. v. Clue Computing (*Clue Computing II)*, 66 F. Supp. 2d 117, 133 (D. Mass. 1999). This would conform with the traditional requirements of dilution where a trademark/domain name has been utilized in an "unwholesome manner or for a low quality product which could create a negative association." *Id.* at 133; *see also* Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200, 205 (2d Cir. 1979) (finding dilution of the Dallas Cowboys Cheerleaders' trademarked uniforms when they appeared as costumes in a pornographic movie). Likewise, "[n]ot every use of a similar mark will blur a famous mark" as the human mind is capable of recognizing a "multiplicity of concepts, ideas and images without confusion or association." Ringling Bros.—Barnum & Bailey v. Utah Div. Of Travel & Dev., 955 F. Supp 605, 614 (E.D. Va. 1997). This premise directly contradicts the *Panavision Int'l* holding. Trademark treatise author, J. Thomas McCarthy, sides with *Ringling Brothers* in finding that "[t]he dilution doctrine in its 'blurring' mode cannot and should not be carried to the extreme of forbidding the use of every trademark on any and all products and services . . . ." 4 JOSEPH T. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:117, 24-250 (4th ed. 1996).

suit for violations of the FTDA.[100] A cause of action under the FTDA is made up of four constituent elements: (1) a famous mark (2) being commercially misappropriated (3) by another (4) with such use occurring after the mark has become famous.[101] In addition, that use must be diluting the quality of the mark in its ability to distinguish and identify goods and services.[102] While there is little question regarding the famousness of the 'Panavision' trademark and the timing of the use, the court found itself challenged in fulfilling the remaining two elements—commercial use and actual dilution.[103]

The United States District Court for the Northern District of Illinois, in an example of judicial activism, addressed the commercial issue by finding the *actual act* of cybersquatting to constitute use in commerce as required by the FTDA.[104] The business objective of a cybersquatter being "to profit by the resale or licensing of these domain names . . . to the entities who conduct business under these names," the Northern District considered this activity commercial in nature.[105] In an equally innovative manner, the Northern District found *market exclusion* to constitute dilution as opposed to traditional definitions of blurring and tarnishment.[106] The conduct of Toeppen diminished "the capacity of the Panavision marks to identify and distinguish Panavision's goods and services on the Internet."[107]

VII. THE JURISDICTIONAL DEBACLE OF THE INTERNET AND ITS EFFECT ON DOMAIN NAME INFRINGEMENT

The common difficulty in many early domain name cases was that of establishing *personal jurisdiction* over the alleged infringing party. Ironically, cases like *Burger King*[108] and *Asahi Metal Industries Co.*,[109] decided long before the advent of the Internet, continue to provide guidance in maneuvering the personal jurisdiction

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[100] *See generally* Panavision Int'l , LP v. Toeppen, 141 F.3d at 1316, 1318-19 (9th Cir. 1999).

[101] 15 U.S.C.A § 1125(c) (West 2000).

[102] *Id.*

[103] Recall there was no actual intent to dilute the Panavision mark, nor was there use in commerce to proffer a product or service.

[104] The commercial business of a cybersquatter is to "register trademarks as domain names and then sell them to the rightful trademark owners." *Panavision Int'l*, 141 F.3d at 1325.

[105] *Id.* (quoting Intermatic, Inc. v. Toeppen, 947 F. Supp. 1227, 1230 (N.D. Ill. 1996)).

[106] *Panavision Int'l*, 141 F.3d. at 1326.

[107] *Id.*; *see also Intermatic*, 947 F. Supp. at 1240.

[108] Burger King Corp. v. Rudzewicz, 471 U.S. 462 (1985).

[109] Asahi Metal Indus. Co. v. Super. Ct. of Cal., 480 U.S. 102 (1987).

quandary of the Internet.[110] As this comment goes to press, however, there has been no Supreme Court decision that has unified the menagerie of conflicting circuit court opinions on the personal jurisdiction question. The larger difficulty with these conflicting opinions is that multiple standards of jurisdiction apply to one internationally accessible service. While the Internet may provide the gateway to commercial riches, it comes with the caveat that one never knows where they may be haled into court.[111]

While state authority confers the exercise of personal jurisdiction, the extent of that authority falls under the governance of the *due process clause* of the Fourteenth Amendment.[112] Traditionally, the plaintiff would have to rely on a state's *long arm jurisdiction statute* (LAJS).[113] The due process limitations on the exercise of power conferred in a state's LAJS would differ depending upon the type of jurisdiction a court sought to exercise over a non-resident defendant—general or specific.[114]

General jurisdiction exists when "the number and quality of the defendant's contacts with the forum-state are sufficiently substantial that one may litigate any dispute in the courts of the forum, whether

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[110] Ironically, today's jurisdictional issues were prophesized half a century ago in *Hanson v. Denckla*, "[a]s technological progress has increased the flow of commerce between States, the need for jurisdiction over nonresidents has undergone a similar increase." Hanson v. Denckla, 357 U.S. 235, 250-51 (1958). This prediction was reiterated in *Burger King Corp.* for it is a "fact of modern commercial life that a substantial amount of commercial business is transacted solely by mail and wire communications . . . thus obviating the need for physical presence within a State . . . ." *Burger King*, 471 U.S. at 476.

[111] *See, e.g.,* Nora Macoluso, *Yahoo! Rejects French Authority in Nazi Dispute, at* http://www.newsfactor.com/perl/story/6262.html (last visited Apr. 23, 2001) . Suit was filed in France, against Yahoo!, for making Nazi-related content available for auction on its web site. France has laws in place that prohibit the exhibition or sale of Nazi-related objects. Greg Wrenn, legal counsel for Yahoo!, refused to recognize the French court's jurisdiction over this matter and maintains Yahoo! will not pay the fines unless the judgment is enforced by a U.S. court because Yahoo.com is located within the U.S., it can only be governed by American laws, laws that protect such Nazi-related speech under the First Amendment. Yahoo! also objects to the technical complications in filtering out such material so that it is not accessible to users in France.

[112] Kulko v. Super. Ct. of Cal., 436 U.S. 84, 91 (1978).

[113] Such statutes allow a resident plaintiff to extend personal jurisdiction over a non-resident defendant. For example, the state of Pennsylvania's LAJS, 42 PA. CONS. STAT. ANN. § 5322(a)(2) (West 2000), permits jurisdiction over a non-resident defendant when said defendant contracts to "supply services or things in [the] Commonwealth [of Pennsylvania]." The LAJS of the State of New York, N.Y.C.P.L.R. § 302(a)(2) (McKinney 2001), permits jurisdiction over any non-domiciliary who "commits a tortious act within the state . . . ."

[114] *See, e.g.,* Mellon Bank (East) PSFS, Nat'l Ass'n v. Farino, 960 F.2d 1217, 1221 (3d Cir. 1992).

or not that dispute grows out of those contacts."[115]   *Specific jurisdiction*, on the other hand, exists when "the commission of some single or occasional act[s] . . . in a state . . . because of [its] nature and quality and the circumstances of [its] commission, may be deemed sufficient to render the [entity] liable to suit."[116]

The minimum contacts required for specific jurisdiction involve an analysis of the legal sufficiency of a specific set of interactions.[117] First, the claim underlying the litigation must directly arise out of, or *relate* to, the defendant's forum-state activities.[118]   Second, the defendant's contact with the forum-state must represent *purposeful availment*, thereby invoking the benefits of that state's law.[119] Finally, the exercise of jurisdiction must be *fair and reasonable*.[120]

The first part of the aforementioned analysis requires that the claim raised by the plaintiff must arise directly from the defendant's alleged contact with the forum-state.[121]   In *Clue Computing I*, for example, the plaintiff brought a trademark infringement claim concerning a web site that was continuously available to Massachusetts consumers and caused tortious injury to Massachusetts resident Hasbro.   *Clue Computing I* found that advertising on the Internet in the forum-state satisfied the initial inquiry of relatedness.[122]

The second element, purposeful availment, was articulated in *Asahi*.[123]   Purposeful availment requires that the defendant's contact with the forum-state "not be due to happenstance."[124]   Such a

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[115] *See generally* Arthur T. von Mehren & Donald T. Trautman, *Jurisdiction to Adjudicate: A Suggested Analysis*, 79 HARV. L. REV. 1121 (1966).

[116] Int'l Shoe, Co. v. Washington, 326 U.S. 310, 318 (1945).

[117] *See* Helicopteros Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408 (1984).

[118] Burger King Corp. v. Rudzewicz, 471 U.S. 462, 472 (1985).

[119] *Id.* at 475.

[120] While the foundation of such a test was outlined in *Burger King,* this particular test was created by the First Circuit in United Elec. Workers v. 163 Pleasant St. Corp., 960 F.2d 1080 (1st Cir. 1992).

[121] *See* Hasbro, Inc. v. Clue Computing, Inc. (*Clue Computing I)*, 994 F. Supp. 34, 44 (D. Mass. 1997) .

[122] *Id.*

[123] Justice O'Connor, in her plurality opinion, adopted a narrower interpretation of the majority's "stream of commerce" theory, writing that "[t]he placement of a product into the stream of commerce, without more" is not enough to satisfy the purposeful availment requirement for minimum contacts. O'Connor focused on "deliberate availment" requiring additional conduct on behalf of the defendant indicating an "intent or purpose to serve the market in the forum state. . . " Advertising in the forum-state was such an indication. Asahi Metal Indus. Co. v. Super. Ct. of Cal., 480 U.S. 102, 112 (1987).

