

THE DOMAIN NAME FIASCO: THE LEGAL BATTLE
BETWEEN THE CURRENT DOMAIN NAME
REGISTRATION SYSTEM AND TRADITIONAL
TRADEMARK LAW

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I. Introduction

A. Hypothetical Case Studies

In preparation for the legal analysis that you are about to read, consider these three distinct hypothetical case studies based on the same fact pattern. Your client is a manufacturer of floor waxing machines who in 1994 obtained a federal trademark registration for the mark “THE WAXER”. He wants to register “waxer.com” with Network Solutions Inc., (“NSI”) the official domain name registrar.

1.

You are contacted by Mr. Cy B. Squatter, a young entrepreneur who decided back in 1993 to register “waxer.com” along with many other famous marks and has not composed any information on these web sites. Mr. Squatter offers to make a deal with you. He will relinquish the domain name “waxer.com” for a payment of \$10,000.

2.

Next, you find out that your main competitor has registered the domain name “waxer.com” and on their web site they sell their own floor waxing machines and display a price and quality comparison of their machine versus your “WAXER” model.

3.

Lastly, NSI informs you that a Hofstra Law Student named Adam Waxer has already obtained “waxer.com” where he displays his current resume and accolades on his web site.

So what should you do? Should you sue in federal court, and under what theory? Should you go running to NSI and complain that they do something? Or should you advise your client that they have no recourse and should pay or think of a new domain name?

B. Structure of the Paper

The purpose of this Paper is to introduce to the general practitioner, law student, or common businessman some of the key conflicts between the current laws of trademark protection with the increasingly popular importance of domain name registration in the application of the Internet known as the World Wide Web (“WWW”).

In retrospect the different types of legal topics that have arisen from this conflict are much too immense to discuss in one comment. One of the broadest topics is the issue of

personal jurisdiction. For the purpose of this Paper, I will defer that issue to other legal commentary.¹

The Paper begins by introducing the reader to the history, development, and expeditious growth of the Internet, “WWW”, and domain names. Next, it categorizes the plethora of disputes into three distinct categories. These categories were the basis of the hypothetical case studies and will be a systematic tool throughout the course of this paper. Further, the next section will discuss whether domain names should be legally protected, and under what legal theories. In addition, it will dissect the case law into the three basic categories. Finally, it will review some of the international communities’ proposed suggestions to alleviate this domain name fiasco: the legal battle between the current domain name registration system and traditional trademark law.

II. The History, Development, and Expeditious Growth of the Internet, “WWW”, and Domain Names

A. Defining the Internet and the World Wide Web

The Internet² is a worldwide network of computers that share a common communication protocol.³ “It is a decentralized, global medium of communications – or ‘cyberspace’ – that links people, institutions, corporations, and governments around the world ... These communications can occur almost instantaneously, and can be directed either to specific individuals, to a broader group of people interested in a particular subject, or to the world as a whole.”⁴ The Internet is, in fact, a widespread information infrastructure.⁵ It exerts its influence “not only to the technical fields of computer communications but throughout society as we move toward increasing use of online tools

¹ See generally Ira S. Nathenson, *Showdown at the Domain Name Corral: Property Rights and Personal Jurisdiction Over Squatters, Poachers, and Other Parasites*, 58 U. Pitt. L. Rev. 991 (1997) (visited Mar. 22, 1999) <<http://www.pitt.edu/~lawrev/58-4/articles/domain.htm>>; Nancy Savitt & Parry Aftab, *Grappling With Cyber-Jurisdiction*, 12/21/98 NYLJ S6, (col. 1); Jeffrey Kuester & Jennifer Graves, *Personal Jurisdiction on the Internet: Where is Cyberspace?*, Intellectual Property Today, Jan. 1998, at 25; Harlan Williams, *The Internet—A Basis for Jurisdiction?*, Intellectual Property Today, Feb. 1998, at 29.

² See PBS Internet Online, *Life on the Internet*, (visited Mar. 29, 1999) <<http://www.pbs.org/internet/timeline>> [hereinafter PBS Internet Online] (The term Internet was first used in 1982).

³ See Richard Harris, *Trademark and Copyright Law on the World Wide Web: A Survey of the Wild Frontier: Part I*, Intellectual Property Today, Dec. 1998 at 30 n.3 (“Internet” refers to the global information system that—(i) is logically linked together by a globally unique address space based on the Internet Protocol (IP) or its subsequent extensions/follow-ons; (ii) is able to support communications using the Transmission Control Protocol/Internet Protocol suite or its subsequent extensions/follow-ons, and (iii) provides, uses or makes accessible, either publicly or privately, high level services layered on the communications and related infrastructure described herein.

⁴ *Hearst Corp. v. Goldberger*, 1997 WL 97097 (S.D.N.Y. Feb. 26, 1997) (quoting *American Civil Liberties Union (ACLU) v. Reno*, 929 F. Supp. 824, 831 (E.D. Pa. 1996)).