[124] *Clue Computing I,* 994 F. Supp. at 44.

requirement assures that "only those defendants that willingly and purposefully avail themselves of the benefits of a state will be brought to court there."[125]   The defendant in *Clue Computing I* satisfied the purposeful availment requirement in having reaped the benefits of doing business within the forum-state by advertising on its web site. The site was accessible to any Internet user in Massachusetts and encouraged anyone and everyone in the state to contact Clue Computing regarding a potential business relationship.

The final requirement of reasonableness is a balancing test involving consideration of a series of objective factors.[126]   The reasonableness prong of the minimum contact trident exists primarily to protect defendants from inconvenient litigation.[127]   Such a requirement also functions in hopes of not offending "traditional notions of fair play and substantive justice."[128]   While the overall analysis is rather straightforward, its application has been anything but, with *Clue Computing I* exemplifying a rare example of clear-cut application of specific jurisdiction and minimum contacts.

But cases like *Burger King* have also shown the legal community that when an entity intentionally reaches beyond its boundaries to conduct business with foreign residents, the exercise of jurisdiction is proper.[129]   It follows that "[d]ifferent results should not be reached simply because business is conducted over the Internet."[130]   However, concepts of personal jurisdiction and its application have nonetheless varied throughout the United States.   The three-prong minimum contacts analysis only delineates the outermost *extremes* of personal jurisdiction.   Nothing is to stop the individual states, in the application of their LAJS, from eliciting a concophany of jurisdictional premises with lesser jurisdictional requirements.

In the case of *CompuServe, Inc. v. Patterson,*[131] the Sixth Circuit addressed the application of personal jurisdiction over an entity

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[125] *Id.*

[126] *See, e.g.,* Burger King Corp. v. Rudzewicz, 471 U.S. 462, 477 (1985) (explaining that the balancing test for reasonableness in minimum contacts analysis asks the following questions: What is the defendant's burden in appearing in the forum court; what is the forum-state's interest in hearing the suit; what is the plaintiff's convenience and interest in effective relief; what is the judicial system's interest in obtaining an effective resolution and what is the common interest of all parties involved in light of current social policy?).

[127] World-Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 292 (1980).

[128] Int'l Shoe, Co. v. Washington*,* 326 U.S. 310, 316 (1945) (quoting Milliken v. Meyer, 311 U.S. 457, 463 (1940)).

[129] *Burger King*, 471 U.S. at 475.

[130] Zippo Mfg. Co. v. Zippo Dot Com, Inc., 952 F. Supp. 1119, 1124 (W.D. Pa 1997).

[131] CompuServe, Inc. v. Patterson, 89 F.3d 1257 (6th Cir. 1996).

whose only contact with the forum-state consisted of business conducted over the Internet. Patterson, the defendant, had entered into a shareware registration agreement with the plaintiff, CompuServe, to distribute software through the plaintiff's Internet server, located in the state of Ohio.[132] Users of Patterson's shareware programs paid a fee directly to the plaintiff and after CompuServe retained a percentage for the use of its network server, Patterson received the balance.[133] Patterson later claimed that CompuServe was marketing programs that infringed upon the trademark rights of his products and CompuServe sought a declaratory judgment to the contrary in the Southern District Court of Ohio.[134] Patterson responded with a motion to dismiss for lack of personal jurisdiction.[135]

The district court reviewed the motion in light of Ohio's LAJS that permitted extension of personal jurisdiction resulting from a non-resident's transaction of business in the state.[136] Using an analysis similar to the three-pronged process set forth in *Burger King*, Patterson was found to have "knowingly made an effort . . . [and] purposefully contracted . . . to market a product in other states, with Ohio-based CompuServe operating, in effect, as his distribution center."[137] The *CompuServe* court additionally found Patterson had "purposefully availed" himself of the legal benefits and protections offered by the State of Ohio.[138] In light of such contractual and financial behavior, Patterson "should [have] reasonably anticipate[d] being haled into court."[139]

CompuServe did note that merely entering into a contract is not a *per se* establishment of minimum contacts with a state.[140] Patterson, however, had sought to make sales of his shareware product from Texas by way of CompuServe's network in Ohio with payment for that product passing though an agent in Ohio. Considered in tandem

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[132] *Id.* at 1260.

[133] *Id.*

[134] *Id.* at 1261.

[135] *See generally id.* at 1260-61 (discussing the merits of Patterson's motion to dismiss for lack of personal jurisdiction).

[136] *See* OHIO REV. CODE ANN. § 2307.382(A) (Anderson 1998).

[137] CompuServe, Inc. v. Patterson, 89 F.3d 1257, 1263 (6th Cir. 1996).

[138] *Id.* at 1264.

[139] *Id.* at 1263 (quoting Burger King Corp. v. Rudzewicz, 471 U.S. 462, 474-75 (1985)).

[140] *CompuServe*, 89 F.3d at 1265; *see also* Asahi Metal Indus. Co. v. Super. Ct. of Cal., 480 U.S. 102, 117 (1987) (O'Connor, J., plurality opinion) ("The placement of a product into the stream of commerce, without more, is not an act of the defendant purposefully directed toward the forum State.").

with the contractual arrangement, Patterson had created a relationship that was ongoing in nature and was not a "one-shot affair" whereby jurisdiction was found to be proper.[141]

A minor limitation on personal jurisdiction over the Internet, compared to that found in *Clue Computing I*, but in the same vein nonetheless, was set forth by the District Court for the Eastern District of Missouri in *Maritz, Inc. v. Cybergold, Inc.*[142] Cybergold designed a web site promoting an e-mail/advertisement service at which visitors were encouraged to register their e-mail addresses even though the system was not in full service.[143] Maritz alleged Cybergold's domain name infringed upon intellectual property rights vested in a trademark application pending before the Patent and Trademark Office.[144]

Maritz asserted that personal jurisdiction over Cybergold was proper as the web site was a promotional advertisement of the Cybergold service and amounted to the transaction of business within the State of Missouri.[145] The court agreed and dismissed Cybergold's contention that the web site was a "passive Web site" as the information provided on the site amounted to "active solicitation" and "promotional activities."[146] Furthermore, the court found the defendant "indiscriminately responded to every user" who accessed the site rather than avoid contact with users situated in the state of Missouri.[147] Cybergold "made their messages available to an audience wider than those requesting the information . . . and anyone else who may be watching."[148] As a result, Cybergold had "consciously decided to transmit advertising information to all

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[141] *See* Southern Mach. Co. v. Mohasco Indus., Inc., 401 F.2d 374, 385 (6th Cir. 1968). *But see* Uncle Sam's Safari Outfitters, Inc. v. Uncle Sam's Army Navy Outfitters-Manhattan, Inc., 96 F. Supp. 2d 919, 921 (E.D. Mo. 2000) (noting that the Sixth Circuit is the *only* circuit that has found its exercise of personal jurisdiction proper based only on the existence of a web site on a server). *See also* Dostana Enters., LLC v. Fed. Express Corp., 2000 WL1170134, at *5 (S.D.N.Y. Oct. 16, 2000) (holding the location of an Internet service provider that hosts a web site is not relevant to choosing an appropriate forum in a trademark dispute based on a domain name registration); Amberson Holdings, LLC v. Westside Story Newspaper, 110 F. Supp. 332, 335-37 (D.N.J. 2000) (holding that the location of a website server does not suffice to subject the web site owner to personal jurisdiction).

[142] Maritz, Inc. v. Cybergold, Inc., 947 F. Supp. 1328 (E.D. Mo. 1996).

[143] *See generally id*. at 1330 (discussing the business plan of Cybergold's web site venture).

[144] *See id.* at 1336.

[145] *See id*. at 1330-31.; *cf.* Hasbro, Inc. v. Clue Computing, Inc. (*Clue Computing I*), 994 F. Supp. 34, 44 (D. Mass. 1997) (reaching a similar conclusion).

[146] *Maritz,* 947 F. Supp. at 1333-34.

[147] *Id.*

[148] *Id.*

Internet users, knowing such information [would] be transmitted globally" much less to the State of Missouri.[149]

Inset Systems, Inc. v. Instruction Set, Inc.[150] reached a near identical conclusion finding "advertisement via the Internet is solicitation of a sufficient repetitive nature"[151] to satisfy the Connecticut LAJS that required such behavior in order to establish personal jurisdiction.[152] The district court read minimum contacts as requiring "some act by which the defendant purposefully avails himself of the privilege of conducting activities within the forum State."[153] *Inset Systems* identified the Internet as a tool "designed to communicate with people and their businesses in every state" and noted the advertisement, "once posted on the Internet, unlike television and radio advertising, . . . is available continuously to any Internet user."[154]

Under the *Inset Systems* holding, and the line of cases before it, use of the Internet for *any* advertisement or contact will fulfill the requirements of most state long arm statutes.[155] Such a governing principle of jurisdiction inevitably creates discomfort for Internet merchants, not only in the United States, but throughout the world knowing that they may be haled into court on the other side of the globe simply for operating a web site at home.[156]

More confusing is the potential for application of clearly contradicting standards of personal jurisdiction as they relate to an Internet vendor and domain name infringement. *Bensusan Restaurant Corp. v. King*[157] is such a case where the plaintiff owned the rights to

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[149] *See id.* at 1333.

[150] Inset Sys., Inc. v. Instruction Set, Inc., 937 F. Supp. 161 (D. Conn. 1996).

[151] *Id.* at 164.

[152] *See* CONN. GEN. STAT. § 33-411(c)(2) (1991).