⁵ See Richard Harris, *Trademark and Copyright Law on the World Wide Web: A Survey of the Wild Frontier: Part I*, Intellectual Property Today, Dec. 1998 at 30.

to accomplish electronic commerce, information acquisition, and community operations.”⁶

The Internet was started in the 1960’s as a result of work done by the RAND Corp, at the order of the Pentagon, to find a way U.S. authorities could “talk to each other in the aftermath of a nuclear attack.”⁷ One of the thinkers at RAND, Paul Baran, created the concept of a “fishnet” communication network.⁸ The purpose of this “fishnet” was that if one part of the network was destroyed the data could still find its way through an alternative route.⁹ In 1962, the Department of Defense’s Advanced Research Project Association (“ARPA”) implemented the system (known as “ARPANET”); and by 1969, researchers at four universities were able to access ARPANET directly through the use of powerful supercomputers.¹⁰

Although the initial application of the Internet was specifically designed to facilitate scientific research, some early adopters began to recognize the immense commercial potential of the Internet.¹¹ The early efforts of integrating the Internet into the commercial arena were mainly comprised of vendors providing their customers with the basic networking products, and service providers offering their customers connectivity and basic Internet services.¹² However, there lurked initial problems. First, the Internet was designed by and for engineers, therefore making navigation extremely hard without the proper training. Second, even if one could master the complex system, the information stored on machines worldwide was not formatted using a consistent protocol.¹³

In 1989 at the Conseil European pour la Recherche Nucleaire, (“CERN”) the European Particle Physics Laboratory, Mr. Berners-Lee created the World Wide Web (“WWW”).¹⁴ The Web was created to serve as the platform for a global, online store of knowledge, containing information from a diversity of sources and accessible to Internet users around the world.¹⁵ Though information on the Web is contained in individual computers, each of these computers were connected to the Internet through protocols which allow all of the information to become a single body of knowledge.¹⁶

The key to Mr. Berners-Lee’s Web was its ease of use.¹⁷ The creation of Web browser software such as Netscape’s Navigator and Microsoft’s Internet Explorer offer the user a simple graphic-based format with the convenience of a single click of the

⁶ See Barry M. Leiner, et. al., *A Brief History of the Internet* (visited Mar. 29, 1999) <<http://www.isoc.org/intenet-history/brief>>.

⁷ See PBS Internet Online, *supra* note 2.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ See Harris, *supra* note 5.

¹² *Id.* (citing Leiner, *supra* note 6).

¹³ See Harris, *supra* note 5.

¹⁴ *Id.*

¹⁵ See ACLU, 929 F. Supp. at 836.

¹⁶ *Id.*

¹⁷ See Harris, *supra* note 5.

mouse button.¹⁸ Because of this browser technology and its simplistic format, the Web has sometimes been called the “graphical lane” on the information highway¹⁹, and has transformed an area which was intended for mere research into “a commodity service, with much of the latest attention on the use of this global information infrastructure for support of the commercial services.”²⁰

As a testament to the tremendous commercial success of the Internet the amount of users has astronomically increased in the past twenty years. In 1981, fewer than 300 computers were linked to the Internet²¹, and by 1989, the number stood at fewer than 90,000 computers.²² By January 1993, 1.313 million people were linked²³, and in only three years, in January 1996 the number multiplied over seven times to 9.472 million.²⁴ These numbers are not reflective of the total amount of people who access the Internet. These numbers do not include personal computers that use modems to connect to the Web or Internet.²⁵ It was estimated that in 1996, that 40 million people around the world had access to the Internet.²⁶

Jumping another three years to the present 1999, in January the total number of host computers that were linked to the Internet multiplied over four and a half times to 43.230 million.²⁷ Overall, it is hard to give an exact number of online users throughout the world. One survey has estimated that as of March 1999, a total of 158.8 million people have access to the Internet.²⁸ The following is a table depicting the total number of online users by geographic location.²⁹

TABLE 1

¹⁸ The original web browser and the predecessor to Netscape’s Navigator and Microsoft’s Internet Explorer, was Mosaic, a program developed in 1993 by two student at the University of Illinois. *See* KATIE HAFTNER & MATTHEW LYON, WHERE WIZARDS STAY UP LATE: THE ORIGINS OF THE INTERNET, 257-58, 263 (1996).

¹⁹ *Id.*

²⁰ *See* Leiner, *supra*, note 6.

²¹ *See* ACLU, 929 F. Supp. at 831.

²² *Id.*

²³ *See* Network Wizards, (visited March 29, 1999) <<http://www.nw.com>>.

²⁴ *Id.*

²⁵ *See* ACLU, 929 F. Supp. at 831.

²⁶ *Id.*

²⁷ *See* Network Wizards, *supra* note 23.

²⁸ *See* Nua Internet Surveys, (visited Mar. 29, 1999) <http://www.nua.ie/surveys/how_many_online/index.html>.

²⁹ *See id.*

<u>World Total</u>	158.5 million
<u>Africa</u>	1.14 million
<u>Asia/Pacific</u>	26.97 million
<u>Europe</u>	36.55 million
<u>Middle East</u>	0.86 million
<u>South America</u>	4.63 million
<u>Canada & USA</u>	88.33 million

B. Domain Names: Exit Ramps for the Internet Informational Superhighway³⁰

1. Anatomy of a Domain Name

Internet users receive two addresses when they register for an Internet address—one that is numeric, i.e. 123.743.123.58,³¹ and one that is alphanumeric.³² The numeric address is known as an Internet Protocol or “IP” address and is a unique combination of numbers. Computer programs that connect Internet users are automatically programmed to look up the numeric IP address that corresponds to the designated alphanumeric address. Because IP addresses are too long and difficult to remember users rely on the more user-friendly alphanumeric addresses.³³ This alphanumeric address is known as a domain name. In more detail, a domain name is the unique set of words, or a combination of words, generally separated by periods, that identifies each entity on the Internet.³⁴ These names are limited to a maximum length of twenty-four letters.³⁵ Domain names are read from right to left, and are divided into “levels”. The “top level domain” (“TLD”) corresponds to either the generic type of organization³⁶ or the

³⁰ David Krivoshik, *Shoot Out On The Information Superhighway*, Intellectual Property Today, Sept. 1995 at 27.

³¹ Where the “123” is the network, “743” and “123” are the sub-networks, and “58” is a specific computer.

³² See Andre Brunel, *Billions Registered, But No Rules: The Scope of Trademark Protection for Internet Domain Names*, J. of Proprietary Rts., Mar. 1995, at 2, 6.

³³ Dan Burk, *Trademarks Along the Infoban: A First Look at the emerging Law of Cybermarks*, 1 RICH. J.L. & TECH. 1, P 10 (Apr. 10, 1995) <<http://www.urich.edu/~jolt/vlil/burk.html>>.

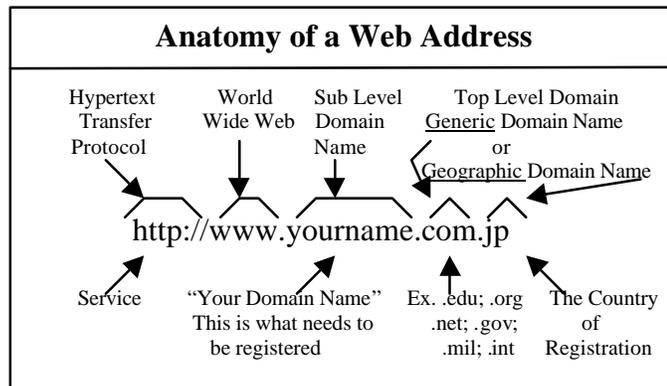
³⁴ See generally Ira S. Nathenson, *Showdown at the Domain Name Corral: Property Rights and Personal Jurisdiction Over Squatters, Poachers, and Other Parasites*, 58 U. Pitt. L. Rev. 991 (1997) (visited Mar. 22, 1999) <<http://www.pitt.edu/~lawrev/58-4/articles/domain.htm>> Richard Raysman & Peter Brown, *Internet Domain Developments*, 3/10/98 NYLJ 3, (col. 1); Richard Harris, *Trademark and Copyright Law on the World Wide Web: A Survey of the Wild Frontier: Part I*, Intellectual Property Today, Dec., 1998 at 30; David Krivoshik, *Shoot Out On The Information Superhighway*, Intellectual Property Today, Sept. 1995 at 27; and William Tannenbaum, *Rights and Remedies for Three Common Trademark-Domain Name Disputes: 1) Domain Names vs. Trademark, 2) Shared Trademarks and 3) Domain Name Hijacking*, 505 PLI/Pat 253, Jan. 1998.

³⁵ See NSI’s Frequently Asked Questions, (visited Mar. 29, 1999) <<http://rs.internic.net/faq/glossary.html>>.

³⁶ The six possible choices include: “.com” for commercial; “.net” for networking providers; “.gov” for federal government agencies; “.edu” for educational institutions; “.org” for miscellaneous and non-profit organizations; and “.mil” for United States military organizations.

geographic origin of the organization.³⁷ The “second level domain” (“SLD”) portion of the domain name appears directly before the TLD suffixes. Internet participants must be assigned a unique SLD, often descriptive and have come to represent businesses and other commercial concerns.³⁸ The following is a table of the anatomy of a web page.

Table 2



2. Registration of a Domain Name

Geographic domain names are issued in foreign countries by the entities with registration authority in those nations. For example, in France, the domain name authority is NIC FRANCE, while in Germany, the authority is the German Network Information Centers.³⁹

The responsibility of registering generic domain names resides with Internet Network Information Center (“InterNIC”).⁴⁰ InterNIC is not a United States government organization, but was created by the National Science Foundation (“NSF”) and is operated on a contractual basis by an outside vendor. InterNIC is operated by Network Solutions, Inc. (“NSI”), a private, for-profit company located in Alexandria, Virginia.

All that a potential registrant needs to accomplish to register a domain name is to contact NSI via the Internet and filling out the proper forms.⁴¹ The current cost is \$70 in

³⁷ See Nomnet (visited Apr. 24, 1999) <<http://www.unintett.no/navn/domreg.html>> (listing of each country and their domain name code (ccTLD)). Examples include, “.us” for the United States; “.fr” for France; “.uk” for the United Kingdom and “.jp” for Japan.

³⁸ See Harris, *supra* note 5.