[153] *Inset Sys.,* 937 F. Supp. at 164-65 (quoting Hanson v. Denckla, 357 U.S. 235, 253 (1958)).

[154] *Id.* at 165. The logic expressed in *Inset Sys.* and other cases like it is reminiscent of the effects test as set forth in *Calder v. Jones*. *Calder* held exercise of personal jurisdiction under the effects doctrine proper when there exists proof of an intentional action expressly aimed at, and suffered in, the forum-state. Calder v. Jones, 465 U.S. 783 (1984). The effects test was, in fact, expressly referenced in *Panavision*. Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1322 (9th Cir. 1998). *See also* Ziegler v. Indian River County, 64 F.3d 470, 473 (9th Cir. 1995) (explaining how the 'effects' doctrine satisfies the purposeful availment requirement necessary for specific, personal jurisdiction).

[155] Recall that *Cybergold* found jurisdiction not only because of the existence of the web site, but because its operators responded to inquiries that would lead to a commercial relationship in Missouri. *Clue Computing I* concurred, finding that the use of a web site advertising its wares to the residents of Massachusetts constituted existence of minimum contacts.

[156] *See* Macoluso, *supra* note 111.

[157] Bensusan Rest. Corp. v. King, 937 F. Supp. 295 (S.D.N.Y. 1996).

the federally registered mark The Blue Note, an affluent jazz club located in New York's Greenwich Village.[158]   The defendant was the owner of a small club in Missouri, also called 'The Blue Note,' and the host of a web site promoting the club.[159]   The site offered general access to any Internet user and contained an address and telephone number in Missouri for ordering tickets.[160]   When the plaintiff sued for trademark infringement in New York District Court, King asserted that the New York LAJS failed to establish personal jurisdiction.[161] The New York court agreed that the "mere fact that a person can gain information on the allegedly infringing product is not the equivalent of a person advertising, promoting, selling or otherwise making an effort to target its production in [a forum-state]."[162]

Finding King had not purposely availed himself of any benefits of the State of New York, the district court declared that Internet users— New York or otherwise—must take "several affirmative steps" to obtain access to the defendant's web site.[163]   These steps included finding the site on a search engine, calling the club by telephone and physically picking up the tickets in Missouri as the defendant did not offer mail delivery.[164]

Cybersell, Inc. v. Cybersell, Inc.[165] reached a conclusion similar to that of *Bensusan Restaurant.*[166]   The Ninth Circuit held that the exercise of personal jurisdiction over a Florida corporation by the State of Arizona was a violation of due process because "[Cybersell Florida] ha[d] no contact[] with Arizona other than maintaining a [Web] page . . . accessible to [anyone] . . . over the Internet."[167]   The court based its decision on the need for "something more" to "indicate that the defendant purposefully (albeit electronically) directed his activity in a substantial way to the forum state."[168]   Finding that Cybersell had not engaged in "something more," the court concluded

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[158] *Id*. at 297.

[159] *Id.* at 297-98.

[160] *See generally Bensusan Rest.*, 937 F. Supp. at 297-98 (discussing the various aspects of the Missouri based web site).

[161] *Id.* at 298.

[162] *Id*. *But see* Hasbro, Inc. v. Clue Computing (*Clue Computing I*), 994 F. Supp. 34 (D. Mass. 1997); Inset Sys., Inc. v. Instruction Set, Inc., 937 F. Supp. 161 (D. Conn. 1996).

[163] *Bensusan Rest.,* 937 F. Supp. at 299.

[164] *Id.*

[165] Cybersell, Inc. v. Cybersell, Inc., 130 F.3d 414 (9th Cir. 1997).

[166] *Contra Clue Computing I*, 994 F. Supp. 34, *and Inset Sys.*, 937 F. Supp. 161.

[167] *Cybersell,* 130 F.3d at 415.

[168] *Id.* at 418.

exercise of personal jurisdiction was improper.[169]

This conflict of laws has become apparent in *Panavision International, L.P. v. Toeppen* where Toeppen intentionally registered Panavision's trademarks as domain names in an effort to force Panavision to pay an extorted ransom; the effects of that extortive conduct were felt by Panavision, a California corporation.[170] While *Panavision International* permitted the extension of personal jurisdiction under the aforementioned effects doctrine, the court otherwise concurred with *Bensusan Restaurant* and *Cybersell* on the issue of jurisdiction as "simply registering someone else's trademark as a domain name and posting a Web site on the Internet is not sufficient to subject a party domiciled in one state to jurisdiction in another."[171]   The result is complete and utter confusion on the personal jurisdiction issue.[172] A solution, however, was right around the corner.

VIII. A FEDERAL FIX: THE ACPA

The most significant effect of the ACPA is that it creates a legitimate, federal cause of action for bad faith attempts to profit from the illicit use, confusion or tarnishment of a confusingly similar domain name.[173] A clearly positive aspect of the ACPA is that it

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[169] *Id.* at 420.

[170] Panavision Int'l, LP v. Toeppen, 141 F.3d 1316, 1321 (9th Cir. 1998).

[171] *Id.* at 1322 (quoting *Cybersell*, 130 F.3d at 418). The application of the 'effects doctrine' in *Panavision Int'l. v. Toeppen* should be distinguished from the case of *K.C.P.L., Inc. v. Nash*, 49 U.S.P.Q.2d 1584 (S.D.N.Y. 1998). In the *K.C.P.L.* case, the plaintiff sought to register the domain name <reaction.com> only to discover the defendant's registration. The plaintiff contacted Nash and offered to purchase the site at which point Nash requested $8,000; plaintiff rejected the offer. The plaintiff commenced a suit claiming that Nash was a cybersquatter. The Court refused to extend personal jurisdiction over Nash and distinguished it from *Panavision Int'l.* because Nash legitimately sought to use the domain name for an online information service whereas Toeppen had no legitimate use and only held the domain names hostage. Furthermore, Nash had only registered the domain name of <reaction.com> and three other names whereas Toeppen had registered hundreds of domain names; almost all of those names were identical to another entity's trademark.

[172] *Achieving Legal and Business Order in Cyberspace: A Report on Global Jurisdiction Issues Created by the Internet*, 55 THE BUS. LAWYER 1801, 1810 (2000) (noting that the American Bar Association's Section of Business Law is well aware of the "novelty, complexities, and costs of conflicting jurisdictional questions affecting online commerce" and henceforth drafted a 150-page report on the jurisdiction problems with the Internet).

[173] Anti-Cybersquatting Consumer Protection Act of 2000, 15 U.S.C.A. § 1125 (d) (West 2000).

(d) Cyberpiracy Prevention

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

attempts to differentiate between legitimate, albeit similar uses of domain names on the Internet—like in the case of *Clue Computing II*—while targeting those who clearly seek to profit from a trademark holder's delay in registration.[174] While the Section 43(a) cause of

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

[174] *See id.*
> (B)(i) In determining whether a person has a bad faith intent described under subparagraph (A), a court may consider such as, but not limited to:
>> (I) the trademark or other intellectual property rights of the person, if any, in the domain name;
>> (II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;
>> (III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
>> (IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;
>> (V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;
>> (VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;
>> (VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;
>> (VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without

action still remains for situations like *Clue Computing II* where both parties do have legitimate claims and a potentially harmful likelihood of confusion could arise, the newly added section (d) has hopefully done away with faulty claims formerly permitted under Sections 43(a) and (c) for lack of a better remedy.

The ACPA also creates a solution to the personal jurisdiction problem. As was discussed earlier, a trademark holder might seek to institute an action against an allegedly infringing registration in a convenient forum—usually the home state of the business or enterprise bringing the claim. However, because of the myriad theories as to what constitutes personal jurisdiction over the Internet, a party with a valid claim might have to suffer the time, expense and embarrassment of having their claim dismissed for want of personal jurisdiction. The ACPA provides for the filing of an *in rem* action against the domain name itself, rather than the alleged infringer, in the judicial district of the domain name registrar.[175] While not resolving the personal jurisdiction in and of itself, the ACPA guarantees an aggrieved plaintiff that it will ultimately be able to proceed with its cause of action via the *in rem* exception when personal jurisdiction cannot be obtained.

Finally, the ACPA sets forth a clear set of remedies for acts

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regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of this section. . .

[175] *See id.*

(2)(A) The owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if–

(i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c) of this section; and

(ii) the court finds that the owner–

(I) is not able to obtain in personam jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or

(II) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1) by –

(aa) sending a notice of the alleged violation and intent to proceed under this paragraph to the registrant of the domain name at the postal and e-mail address provided by the registrant to the registrar; and

(bb) publishing notice of the action as the court may direct promptly after filing the action.

deemed to be cybersquatting. For violations of the ACPA, "the plaintiff may elect . . . to recover, instead of actual damages and profits, an award of statutory damages."[176] Such a provision, in effect, allows an aggrieved trademark holder to seek damages "not less than $1,000 and not more than $100,000 per domain name" just by virtue of the cybersquatter having registered the mark.[177] In effect, a trademark holder may have never been damaged in any form or fashion, yet still entitled to a sizeable statutory award.[178] The plaintiff can still elect to receive actual damages, the defendant's profits, court costs and, in exceptional cases, attorney's fees as were traditionally available in Lanham Act claims prior to the ACPA amendments.[179]

IX.   SEE SPORTY RUN: *SPORTY'S FARM* AND THE FIRST ACPA DECISIONS

A. *Sporty's Farm LLC v. Sportsman's Market, Inc.*[180]

Sporty's Farm LLC v. Sportsman's Market, Inc. began as most domain name disputes: filed under Section 43(c) of the FTDA.[181]

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[176] 15 U.S.C.A § 1117 (d) (West 2000).

[177] *Id.* However, the actual amount is left to the court "as [it] considers just." *Id.*

[178] S. REP. NO. 106-140, at 8 (1999) (noting that the purpose of including this new, statutory damages provision was "to deter wrongful conduct and to provide adequate remedies for trademark owners who seek to enforce their rights in court"). Such a provision *should* act as a deterrent to potential cybersquatters, but the opposite has occurred in at least one situation. *See* Electronics Boutique Holdings Corp. v. Zuccarini, No. CIV.A. 00-4055, 2000 WL 1622760, at *8 (E.D. Pa. Oct. 30, 2000) (regarding continued cybersquatting behavior of the defendant notwithstanding numerous monetary judgments against him).

[179] Anti-Cybersquatting Consumer Protection Act, 15 U.S.C.A § 1125 (d) (West 2000). When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 1125(a), (c), or (d) of title 15, the plaintiff is entitled to recover (1) defendant's profits, (2) any damages sustained by the plaintiff and (3) the costs of the action. In exceptional cases, the court may award reasonable attorney fees to the prevailing party. *See id.* It should be noted that in Broadbridge Media, LLC v. HyperCD.com, 106 F. Supp. 2d 505 (S.D.N.Y. 2000), the court specifically found that the filing of a UDRP complaint followed by a federal court action under the ACPA is completely permissible. *Broadbridge Media,* 106 F. Supp. 2d at 508-09. Paragraph 4(k) of THE POLICY states that "[t]he mandatory administrative proceeding requirements . . . shall not prevent you from submitting the dispute to a court of competent jurisdiction" before the proceeding is commenced or after the proceeding is concluded. Rule 18 of the UDRP also states that the arbitration panel "shall have the discretion to suspend or terminate the administrative proceedings, or to proceed to a decision" in the event that legal proceedings are "initiated prior to or during an administrative proceeding." Therefore, it is completely logical to permit an action for actual damages under the ACPA following an expedited action for transfer under the UDRP. *See infra* note 234, § 18.

[180] Sporty's Farm LLC v. Sportsman's Mkt, Inc., 202 F.3d 489 (2d Cir. 2000).

[181] *Id.* at 492.

While an appeal was pending on the dilution claim,[182] the ACPA became law. The Second Circuit recognized, "[a]s a general rule, [it] must apply the law that exists at the time of the appeal."[183] Therefore, finding that the ACPA "was adopted specifically to provide courts with a preferable alternative to stretching federal dilution law when dealing with cybersquatting cases," the Second Circuit elected to forego a remand to the district court and applied the new law accordingly.[184]

The defendant and cross-appellant, Sportsman's Market, a mail order catalog company, had a consumer base comprised mostly of pilots and aviators.[185] Since the 1960s, Sportsman's used the 'SPORTY'S' logo to identify its catalogs and products and, in 1985, registered the same with the United States Patent and Trademark Office (USPTO).[186] The plaintiff and appellant, Sporty's Farm, was a subsidiary of another mail order catalog company, Omega, that operated Pilot's Depot, LLC, and competed with Sportsman's Market in the aviation catalog business.[187] Omega, in early 1995, registered the domain name <sportys.com> despite the fact that the owner of Omega (and Pilot's Depot) was a pilot who received the Sportsman's catalog and was fully aware of the 'SPORTY'S' trademark.[188]

In January 1996, nine months after the registration of <sportys.com>, Omega formed Sporty's Farm and sold it the aforementioned domain name for $16,200.[189] Sporty's Farm's sole business enterprise was the farming and sale of Christmas trees and advertised its business on the Internet via the <sportys.com> domain name.[190] Ralph S. Michael, the CEO of Omega and manager of Sporty's Farm, claimed to have chosen the name as a result of "a

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[182] The district court for the state of Connecticut issued an injunction ordering Sporty's Farm to relinquish all rights to the domain name <sportys.com>. Sporty's Farm appealed the judgment as to the issuance of the injunction. Sportsman's sought an affirmation of the district court injunction as well as a reversal of the district court's denial of damages under the FTDA on a cross-appeal. *See id.* at 495.

[183] *Sporty's Farm*, 202 F.3d at 496 (quoting United States v. Schooner Peggy, 5 U.S. (1 Cranch) 103, 110 (1801) ("[I]f subsequent to the judgment and before the decision of the appellate court, a law intervenes and positively changes the rule which governs. The law must be obeyed, or its obligation is denied.")).

[184] *Id.* at 497.

[185] *Id.* at 493.

[186] *Id.* at 494.

[187] *Id.*

[188] *Id.*

[189] *See Sporty's Farm,* 202 F.3d at 494.

[190] *Id.*

childhood memory he had of his uncle's farm in upstate New York" and "a dog named Spotty."[191] Michael thereafter referred to his uncle's farm, and the land where the Christmas tree farm now operated, as Spotty's farm—"the name Sporty's farm was . . . a subsequent derivation."[192]

With these facts in hand, the Second Circuit first sought to determine whether the 'SPORTY'S' mark was "a distinctive or famous mark and thus entitled to the ACPA's protection."[193] Finding that 'SPORTY'S' was a *distinctive* mark, the court declined to address the additional issue of whether 'SPORTY'S' also constituted a *famous* mark.[194] Next was a finding of whether the <sportys.com> mark was "identical or confusingly similar to the sporty's mark."[195] While 'SPORTY'S' was not identical, *per se*, to <sportys.com>, it was "certainly 'confusingly similar' to the protected mark under [Section] 1125(d)(1)(A)(ii)(I)."[196] The third, and final, element of an ACPA claim was a finding of "bad faith intent to profit" from the registration of the <sporty.com> domain name.[197] The court found a record replete with evidence of bad faith intent to profit from the

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[191] *Id.*

[192] *Id.*

[193] *Id.* at 497; *see also* 15 U.S.C. § 1125(d)(1)(A)(ii)(I), (II) (Supp. 2000):

> A person shall be liable . . . if . . . that person registers, traffics in, or uses a domain name that (I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark; (II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark.

[194] *Sporty's Farm*, 202 F.3d at 497; *see also id.* at 497, n.10 (finding distinctiveness on the basis of: extended period of use, advertising expenditures in excess of one million dollars, nationwide use, trade in a variety of retail channels and registration on the principal register); *see also id.* at 492, n.2 (addressing that certain symbols—like an apostrophe (')—cannot be used in a domain name thus making <sportys.com> the domain name equivalent of the registered trademark Sporty's); *see also id.* at 497-98 ("[T]he secondary domain name in this case (sportys) is indistinguishable from the Sportsman's trademark (sporty's)"). *Cf.* Brookfield Communications, Inc. v. West Coast Entm't Corp., 174 F.3d 1036, 1055 (9th Cir. 1999) (observing that the differences between the trademark Movie Buff and the domain name <moviebuff.com> were "inconsequential in light of the fact that Web addresses are not caps-sensitive and that the '.com' top-level domain signifies the site's commercial nature."). *See also Sporty's Farm,* 202 F.3d at 497 (noting that "[d]istinctiveness refers to inherent qualities of a mark and is a completely different concept from fame" and may be such "when its fame is nonexistent." The *Sporty's Farm* court had "no doubt that sporty's, as used in connection with Sportsman's catalogue of merchandise and advertising, is inherently distinctive").

[195] 15 U.S.C.A § 1125(d)(1)(A)(ii)(I) (West 2000); *see also supra* note 194 (discussing the inconsequential differences between certain punctuation marks and capitalization).

[196] *Sporty's Farm*, 202 F.3d at 498; *cf.* Wella Corp. v. Wella Graphics, Inc., 874 F. Supp. 54, 56 (E.D.N.Y. 1994) (finding that the mark WELLO GRAPHICS was confusingly similar to the mark WELLA).

[197] 15 U.S.C.A § 1125(d)(1)(A)(i) (West 2000).

registered mark of Sportsman's.[198]   The most damning evidence, however, was simple disbelief of the testimony offered as to the reasoning behind the naming of the enterprise and its acquisition of the <sportys.com> domain name.[199]

Finding Omega was fully aware that 'SPORTY'S' was a strong mark and that Omega/Pilot's Depot sought to enter a similar market as Sportsman's, "[i]t cannot be doubted . . . that Omega registered sportys.com for the primary purpose of keeping Sportsman's from using that domain name."[200]   Furthermore, the timing of the transfer of <sportys.com> from Omega to Sporty's Farm in a continued effort to keep Sportsman's from using the domain name and to protect itself from an inevitable likelihood of confusion infringement claim continued to raise questions as to the legitimacy and intentions of Omega and Sporty's Farm.[201]

B.   The Zuccarini Domain Name Litigation

Within six months of the *Sporty's Farm* decision, two notable ACPA cases were decided by the District Court for the Eastern District of Pennsylvania: *Electronics Boutique Holdings Corp. v. Zuccarini*[202] and *Shields v. Zuccarini*.[203]   Unlike *Sporty's Farm*, which dealt with the common act of misappropriating one party's trademark as another's domain name, *Shields* and *Electronics Boutique* involved the issue of intentional domain name misspellings.[204]   In *Shields*, the defendant registered <joecarton.com> and <joescartoon.com>[205]; in *Electronics Boutique*, domain names such as <electronicboutique.com>, <eletronicsboutique.com>, <ebwold.com> and <ebworl.com> were registered by the

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[198] "Sporty's Farm was not formed until nine months after the domain name was registered, and it did not begin operations or obtain the domain name from Omega until after this lawsuit was filed."   In addition, "the domain name [did] not consist of the legal name of the party that registered it, Omega" and "although the domain name [did] include part of the name of Sporty's Farm, that entity did not exist at the time the domain name was registered."   *Sporty's Farm,* 202 F.3d at 498-99.