³⁹ See Nomnet, *supra* note 37.

⁴⁰ See Deborah Reilly, *The National Information Infrastructure and Copyright: Intersections and Tensions*, 76 J. Pat. Off. Soc’y 903, 904 n. 4 (1994).

⁴¹ NSI’s Registration Agreement (visited Mar. 29, 1999) <<http://www.rs.internic.net/templates/domain-template.txt>>.

registration fees for the first two years of service and a renewal fee of \$35 per year thereafter.⁴² When requesting a domain name, the applicant must agree to be bound by the terms of NSI's Registration Agreement⁴³ and Dispute Policy Statement.⁴⁴

NSI's core registration policy has been on a "first-come, first-serve basis".⁴⁵ In addition, NSI neither questions nor verifies the right of the user to choose a particular name. Under the NSI Dispute Policy Statement the registrant does not need to prove ownership of a valid trademark registration, but the applicant does represent that to the best of their knowledge, their application does not interfere with or infringe upon the rights of any third party... and is not being registered for any unlawful purpose.⁴⁶

In addition, as a condition to receiving a domain name registration, and to protect its own legal interests, NSI requires a domain name applicant to indemnify NSI against damages and attorney's fees incurred by NSI in any civil court action related to those of the domain name and to acknowledge that NSI has the right to revoke the domain name registration number if NSI is ordered to do so by a court of competent jurisdiction.⁴⁷ The Dispute Policy Statement has been the center of heated controversy since the original policy passed in July 1995.⁴⁸

3. Importance and Growth of Domain Names

With the globalization and commercialization of the Internet, domain names have taken on a new significance as business identifiers, not just a means of locating particular computers.⁴⁹ They are rapidly making their way into "real space", arising in television commercials, billboards, and magazine advertisements.⁵⁰ Domain names are not just addresses to these companies they are "the electronic signs on the virtual storefronts."⁵¹

⁴² See NSI's Frequently Asked Questions, *supra* note 35.

⁴³ See NSI's Registration Agreement, *supra* note 41.

⁴⁴ *Id.* The Dispute Policy also establishes procedures for dealing with allegations of third party intellectual property rights. First, a trademark owner must send notice to the domain name registrant asserting that the domain name violates the lawful rights of the trademark owner. If the registrant ignores the notice, then the trademark owner must provide a valid and subsisting federally registered trademark, identical to a registered domain name to NSI. Upon receipt of the notice and trademark registration NSI may send a letter to the domain name holder. The letter gives several options, which include: (1) submitting a certified trademark registration the predates the complainant's certified registration; (2) choosing a new domain name to use simultaneously with the original domain name for ninety days and then relinquishing the original domain name so that NSI could put it on hold until the dispute is resolved; (3) filing suit against the complainant; (4) refusing the above options in which case NSI would put an immediate hold on the domain name; or (5) suing the complainant for declaratory judgment concerning its registration of the domain name.

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ See Carl Oppedahl, *NSI Flawed Domain Policy Information Page* (visited Apr. 10, 1999) <<http://www.patents.com/nsi.shi>>.

⁴⁹ See Harvard Law School, Berkman Center Lecture and Discussion Series (visited Apr. 10, 1999) <<http://www.eon.law.harvard.edu/property/introduction.html>> (A select membership online lecture series devoted to the study of intellectual property in cyberspace).

⁵⁰ *Id.*

⁵¹ David Krivoshik, *Paying Ransom on the Internet*, NYLJ, Oct. 23, 1995, at 10.

These addresses are a corporation's identity on the Internet and have been referred to as "postal addresses, vanity license plates and billboards, all rolled into one digital enchilada,"⁵² as a "corporate identity in the information age,"⁵³ and as "electronic mailboxes for companies and their employees."⁵⁴

The estimated number of new domain name registrations is 70,000 per week.⁵⁵ Therefore, for a company doing business on the Internet, a domain name is an extremely valuable tool for reaching and maintaining communication with customers. Because there is no effective alternative method of finding a company's Internet location, having a domain name that corresponds to a well-known trademark may be a prerequisite for a company that wants to establish an Internet presence. Consequently this friction between the importance of domain name registration versus the valid trademark holder's rights has led to the domain name fiasco.

III. Domain Name Disputes

A. Classifications

While the court system has begun to adjudicate domain name disputes as a whole, there has been a formulation of distinct fact patterns that should be handled differently. Most legal commentary on this subject has attempted to classify these distinctions, but I found the classification break down of domain name disputes by Ira S. Nathenson⁵⁶ the most comprehensive.

In his law review article, Nathenson divides domain name disputes into three different types of categories.⁵⁷ These categories consist of squatters, parasites and twins/poachers.⁵⁸ These three categories were the basis of the hypothetical case studies discussed in Section I, and will be a systematic tool in discussing the legal theories and the corresponding case law.

1. Squatters

The term cybersquatter or squatter for short was described first in November of 1996, by the District Court for the Northern District of Illinois in *Intermatic Inc. v. Toeppen*.⁵⁹ The court defined cybersquatters as "individuals who attempt to profit from the Internet

⁵² Joshua Quittner, *Life In Cyberspace: You Deserve a Break Today*, Newsday, Oct. 7, 1993, at A5.