[199] *See generally id.* at 499 (discussing the fact that the owners of Omega were "fully aware" that sporty's was a distinctive mark).

[200] *Id.*

[201] *See generally id.*   (noting that the *coup de grace*, however, was CEO Michael's story about Spotty the dog as the court found the story "more amusing than credible").   *Id.*

[202] Electronics Boutique Holdings Corp. v. Zuccarini, 56 U.S.P.Q.2d 1705 (E.D. Pa. 2000).

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

[204] In the *Shields* case, the legitimate domain name was that of <joecartoon.com>; *Electronics Boutique* involved the names <electronicsboutique.com> and <ebworld.com>.

[205] *Shields*, 89 F. Supp. 2d at 635.

defendant.[206]

The business plan of the defendant was to divert Internet users who sought access to legitimate web sites, but erroneously left out a letter of the URL.[207] The result was the Internet user being taken to the legitimate site, but only after the user was "mousetrapped in a barrage of advertising windows, featuring a variety of products."[208] Zuccarini received between ten and twenty-five cents from the advertisers for every pop-up window that the Internet user clicked on in a fruitless effort to escape the advertising barrage.[209]

In both cases, the courts went on to address the situation under the three-step analysis set forth in *Sporty's Farm*—(1) is the mark distinctive or famous; (2) were the questioned domain name and the legitimate trademark/service mark identical or confusingly similar and (3) was there bad faith intent to profit?[210] Finding, in both cases, that the legitimate marks were distinctive,[211] the court went on to address what, in these two cases, turned out to be the most important elements—confusion and similarity.

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[206] *Electronics Boutique*, 56 U.S.P.Q.2d at 1706; note that the "s", "c", "r" and "d" are missing, respectively.

[207] *Shields*, 89 F. Supp. 2d at 640 n.7 ("Specifically, Zuccarini testified before [the court] that he was amazed to learn 'people mistype [sought domain names] as often as they do,' and thus variants on actual spellings would result in many unintended visitor to Zuccarini's sites.").

[208] *Electronics Boutique*, 56 U.S.P.Q.2d at 1708.

[209] *See id.*; *see also Shields*, 89 F. Supp. 2d at 635 . The Internet user could not simply close out the unwelcome pop-up window by "clicking on the 'X' in the top right-hand corner of the screen, a common way to close a web browser window, [it would] not allow a user to exit."

[210] *See* Sporty's Farm LLC v. Sportsman's Mkt, Inc., 202 F.3d 489 (2d Cir. 2000).

[211] Both the *Electronics Boutique* and *Shields* courts applied the factors set forth by 15 U.S.C. § 1125(c) as the test for determining distinctiveness or famousness. This was the same test applied, above, by *Sporty's Farm*, although not discussed in detail. Section 1125(c), considers eight factors:

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

15 U.S.C.A § 1125(c)(1) (West 2000). Additional factors may also be considered. For example, the very registration of a trademark on the principal register entitles the registrant to a "presumption that its registered trademark is inherently distinctive." Morrison & Foerster LLP v. Wick, 94 F. Supp. 2d 1125, 1130 (D. Colo. 2000) (citations and quotation omitted).

Judge Dalzell, in *Shields*, found the allegedly infringing domain names "for all practical purposes identical to 'joecartoon.com', and because . . . Zuccarini registered them for that very reason" "easily conclude[d] that they are 'confusingly similar.'"[212] Judge Schiller, in *Electronics Boutique*, agreed while noting "the profitability of Mr. Zuccarini's enterprise is completely dependent on his ability to create and register domain names that are confusingly similar to famous names."[213] Both courts also referenced the presentation of documentary evidence indicating the confusion of Internet users seeking to access the legitimate web sites of the plaintiffs.[214]

The issue of bad faith intent was addressed in a similarly expedient manner as both courts found that the "bad-faith intent to profit from the domain misspelling [was] abundantly clear" in light of the belief "that Internet users will misspell the domain names of the websites they intend to access and instead access one of Mr. Zuccarini's websites."[215] The end result in both cases was a slight – but entirely legitimate—expansion or redefinition of the cybersquatting activity prohibited by the ACPA.

C. *Bihari v. Gross*

Bihari v. Gross[216] represents the third, and final, class of distinct litigation thus far filed and resolved under the ACPA—that of metatags.[217] Bihari involved a dispute between Gross, a web-savvy

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[212] *Shields*, 89 F. Supp. 2d at 639.

[213] *Electronics Boutique*, 56 U.S.P.Q.2d at 1710.

[214] In *Electronics Boutique*, an Internet user, via an e-mail, wrote "I do not know if you are affiliated with www.electronicbotique.com, but I believe you are." *Id.* at 1710, n.13. Likewise, in *Shields*, a confused user wrote, "I tried to look up you[r] website yesterday afternoon and a protest page came up. Will I have trouble entering the site at times because of this?" *Shields*, 89 F. Supp. 2d at 639. In *Shields*, the defendant replaced his advertising windows with a protest page shortly after the lawsuit was filed and served, apparently in an attempt to claim lack of commercial enterprise and a First Amendment free speech defense. *See id.* at 635-36.

[215] *Electronics Boutique*, 56 U.S.P.Q.2d at 1711; *see also Shields,* 89 F. Supp. 2d at 639-40 (referring to Zuccarini's deposition where he admitted that "he registered the variations on 'Joe Cartoon,' as well as thousands of other domain names, because they are confusingly similar to others' famous marks or personal names—and thus are likely misspellings of these names—in an effort to divert Internet traffic to his sites.").

[216] Bihari v. Gross, 119 F. Supp. 2d 309, 311 (S.D.N.Y. 2000).

[217]A metatag is hypertext markup language (HTML) code, invisible to the Internet user, that permits web designers to describe their webpage. There are two different types of metatags: keyword and description. The keyword metatags permits designers to identify search terms for use by search engines. Description metatags allows designers to briefly describe the contents of their pages. This description appears as sentence fragments beneath the webpage's listing in a search result. *Bihari*, 119 F. Supp. 2d at 312, n.3. *See* Scott Clark, *Meta Tag Tutorial, Back to Basics: META Tags, Part 2* (explaining that the practical HTML coding of metatags on a

apartment owner in New York City, and Bihari, the owner of Bihari Interiors, a New York City interior decorating company.[218]   A disagreement arose between Bihari and Gross as to the quality of work performed by Bihari for Gross's condominium apartment; Gross responded by posting his displeasure on the Internet via the domain names <designscam.com> and <manhattaninteriordesign.com>.[219] While the domain name may not have contained the common law marks claimed by Bihari, "[a]ll of the Gross websites use[d] 'Bihari Interiors' as metatags embedded within the websites' HTML code."[220]

Bihari proceeded to amend an earlier complaint alleging that the use of the Bihari Interiors metatags violated the plaintiff's rights under the ACPA.[221] The court disagreed, finding that while "no court has expressly stated that the ACPA does not apply to metatags, the plain meaning of the statute and its legislative history make this conclusion apparent."[222]

The court's refusal to extend the prohibitions of the ACPA to metatag use is supported by previous trademark cases involving the Internet. In *Playboy Enterprises, Inc. v. Welles*,[223] the court found former Playboy Playmate of the Month Terri Welles within her legal rights to use the terms 'Playboy' and 'Playmate of the Month' as metatags for the identification of her own personal web site. In refusing Playboy's request for an injunction, the court reasoned that the use of Playboy's registered trademarks constituted fair use.[224] In particular, the court found that there is "no trademark infringement where [the] defendant has used [the] plaintiff's trademarks in good faith to index the contents of her website" and that "much like the subject index of a card catalog, the metatags give the websurfer using

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website, for example, uses the keywords attribute to tell a search engine which keywords are associated with your web site: <META NAME="keywords" CONTENT="domain name infringement, ACPA, UDRP, trademarks, FTDA">. Likewise, use of the description attribute provides a description summary of the web site: <META NAME="description" CONTENT="This comment is about domain name infringement; in particular the new ACPA and the UDRP as especially designed alternatives to the FTDA in matters of trademark infringement."), *at* http://www.webdeveloper.com/html/html_metatags_part2.html (last visited Apr. 23, 2001).

[218] *See generally Bihari*, 119 F. Supp. 2d. at 312.

[219] *Id.* at 313-15.

[220] *Id.* at 313.

[221] *Id.* at 316.

[222] *Id. See* S. REP. NO. 106-140, at 4 (1999) (Congress's purpose in adopting the ACPA was to "protect consumer and American businesses . . . by prohibiting the bad-faith and abusive registration of distinctive marks as Internet domain names . . . .").

[223] Playboy Enters., Inc. v. Welles, 7 F. Supp. 2d 1098 (S.D. Cal. 1998).

[224] *Id.* at 1104.

a search engine a clearer identification of the content of a website."[225]

The *Bihari* reasoning was similar as "Gross had included 'Bihari Interiors' in the metatags of his websites because the websites provide information about Bihari Interiors . . . [and] to fairly identify the content of his websites. In short, Gross used the 'Bihari Interiors' mark in its descriptive sense only."[226] The court slammed the door on this attempted extension of the ACPA in finding that "[a]n Internet user who reads this text, and then sees the domain name of 'designscam.com' or 'manhattaninteriordesign.com' is unlikely to believe that these websites belong to Bihari Interiors or Bihari."[227] The application of likelihood of confusion, as in *Welles*—not the ACPA, is clearly the proper cause of action for metatags.