⁵³ *Id.*

⁵⁴ Stewart Ugelow, *Address for Success: Internet Name Game; Individual Snap Up Potentially Valuable Corporate E-mail Ids*, Wash. Post, Aug. 11, 1994, at A1.

⁵⁵ See Richard Raysman & Peter Brown, *Internet Domain Developments*, 3/10/98 NYLJ 3, (col. 1).

⁵⁶ Ira S. Nathenson, *Showdown at the Domain Name Corral: Property Rights and Personal Jurisdiction Over Squatters, Poachers, and Other Parasites*, 58 U. Pitt. L. Rev. 991 (1997) (visited March 22, 1999) <<http://www.pitt.edu/~lawrev/58-4/articles/domain.htm>>

⁵⁷ *Id.*

⁵⁸ *Id.*

⁵⁹ See *Intermatic v. Toeppen*, 947 F. Supp. 1227 (N.D. Ill. 1996) (described in the case law section).

by reserving and later reselling or licensing domain names back to companies that spent millions of dollars developing the goodwill of the trademark.”⁶⁰

Other commentators have called squatting: “grabbing”,⁶¹ “pirating”,⁶² and “hijacking”.⁶³ No matter what name it is given, the activity normally includes the registration of a famous brand or trade name⁶⁴ with the sole purpose of selling it or licensing it to the corresponding trademark holder.⁶⁵ Squatters are usually individual entrepreneurs, who jumped all over NSI’s “first-come, first-serve” registration policy.⁶⁶ On the other hand as this profit making scheme caught on many individuals set up companies or brokerage firms to capitalize on the market of unwary trademark holders who now wanted to go online.⁶⁷ The first hypothetical case study is an example of a cybersquatter.

2. Parasites

Unlike a squatter, parasites expect to gain financially through the actual use of the domain name, not through the sale of the domain name. There are many types of parasitic activities. The most prevalent include: famous names registered by another;⁶⁸ marks that are similar to each other;⁶⁹ and common mistyped versions of a famous name.⁷⁰

The types of parties that are involved in parasite disputes can also vary.⁷¹ These include: direct competitors;⁷² competitors in similar lines of business;⁷³ and those that wish to “trade off” of the name’s fame.⁷⁴ Hypothetical case study #2 is an example of a parasite.

3. Twins/Poachers

⁶⁰ *Id.* at 1233.

⁶¹ Neil Friedman & Kevin Siebert, *The Name Is Not Always The Same*, 20 Seattle U. L. Rev. 631, 644 (1997).

⁶² See Harris, *supra* note 5.

⁶³ William Tannenbaum, *Rights and Remedies for Three Common Trademark-Domain Name Disputes: 1) Domain Names vs. Trademark, 2) Shared Trademarks and 3) Domain Name Hijacking*, 505 PLI/Pat 253, Jan. 1998.

⁶⁴ A trade name is that which is used by manufacturers, industrialists and merchants to identify their businesses, which actually symbolizes reputation of business.

⁶⁵ See McDonalds, *infra* note 138 (described in the case law section).

⁶⁶ See Nathenson, *supra* note 56.

⁶⁷ For example, a company called BestDomains claims over 1600 domain for sale. See BestDomains (visited Apr. 10, 1999) <<http://www.bestdomains.com>>.

⁶⁸ See Comp Examiner Agency, *infra* note 169 (described in the case law section).

⁶⁹ See Toys ‘R’ Us cases, *infra* notes 176 & 210 (described in the case law section).

⁷⁰ See Robert Cumbrow, ‘Typosquatters’ Pose Threat To Trademark Owners On The Web, 10/13/98 NYLJ S2, (col. 3).

⁷¹ See Nathenson, *supra* note 56.

⁷² See Princeton Review, *infra* note 166 (described in the case law section)

⁷³ See Cardservice Int’l, *infra* note 179 (described in the case law section)

⁷⁴ See Playboy Enter., *infra* note 195 (described in the case law section).

Twins can also be classified as innocent registrants. In this scenario the innocent registrant chooses a domain name which is a logical and accurate choice for the domain name holder but which coincidentally is also someone else's trademark or very similar to someone else's trademark. These cases are the most difficult because, "but for the domain name dispute, the law of trademark and unfair competition might otherwise allow each party to enjoy concurrent use of the name."⁷⁵ The final hypothetical exemplifies a twin situation.

In other cases, parties bringing a complaint about a potential domain name conflict look to elongate the scope of their name or mark. Here the challenger is known as a poacher,⁷⁶ and the challenger engages in "reverse domain-name grabbing or hijacking."⁷⁷ In this situation the trademark owner is attempting to make the innocent registrant forfeit his domain name and the trademark owner is claiming that they should receive the official right to use such a domain name. In fact these types of disputes are most troublesome and the courts must be wary not to give one trademark holder an automatic right to a domain name thereby impeding any other valid trademark owner from use of domain name registration.⁷⁸

B. Under What Legal Theories Should Domain Name Disputes Be Adjudicated?

1. Should Domain Names Be Protected as Trademarks?

As disputes over trademark rights and domain names become more common and intense, the big issue is whether or not it is appropriate to apply traditional trademark law to domain names. Observers argue "domain names are not trademarks, are not used as trademarks, and should not be open to challenge by the owners of arguably similar registered marks."⁷⁹ Those who oppose protecting domain names argue that a domain name is simply an address, and should not be subject to cancellation for likelihood of confusion with a registered trademark "any more than a street address or an office building name should be changed if it is too similar to someone else's trademark."⁸⁰

This analogy fails simply because one generally does not choose one's street address, while every domain name is expressly selected by its owner.⁸¹ More importantly, the imperical facts mentioned in the previous sections about the importance of the Internet and the increase in online users convey the message that domain names are more than just addresses. "Internet users readily interpret a domain name as reflecting

⁷⁵ See Nathenson, *supra* note 56.

⁷⁶ *Id.*

⁷⁷ See Oppedahl, *supra* note 48.

⁷⁸ See Data Concepts Inc., *infra* note 234 (described in the case law section).

⁷⁹ Richard Baum & Robert Cumbrow, *First Use: Key Test in Internet Domain Disputes*, Nat'l L.J., Feb. 12, 1996, at C17.

⁸⁰ *Id.*

⁸¹ See Carl Oppedahl, *Remedies In Domain Name Lawsuits: How Is A Domain Name Like A Cow?*, 15 J. Marshall J. Computer & Info. L. 437, 441 (1997).

the identity of its owner in a way that a postal address does not.”⁸² Domain names that include or implement a famous trademark conveys all the goodwill and intangible value that is epitomized in the trademark. Indeed trademark law “helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation rewards associated with a desirable product.”⁸³

The Internet is not so unusual or novel as to be exempt for traditional trademark laws. The National Information Infrastructure Task Force has stated, “[e]xisting legal precedent accepts the electronic transmission of data as a service and, thus, as a valid trademark use for the purpose of creating and maintaining a trademark.”⁸⁴ Therefore, trademark law appears to be an appropriate legal mechanism through which companies can be assured that their intellectual and commercial property will be protected on the Internet.

2. Basic Doctrines of Trademark Law

Today, trademark owners may obtain relief for trademark infringement either under the state trademark and unfair competition statutes,⁸⁵ and common law⁸⁶, or at the federal level, under the Lanham Act.⁸⁷

A. State Trademark Laws

State trademark law can confer certain benefits on state trademark holders. First, some laws offer broader protection than the Lanham Act.⁸⁸ Second, some state laws provide that registration of a trademark under state law is “prima facie evidence of ownership,” while others consider registration prima facie evidence of validity as well.⁸⁹ Finally, state trademark registrations “may have a valuable defensive effect in that they are on the public record and will easily be found by others who make a nationwide search. Finding such a state registration may deter others from adopting and using a similar mark.”⁹⁰

Also, twenty-seven states have adopted state trademark dilution laws.⁹¹ Massachusetts became the first state to adopt such a law in 1947.⁹² Section 12 of the Model State Trademark Act contains the following dilution provision:

⁸² See Baum & Cumbow, *supra* note 79, at C18.

⁸³ *Id.*

⁸⁴ Information Infrastructure Task Force, Intellectual Property and the National Information Infrastructure: The Report of the Working Group on Intellectual Property Rights 171 (Sept. 1995).

⁸⁵ See generally 1 J. Thomas McCarthy, *McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* §22 (3d ed. 1994) [hereinafter McCarthy].

⁸⁶ *Id.*

⁸⁷ 15 U.S.C. §§1051-1128 (1994).

⁸⁸ See McCarthy, *supra* note 85, at §22.01.

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ States currently authorizing statutory dilution claims are: Alabama, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Iowa, Louisiana, Maine, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Mexico, New York, Oregon, Pennsylvania, Rhode Island,

Likelihood of injury to business reputation or dilution of the distinctive quality of a mark registered under the Act, or a mark valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.⁹³

In general, dilution is defined by state statutes as the “blurring” or “tarnishment” of a mark or trade name.⁹⁴ “Blurring” results when a mark or trade name is associated with a specific product or service in connection with other goods or services so that the secondary use dilutes the distinctiveness of the mark, whether or not the secondary use is related to or in competition with the original use.⁹⁵ “Tarnishment” occurs when a mark or trade name is used by a third party in a manner that is discordant or inconsistent with the use of the mark or name by its original owner such that the goodwill associated with the original owner’s mark becomes damaged or “tarnished.”⁹⁶

B. Federal Trademark Law

(1) The Lanham Act

Federal trademark protection is distinguished from patents and copyrights in that the legislative authority for trademark protection is not rooted in the United States Constitution.⁹⁷ Notwithstanding the insufficiency of clear constitutional authority, Congress passed the first trademark law in 1870 pursuant to the Commerce Clause.⁹⁸ However, the United States Supreme Court overruled the law, because it determined that the Act went beyond Congress’ enumerated powers to regulate commerce.⁹⁹ At last in 1946, the Lanham Act created federal trademark regulations.¹⁰⁰ Trademark protection has two purposes: (1) to protect consumers from being confused about the source of goods and services,¹⁰¹ and (2) to protect a trademark holder’s goodwill and investment by

South Carolina, Tennessee, Texas and Washington. Also Michigan, New Jersey and Ohio recognize dilution as a doctrine of the common law.