X. ARBITRATION AND THE UDRP: BUILDING A BETTER MOUSETRAP

A. *The UDRP*

The Department of Commerce in 1998 responded to what it deemed 'The Trademark Dilemma'[228] by calling "upon the World Intellectual Property Organization (WIPO) to initiate a balanced and transparent process . . . to . . . develop recommendations for a uniform approach to resolving trademark/domain name disputes involving cyberpiracy (as opposed to conflicts between trademark holders with legitimate competing rights)."[229] The result was the UDRP, a "procedure . . . handled in large part online, [and] designed to take less than 45 days, and . . . cost about $1000 in fees."[230]

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[225] *Id. But see* Playboy Enters., Inc. v. Asiafocus Int'l, Inc., No. CIV.A.97-734-A, 1998 WL 724000, at *3, **6-7 (E.D. Va. Apr. 10, 1998) (enjoining the use of the marks 'Playboy' and 'Playmate' in the domain name and metatags of defendant's website <asian-playmates.com> and <playmates-asian.com> which also contained the trademarks Playboy and Playmate in the embedded HTML metatags; no relationship ever existed between Playboy Enterprises and the defendant).

[226] Bihari v. Gross, 119 F. Supp. 309, 322 (S.D.N.Y. 2000).

[227] *Id.* at 320.

[228] The Department of Commerce, specifically the National Telecommunications and Information Administration, found that "[w]hen a trademark is used as a domain name without the trademark owner's consent, consumers may be misled about the source of the product or service offered on the Internet, and trademark owners may not be able to protect their rights without very expensive litigation" and for "cyberspace to function as an effective commercial market, businesses must have confidence that their trademarks can be protected." Mgmt. of Internet Names and Addresses, 63 Fed. Reg. 31,741, 31,746 (June 10, 1998).

[229] *Id.* at 31,747.

[230] INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (ICANN), *Frequently Asked Questions on Uniform Dispute Resolution Policy, available at*

The UDRP was an effort to resolve "disputes involving domain names that are shown to have been registered in abusive attempts to profit from another's trademark (i.e. cybersquatting and cyberpiracy)."[231] In "cases of abusive registration," the UDRP allows for "a special administrative procedure to resolve the dispute" "by neutral persons selected from panels established for that purpose."[232] The UDRP has since "been adopted by all accredited domain-name registrars for domain names ending in .com, .net, and .org" via incorporation into domain name registration agreements.[233]

The process for instituting a claim under the UDRP is relatively simple as the complaining party submits a procedurally complete complaint to one of the alternative dispute resolution agencies certified by ICANN to participate in the UDRP.[234] Following selection of a one or three-member panel and the membership of that panel,[235] the complainant pleads three elements of its claim: (1) how the disputed domain name is identical or confusingly similar to the complainant's trademark or service mark rights; (2) why the responding party (the holder of the disputed domain name) has no legitimate interest in the domain name and (3) why the disputed domain name has been registered and used in bad faith.[236]

Bad faith is a prerequisite for a finding in favor of the complainant and may be exhibited by four non-exclusive incidents related to the registration and use of the domain name: (1) acquisition of a domain name "primarily for the purpose of selling . . . or otherwise transferring the domain name registration to the complainant [for consideration exceeding] out of pocket costs";[237] (2)

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http://www.icann.org/general/faq1.htm (Sept. 13, 1999) (hereinafter FAQ).

[231] *Id.*

[232] *Id.*

[233] THE POLICY at n.2 ("It has also been adopted by certain managers of country-code top-level domains (e.g., .nu, .tv, .ws).").

[234] *See* THE RULES, *supra* note 34, § 3(a) ("Any person or entity may initiate an administrative proceeding by submitting a complaint in accordance with the Policy and these Rules to any Provider approved by ICANN."); *see also* INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (ICANN), *Approved Providers for Uniform Domain Dispute Resolution Policy* (providing a roster of approved arbitration services, namely WIPO, the National Arbitration Forum and eResolutions), *available at* http://www.icann.org/udrp/approved-providers.htm (last updated Oct. 17, 2000).

[235] *See* THE RULES § 3(b)(iv) ("Designate whether Complainant elects to have the dispute decided by a single-member or a three-member Panel and, in the event Complainant elects a three-member Panel, provide the names and contact details of three candidates to serve as one of the Panelists.").

[236] *See* THE POLICY § 4(a)(i-iii).

[237] *Id.* § 4(b)(i).

registration of the domain name to "prevent the owner of the trademark . . . from reflecting the [trade]mark in a corresponding domain name"[238]; (3) acquisition of a domain name for "disrupting the business of a competitor"[239] and (4) acquisition and use of a domain name to divert Internet users to another web site "for commercial gain" "by creating a likelihood of confusion with the complainant's mark as to the source . . . of [the] web site."[240]

Within twenty-two days of receipt of a response or rebuttal from the respondent, the arbitrator or panel resolves the dispute "on the basis of the statements and documents submitted" by the parties.[241] No personal appearances, subpoenas or extended discovery are required. The arbitrator or panel then submits its decision to the parties, ICANN and the domain name registrar then cancels or transfers the domain name absent the commencement of a declaratory judgment action by the respondent against the complainant.[242]

B.   A Blueprint for Success: World Wrestling Federation Entertainment, Inc. v. Bosman

In *World Wrestling Federation*,[243] Michael Bosman registered the domain name <worldwrestlingfederation.com> with the Australian-based domain name registrar Melbourne IT for sixty dollars and then offered to sell it to the World Wrestling Federation (WWF) only three days later for $1,000.[244] Bosman, along with his offer for sale, attempted to pull the wool over the eyes of the WWF by claiming cybersquatting litigation "typically accomplish[es] very little and

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[238] *Id.* § 4(b)(ii).

[239] *Id.* § 4(b)(iii).

[240] *Id.* § 4(b)(iv).

[241] THE RULES ¶¶ 6, 15, 16. After receiving the response from the respondent (within 20 days from commencement of proceeding, *see* ¶ 5), the Provider within 5 days of receipt, appoints a panel if the respondent or complainant has not chosen one (*see* ¶ 6). The panel then has 14 days to decide the case "on the basis of the statements and documents submitted" and forward its decision to the Provider (*see* ¶ 15). The Provider then has 3 days to communicate the decision to the parties (*see* ¶ 16).

[242] THE POLICY § 3. Either a transfer or cancellation is the sole remedy, but it is possible to seek damages under the ACPA. *See* Broadbridge Media, LLC v. HyperCD.com, 105 F. Supp. 2d 505, 508-09 (S.D.N.Y. 2000).

[243] World Wrestling Fed'n Entm't, Inc. v. Michael Bosman, WIPO, No. D99-0001 (Jan. 14, 2000), *available at* http://arbiter.wipo.int/domains/decisions/html/d99-0001.html.

[244] *See generally id.*; *see also* M. Scott Donahey & Ryan S. Hilbert, *World Wrestling Fed'n Entm't, Inc. v. Michael Bosman: A Legal Body Slam for Cybersquatters on the Web*, 16 SANTA CLARA COMPUTER & HIGH TECH. L.J. 419, 422 (2000) (discussing the general factual background to the UDRP procedure with commentary provided by the arbiter of that hearing, M. Scott Donahey).

end[s] up costing the companies thousands of dollars in legal fees, wasted time and energy."[245] The WWF did not take the bait and instituted proceedings under the UDRP—which had become effective only *one* day prior.[246]

Under the UDRP, arbitrator M. Scott Donahey found "that the domain name <worldwrestlingfederation.com> is identical or confusingly similar to the trademark and service mark registered and used by [the WWF]."[247] Likewise, Donahey found that Bosman had "no rights or legitimate interests" in the domain name in question.[248] The bad faith element, however, generated the most worthwhile discussion where Bosman must have not only *registered* the domain name in bad faith,[249] but additionally *used* the domain name in bad faith to be found liable under the UDRP.

The arbitrator, at this point, referred to the two cases that have become the epitome of domain name litigation in the United States in support of his finding of bad faith use— *Panavision International* and *Intermatic*. Donahey cited *Panavision International*'s holding that Toeppen's *intention to sell* the domain name constituted bad faith *registration* of the plaintiff's mark and *Intermatic*'s conclusion that Toeppen's actual *offer to sell* the domain name was commercial use under the Lanham Act.[250] Therefore, bad faith *use* under the UDRP, the third required element, was established. The result: transfer of the pirated domain name back to the WWF.[251]

C. Does the UDRP Discriminate?

Despite the apparent success of the UDRP as exhibited by *World Wrestling Federation* and a plethora of other disputes decided under

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[245] *Id.*

[246] *See* Donahey & Hilbert, *supra* note 244, at 422, n.7 ("The first day complaints could be submitted to dispute-resolution providers for disputes involving domain names . . . under ICANN's new Domain Name Dispute Resolution Policy was December 1, 1999.").

[247] *Id.* at 423 (quoting World Wrestling Fed'n Entm't, Inc. v. Michael Bosman, WIPO, No. D99-0001 (Jan. 14, 2000)).

[248] *Id.*

[249] Since Bosman offered to sell the domain name to the WWF only three days after its initial acquisition, the arbitrator found that the name was registered in bad faith. *See id.* at 423, n.15 (quoting World Wrestling Fed'n Entm't, Inc. v. Michael Bosman, WIPO, No. D99-0001 (Jan. 14, 2000)).