⁹² See Harris, *supra* note 5.

⁹³ Model State Trademark Bill, §12 (USTA 1964).

⁹⁴ See Tannenbaum, *supra* note 63 at 263.

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ See Kenneth Dueker, Note, *Trademark Law Lost in Cyberspace: Trademark Protection for Internet Addresses*, 9 Harv. J.L. & Tech. 483, 484. The U.S. Constitution gives Congress the enumerated “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” U.S. CONST. art. I, §8, cl. 8.

⁹⁸ Act of July 8, 1870, ch. 230, 16 Stat. 210 §§77-84. The Act was revised by an “act to punish the counterfeiting of trade-mark goods and the sale or dealing in of counterfeit trade-mark goods.” Act of Aug. 14, 1876, ch. 274, 19 Stat. 141.

⁹⁹ The Trademark Cases, 100 U.S. 82 (1879).

¹⁰⁰ Federal Trademark Act of 1946, 15 U.S.C. §§1051-1128 (1994).

¹⁰¹ According to the Senate Committee on Patents, federal trademark protection serves two main functions: One is to protect the public so it may be confident that, in purchasing a product bearing a particular trademark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trademark was spent energy, time and money in presenting to the public the product,

prohibiting the misrepresentation of one person's goods and services as belonging to another.¹⁰²

The term "trademark" includes "any word, name, symbol, or device, or any combination thereof—

- (1) used by a person, or
- (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.¹⁰³

The most important part of the definition is the requirement that the mark identifies and distinguishes the user's goods from the goods of others.¹⁰⁴ The ability of the mark to identify the goods, i.e., its "distinctiveness" varies depending on the mark. The strength of a trademark is analyzed on a continuum with four demarcations. In descending order of strength, they are (1) arbitrary or fanciful marks; (2) suggestive marks; (3) descriptive marks; and (4) generic marks.¹⁰⁵

Arbitrary or fanciful marks, are ones that are inherently unique and bear no relation to the product associated with it. For instance, a person who is not familiar with the mark "Kodak" would not be able to associate the mark with a corporation that manufactures cameras and film.¹⁰⁶ Arbitrary or fanciful marks are strong marks and are afforded broad protection under trademark law.

Suggestive marks suggest rather than describe a characteristic or quality of a good and require the consumer to use his imagination to associate the suggestive mark with the product.¹⁰⁷ For instance, the term "penguin" would be suggestive if used as a trademark for refrigerators.¹⁰⁸ Suggestive marks are given protection under trademark law.

A descriptive term identifies the characteristics or qualities of an article or service.¹⁰⁹ The term "Holiday Inn" as a description of a motel and "Raisin-Bran" as a description of a cereal made with raisins and bran are examples of descriptive terms. A descriptive term cannot receive protection under the trademark laws unless it has a secondary meaning.¹¹⁰ A descriptive term acquires a secondary meaning if the

he is protected in his investment from its misappropriation by pirates and cheats. *See* S. Rep. No. 79-1333, at 3 (1946).

¹⁰² *Id.*

¹⁰³ 15 U.S.C. §1127 (1994).

¹⁰⁴ *Qualitex Co. v. Jacobson Prods. Co.*, 115 S. Ct. 1300, 1303 (1995).

¹⁰⁵ *See Sun Banks of Florida, Inc. v. Sun Federal Savings & Loan Association*, 651 F.2d 311 (5th Cir. 1981).

¹⁰⁶ *Id.* at 315 note 7.

¹⁰⁷ *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178, 1184 (5th Cir. 1980).

¹⁰⁸ *Id.*

¹⁰⁹ *Vision Center v. Opticks, Inc.*, 596 F.2d 111, 115 (5th Cir. 1979); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2nd Cir. 1976).

¹¹⁰ *Soweco*, 617 F.2d at 1183.

descriptive term comes to be known by the public as specifically designating a particular product.¹¹¹ For instance, most people associate the name Coca-Cola with the popular soft drink rather than a compound of two substances, coca and cola.¹¹²

The last of the four demarcations is a generic term. This is the “name of a particular genus or class of which an individual article or service is but a member.”¹¹³ A generic term cannot obtain or retain trademark protection.¹¹⁴ The use of “trampoline” to describe rebound tumbling equipment and the use of “thermos” to describe vacuum-insulated bottles are examples of generic terms which are afforded no trademark protection.¹¹⁵

A trademark may be registered if it has already been used in interstate commerce,¹¹⁶ or if the owner files an “intent-to-use” application with the Patent and Trademark Office (“PTO”).¹¹⁷ However, a trademark may not be registered if it resembles a mark registered in the PTO or a mark someone else has previously used in the United States that has not been abandoned and, when used in connection with the goods of the applicant, is likely to confuse or deceive a consumer.¹¹⁸

The rights of a trademark holder include preventing use of the holder's mark on identical goods, goods of the same type, and goods in a business into which the trademark holder might naturally expand.¹¹⁹ The right to exclude others from using a trademark is not absolute.¹²⁰ Ownership of a trademark does not mean that others are prohibited from using the words that constitute the mark.¹²¹ A trademark only gives holders the right to protect their goodwill by prohibiting others from using their marks to sell products by misrepresenting that the products come from the mark holders.¹²² A person may be liable for using in commerce any mark in connection with goods or services when the mark is likely to cause confusion, mistake, or to deceive another as to the origin of the goods or services.¹²³

An action for infringement of federal trademark registrations can be brought under §32 of the Lanham Act, which provides that “any person who uses a registered mark in commerce without the consent of the trademark registrant in connection with the sale of distribution of goods or services, in a manner likely to cause confusion, is liable

¹¹¹ *Id.* at 1183 n. 16.