[250] "[A]lthough it was unnecessary to consider the laws of the United States in rendering a decision, because both of the parties were domiciled in the United States, and United States courts had had recent experience in dealing with similar disputes, the arbitrator looked to these cases for assistance." *See* Donahey & Hilbert, *supra* note 244, at 423, n.17.

[251] *Id.* at 424.

The Policy, a recent statistical analysis, prepared by Dr. Milton Mueller of Syracuse University, suggests that the UDRP permits "selection of dispute resolution service providers by challengers" and results in "forum shopping that biases the results [of a UDRP decision]."[252]   Dr. Mueller's study found that the WIPO arbitration panels and the National Arbitration Foundation (NAF) panels were "the most complainant-friendly providers" and eResolutions, of Canada, was "the most defendant friendly."[253]   Furthermore, "[b]oth NAF and WIPO tend to interpret the UDRP in ways that favor trademark holders over other Internet users, whereas eResolutions decisions tend to adhere more closely to the strict language of the policy."[254]

Dr. Mueller's study is founded on the first 1,170 cases submitted and resolved under the UDRP.   764 of those cases resulted in a transfer of the disputed domain name; statistically, 78.4% of UDRP filings resolved in favor of the complainant.[255]   But in the case of WIPO, which heard 493 disputes during the period of the study, 333 (67.5%) were resolved in favor of the complainant; NAF, who heard 355 cases, found for the complainant 254 times (71.5%) whereas eResolutions favored the complainant only 38 of its 86 total cases (44.2%).[256]

This schism in decisions between panels parallels an interesting trend regarding market share over the ten-month period of observation (January through October 2000).   During that time frame, WIPO's market share of all domain name disputes submitted under the UDRP *grew* from an already impressive 48% in January/February to its peak of 66% in the final month of the study.[257]   eResolutions, however, experienced a marked *decrease* in market share, from 10% in the January/February time frame to a scant 4% in October despite hovering around 7-9% from April to September.[258]   NAF experienced a similar decrease that was likely due to the increase in WIPO's

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[252] Dr. Milton Mueller, *Rough Justice, An Analysis of ICANN's Uniform Dispute Resolution Policy (v2.1)*, *available at* http://dcc.syr.edu/roughjustice.htm (last visited Apr. 23, 2001).

[253] *Id.*

[254] *Id.*

[255] *Id.*   Additionally, 191 (19.6%) complaints were dismissed—decisions for the respondent, 16 (1.6%) resulted in cancellation of the domain name and 4 (0.4%) resulted in split decisions (i.e. multiple domain names were brought under a complaint with the decision favoring both parties as to some of the disputed domain names).

[256] *Id.*

[257] *See id.*

[258] Mueller, *supra* note 252

share.[259] Such a decrease would tend to indicate that complainants slowly, but surely, learned where to file their disputes—with the complainant friendly WIPO panels.

Pricing, like market share, tends to indicate bias. eResolutions, the resolution service provider with the lowest market share, also, strangely enough, had the lowest fee at $750 for a case involving one or two domain names.[260] But WIPO—the dispute resolution provider with the largest market share—charged $1,000 for a complaint involving one to five domain names.[261] The *cheapest* service provider of an *identical* service had the *smallest* market share. Common economic sense tells us that an identical product should be sought out at its lowest available price. The UDRP appears to be the exception.

The only correlative factor, according to Dr. Mueller, could be that eResolutions tends to favor the respondent when complainants tend to be "the economic drivers of [the] marketplace and are potentially in a position to 'forum shop' for the resolution provider . . . they think will be the most sympathetic to their claims."[262] This conclusion is not implausible as the majority of complainants under the UDRP *are* larger corporate enterprises with the money to select the resolution service most favorable to their concerns—WIPO—who also happens to be the most expensive provider.[263] However, even Dr. Mueller recognizes that the development of a more complete record would allow for a more comprehensive and accurate finding.[264]

XI. IS THIS TOWN BIG ENOUGH FOR THE BOTH OF US? THE CO-EXISTENCE OF THE ACPA AND UDRP

As of November 1, 2000, only twenty-seven *published* cases could be found that were brought under the ACPA.[265] However, in

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[259] NAF's share of the market started at 43% in January/February and steadily declined to 38% in March, 33% in April, 29% in May and June to 27%, 26% and 28% in July-August, respectively, before finally ending at 27% in the final month of the study. *Id.*

[260] *See id.* It should also be noted that most domain name disputes (93%) involve one or two domain names.

[261] *Id.*

[262] *Id.*

[263] *Id.* Of the 621 cases decided, these percentages represent the decisions in favor of the complainant versus the respondent, but in only those cases that resulted in a decision (i.e. no settled cases or terminated cases were considered in this comparison): eResolutions 51% to 49% in 49 cases; NAF 81% to 19% in 252 total cases; WIPO 82% to 18% in 320 cases. *Id.*

[264] Mueller, *supra* note 252. ("[I]f [resolution service providers] develop a more extensive record, we can obtain more robust results on this item.").

[265] The author of this comment searched for such cases utilizing Westlaw, Lexis and a number of weekly publications addressing intellectual property cases. The author recognizes that there

approximately the same time period, 5,692 (as of March 8, 2001) disputes were processed under ICANN's UDRP.[266] While much was made of the passage of the ACPA by congressional and industry leaders, the reality of public preference is clear.

"The [UDRP] is intended for a restricted kind of case to give trademark owners a streamlined way of resolving cases."[267] This might perhaps explain the extremely high percentage of findings for complainants as most UDRP submissions involve clear-cut cases of cybersquatting. "The other important feature [of the UDRP] is that the policy applies throughout the Internet" as "U.S. courts are not always convenient if a domain name holder is in France."[268]

Jeff Glitchel, who represented the WWF in the first application of the UDRP, found The Policy to be both a time and money saver in that it was "very quick, relatively inexpensive, and . . . cut down on investigative costs" which are often associated with protracted litigation—like suits brought under the ACPA.[269] Even Michael Bosman, the cybersquatter in *WWF*, found the WIPO dispute resolution process to be run by a "good organization" in addition to being "fair and unbiased."[270]

However, others like Dr. Mueller clearly find the UDRP lacking in some respects—namely forum shopping.[271] As a simple solution, however, Dr. Mueller suggests that "[c]ases could be assigned to [resolution service providers] randomly" but this runs the risk of causing the case load of an arbiter to become "detached from its price and performance."[272] This dilemma could be met, however, with an effort by ICANN to regulate prices, set standards for performance and require continual reaccreditation to arbitration providers which would, in turn, make even more uniform what is already, in theory, a uniformly applied dispute resolution policy.

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may be cases that he failed to discover, but not so many as to counter the point of mentioning this statistic.

[266] THE INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (ICANN), STATISTICAL SUMMARY OF PROCEEDINGS UNDER UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY, *at* http://www.icann.org/udrp/proceedings-stat.htm (Jan. 30, 1999). The ACPA was signed into law on November 29, 1999. The UDRP became effective on December 1, 1999.

[267] Debra Baker, *WWF Goes to the Mat Over Web Site*, 86 A.B.A.J. MAGAZINE 18, 19 (2000) (quoting Louis Touton, Vice President and General Counsel for ICANN).

[268] *Id.*

[269] *Id.*

[270] Jeri Clausing, *Wrestling Group Wins Back Use of Its Name on Internet*, N.Y. TIMES, Jan. 17, 2000, at C4.

[271] *See* Mueller, *supra* note 252.

[272] *Id.*

While the ACPA is a legal remedy burdened by the realities of litigation, it does have its place in the world despite the ultra-fast alternative of the UDRP. Keep in mind that under the UDRP, the only remedy is that of transfer or cancellation of the domain name.[273] No matter how egregious the act of cybersquatting, the number of domain names squatted on or the tenor of the respondent in the proceedings, the complainant will never collect a dime of losses, cost or attorney's fees.

Such recovery is possible under the ACPA.[274] Thus, in such cases of extreme cybersquatting or where another party actually reaps the substantial benefits of confusing the consumer through an identical domain name, the financial remedies offered by the ACPA—despite the burdens of federal litigation—become much more attractive. Recent discussion of the two remedies has made a case for a vicarious relationship permitting the rapid transfer of the domain name under the UDRP and then permitting damages under the ACPA to actually punish and deter the offender from future conduct.[275]

Notwithstanding the damages issue, the UDRP does lack in other respects as well. The UDRP was implemented with the intention to confine its application to "cases of deliberate, bad faith abusive registrations."[276] Furthermore, the UDRP was designed to be limited only to "trademarks and service marks" as the law governing "trade names, geographical indications and personality rights is less evenly harmonized throughout the world."[277]

However, at the request of the Australian Minister for Communication, Information Technology and the Arts, a Second Report on Internet Names and Addresses was recently sponsored by WIPO.[278] The Second Report will cover a number of the issues that the First Report chose to temporarily exclude from the purview of the

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[273] *See* THE POLICY § 4(i).

[274] *See* 15 U.S.C.A § 1117(d) (West 2000).

[275] *Cf.* Broadbridge Media, LLC v. HyperCD.com, 106 F. Supp. 2d 505, 508-09 (S.D.N.Y. 2000).

[276] WIPO, FINAL REPORT OF THE WIPO INTERNET DOMAIN NAME PROCESS: THE MANAGEMENT OF INTERNET NAMES AND ADDRESSES, ¶ 166, *available at* http://wipo2.wipo.int./process1/report/index.html (Apr. 30, 1999).

[277] *Id.* ¶ 167.

[278] *See* Letter from The Honorable Richard Alston, Minister for Communications, Information Technology and the Arts, Australian Senate, to Dr. Kamil Idris, Director General, World Intellectual Property Association (June 28, 2000) (on file with the WIPO), *available at* http://wipo2.wipo.int/process2/rfc/letter2.html. *See also* WIPO, *Second WIPO Internet Domain Name Process* (regarding the second conference), *at* http://wipo2.wipo.int/process2 (last visited Mar. 3, 2001).

UDRP, including: personal names, intergovernmental organizations, geographical indications, trade names and pharmaceutical substances.[279] The Second Report should be available in mid-2001.[280]

XII. THE FAILURE OF THE ACPA AND UDRP TO ADDRESS THE ACTUAL PROBLEM

Despite the clear success of the UDRP and the increased effectiveness of the ACPA in light of the earlier overextension of the FTDA, there does exist fundamental issues that need to be addressed. In the case of the ACPA, it is clearly a unilateral solution to an international problem. Although President Clinton signed the anti-cybersquatting legislation into law, albeit as part of a larger appropriations bill, there were serious rumblings from the White House as to its excessively local nature.   "We believe that fundamentally we'd be walking down the wrong road if we legislated a cybersquatting law and the 200 or so Internet countries around the world started legislating their own rules and laws," said then White House Press Secretary, Joe Lockhart.[281]   While the White House supported some form of anti-cybersquatting legislation, its implementation was sought through an international treaty process.[282]

This multinational stance advocated by the Clinton White House made sense when paired with the understanding that "[t]he Internet is an international system."[283] Why should legislation designed by the United States be the ivory tower of cybersquatting standards? Not to challenge the sovereign law making powers of the United States, but due to the international nature of the Internet and its related problems, there should undoubtedly be international input for a resolution of the problem.[284]

The cause of domain name infringement is ultimately rooted in trademark and unfair competition law.   As the international community has international trademark treaties, why not international domain name treaties?   For example, the Madrid Agreement Concerning the International Registration of Marks as well the Madrid Protocols permit a person to obtain international trademark

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[279] *See* Alston Letter, *supra* note 278.

[280] *See* WIPO, SECOND WIPO INTERNET DOMAIN NAME PROCESS (regarding the second conference), *at* http://wipo2.wipo.int/process2 (last visited Apr. 23, 2001).

[281] Statement by Joe Lockhart, White House Press Secretary (Oct. 28, 1999) (on file with author).

[282] *Id.*

[283] Am. Civil Liberties Union v. Reno, 929 F. Supp. 824, 831, ¶ 4 (E.D. Pa. 1996).

[284] Note the aforementioned success of the internationally supported UDRP.

registration having effect in some or all of the other member countries of the Madrid Union.[285]   Could the United States and other Internet nations not reach some consensus regarding the registration of domain names or even create an amendment to the already existing trademark treaties?

Furthermore, the legal community must acknowledge that not all the domain name legislation in the world can physically prevent an individual from registering an infringing domain name.   The gatekeepers ultimately must be those that are responsible for domain names, legitimate or otherwise, reaching the Internet—domain name registrars.   But with a multitude of registrars for the <.com> TLD alone, not to mention the regional registrars for the seemingly countless ccTLDs and the soon to be released new TLDs,[286] is it possible to create harmony among the masses?

Is adopting a world supervising body for the Internet the solution? By passing the domain name infringement problem onto this hypothetical supervisory agency, the Internet nations of the world find the issue in the hands of specialists who will address and resolve the issue in a consistent, uniform and, hopefully, fair manner.   By placing the responsibility of domain name registration in a singular, neutral, non-aligned organization, there is a lesser chance of conflict with local laws and such an organization could eventually seek to reconcile domain name policies with international trademark treaties.

But is an international organization too excessive?   Is, perhaps, the current plan adopted by ICANN, the assignment of new TLDs, the answer?   In this author's opinion, this last option is clearly not the answer, but rather furthering the cause of the problem.   Consider this: why should a small, local business with a common law trademark right in 'Trademark, Co.' be superceded by the later obtained, federal trademark rights of the industrial giant, 'Trademark, Inc.' when it comes to registering a trade name on the Internet?   Trademark law and regional exclusions solve this problem in the world of brick and mortar, but on the Internet, such exclusions are not possible.   Our hypothetical is eerily similar to the dispute in *Clue Computing II*.

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[285] WIPO, WHAT IS A TRADEMARK?, WIPO Publication No. L450TM.E. (on file with author).

[286] The Internet Corporation for Assigned Names and Numbers (ICANN), *New TLD Program, at* http://www.icann.org/tlds (last updated Feb. 3, 2001). Per a November 16, 2000, meeting of ICANN, the Board elected to adopt seven new TLDs and is currently in the process of negotiating agreements with registrars for their use in commerce. Those TLDs will be: <.aero> for the air-transport industry, <.biz> for businesses, <.coop> for non-profit cooperatives, <.info> for unrestricted use, <.museum> for museums, <.name> for individual registrations and <.pro> for professionals such as accountants, lawyers and physicians.

How does Internet jurisprudence reconcile the domain name rights of one party with those of another in a way that is legal, equitable and functional?

One solution is for the Internet community to "scrap the present system of lettered TLDs and replace them with the 42 numeric International Classes used by the U.S. Patent and Trademark Office in sorting trademark registrations. These 42 classes have fairly elastic borders. Taken together, they cover all of the goods and services in commerce."[287]   There could exist one TLD for automakers <trademark.012>, another TLD for clothing companies <trademark.025> and another for telecommunications providers <trademark.038>. Such a format would "eliminate the congestion caused by the commercial cachet of the .com TLD" and through the increase of potential TLDs such a format would also "reduce the 'first come, first served' rush" of the current system.[288] However, the current problem could still occur if two companies with identical names happen to be in the same field of commerce. Now, instead of a dispute over <.com>, the parties would argue over <.001>.

Perhaps the only absolute solution is to scrap the concept of domain names all together and operate on pure IP addresses alone. While the concept seems extreme, we in fact use a similar system every day—telephone numbers. When someone wants to call their best friend John Doe, the caller does not type 'J-O-H-N-D-O-E' on the numeric keypad; the caller dials the number assigned to John Doe. So why can't the Internet user who wants to visit the web site for Yahoo! simply enter the IP address for that site? In reality, the IP address is not much longer than a phone number.

Those opposed to such a plan would surely claim that IP addresses are too complex and question how we are to remember all the IP addresses of the sites we visit most? Refer again to the comparison with the telephone. Do you remember every phone number for every person you call? Likely, the answer is no. When a telephone caller does not know a phone number, the caller reaches for the phone book and finds the desired number. The same principle is

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[287] Letter from Lawrence J. Siskind, Head of Cooper, White & Cooper Intellectual Property Law Group to Ms. Patrice Washington, National Tele-Communications and Information Administration Office of Public Affairs (Aug. 19, 1997), *available at* http://www.ntia.doc.gov/ntiahome/domainname/not-emailed/siskind.htm. *See also* Lawrence J. Siskind, *Grabbing of Cyberclaims*, LEGAL TIMES, Nov. 5, 1999, *available at* http://www.law.com/cgi-bin/gx.cgi/AppLogic+FTContentServer?pagename=law/View&c= Article&cid=A9074-1999Nov5&live=true&cst=1&pc=0&pa=0.

[288] *See* Siskind Letter, *supra* note 287.

already in effect with Internet search engines. The user types in the name of the service he seeks to find, the search engine delivers the name of the site and a short description (not much unlike a name and address in the phone book) and then provides a hyperlink to the IP address (the phone number). And much like with speed dial on a telephone for commonly called numbers, every web browser in existence has some sort of bookmark or favorites system for easy access to oft visited web sites. Such a system would alleviate the likelihood of confusion, dilution and cybersquatting by eliminating conflicting rights to domain names and replacing them with IP addresses, for which there can be only one for each company and a supply of which that is far from exhaustion.

Adoption of this proposed system would undoubtedly raise resistance from individuals and businesses having already established a recognizable and memorable domain name with one of the current TLDs. Doomsday prophets might even compare such a task as more heinous than an American switch to the metric system. The change would not be as gargantuan a mission as many would proclaim. The switchover process would be like that of changing telephone area codes and prefixes.[289] Such an event happens with increasing regularity as metropolitan areas grow and populations increase and disperse resulting in an increasing need for new telephone numbers.

Why should the SLD/TLD situation be viewed any differently as the demand for domain names on the Internet continues to grow? While there might be some inconvenience at first, after dialing the wrong number one or two times, callers become accustomed to the change and continue with their daily lives, often forgetting that the change ever took place. The situation would likely be the same with the Internet as the user inputs a wrong IP address once or twice and then remembers the change for future reference. And as mentioned earlier, there is always a plethora of search engines available to remedy the problem of forgotten IP addresses.

XIII. CONCLUSION

A change to the current TLD system, along with heightened scrutiny in the registration process and strict adherence to the principles of the ACPA and UDRP are key to the future resolution of domain name infringement. Notwithstanding these proposals, the reality is that the world, for now, continues to use the Internet with

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[289] *See generally id.* (comparing the changing of our current TLD system with the practice of reassigning area codes).

the ever-familiar <.com> and company name. The ACPA and UDRP may not be the definitive answer to domain name infringement, but they serve and function as a monumental step in an area of the law that is sure to grow exponentially in years to come.