¹¹² *Coca-Cola Co. v. Koke Co.*, 254 U.S. 143, 146 (1920).

¹¹³ *Vision Center*, 596 F.2d at 115.

¹¹⁴ *King-Size, Inc. v. Franks's King Size Clothes, Inc.*, 547 F. Supp. 1138, 1151 (S.D. Tex. Aug. 30, 1982).

¹¹⁵ *See, McCarthy*, *supra* note 85, § 12.3.

¹¹⁶ 15 U.S.C. §1051(a) (1994).

¹¹⁷ 15 U.S.C. §1051(b) (1994).

¹¹⁸ 15 U.S.C. §1052 (1994).

¹¹⁹ James W. Marcovitz, *ronald@mcdonalds.com-“Owning a Bitchin” Corporate Trademark as an Internet Address-Infringement?*, 17 *Cardozo L. Rev.* 85, 110 n.10 (1995).

¹²⁰ *Id.* at 97.

¹²¹ *Id.* at 98 (quoting Justice Oliver Wendell Holmes in, *Prestonettes v. Coty*, 264 U.S. 359, 368 (1924)).

¹²² *Id.*

¹²³ 15 U.S.C. §1125(a)(1)(A) (1994).

for monetary damages and/or subject to injunctive relief.”¹²⁴ Although the test for likelihood of confusion varies among the federal circuits, some of the factors that are balanced are: (i) the similarity of the marks; (ii) the proximity of the goods; (iii) the marketing channels used; (iv) the defendant’s intent in selecting the mark; (v) the type of goods and the degree of care likely to be exercised by the purchaser; (vi) the evidence of actual confusion; (vii) the strength of the mark; and (viii) the likelihood of expansion of the product lines.¹²⁵ No single factor is determinative, and the courts look to the totality of factors in determining likelihood of confusion.¹²⁶

Also, causes of action for unfair competition can be brought under § 43(a) of the Lanham Act for federally registered and unregistered trademarks and service marks.¹²⁷ It protects a trademark owner against confusion, or likelihood of confusion, as to the source of origin, sponsorship or association, between the goods and services offered under the owner’s mark and those offered under the mark of a competitor.¹²⁸ This section can afford the owner with protection against a wide variety of deceptive commercial practices, including trademark infringement and the false description or representation of goods or services.¹²⁹

Lastly, and perhaps the most prevalently used action in the domain name—trademark fiasco has been the Federal Trademark Dilution Act of 1995.¹³⁰ The legislative history of the new statute provided that the definition of dilution was designated to encompass all forms of dilution recognized by the stated courts.¹³¹ Senator Patrick Leahy, in the Congressional Record, indicated that his hope was that the statute could “help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products an reputations of others.”¹³²

Section 43 of the Lanham Act was thereby amended to entitle the owner of a “famous” trademark to an “injunction against another person’s commercial use in commerce of a mark or trade name” that caused dilution of the owner’s “distinctive and famous mark.”¹³³ The Act was correspondingly amended to define “dilution” as:

... the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of –

(1) competition between the owner of the famous mark and other parties, or

¹²⁴ See Tannenbaum, *supra* note 63, at 261.

¹²⁵ See *Dr. Seuss Enter. v. Penguin Books USA*, 109 F.3d 1394, 1404 (9th Cir. 1997). The Second Circuit first developed these factors in *Poloroid Corp. v. Polarad Electronics Corp.*, 287, F.2d 492, 495 (2d Cir. 1961).

¹²⁶ See Tannenbaum, *supra* note 63, at 261.

¹²⁷ 15 U.S.C. §1114 (1994) (federal protection for registered trademarks); 15 U.S.C. §1125 (1994) (federal protection for unregistered trademarks).

¹²⁸ See Tannenbaum, *supra* note 63, at 261.

¹²⁹ *Id.*

¹³⁰ 15 U.S.C. §§1125 (c), 1127 (1995). Effective January 16, 1996.

¹³¹ 141 Cong. Rec. 19,312 (1995).

¹³² *Id.*

¹³³ 15 U.S.C. §1125 (c) (1) (1995).

(2) likelihood of confusion, mistake, or deception.¹³⁴

In one of the first cases to consider § 43(c), Judge Scheindlin of the Southern District Court of New York approvingly cited the purpose and policy considerations underlying the amendment:

- (1) the protection of “famous trademarks for subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it, even in the absence of likelihood of confusion”;
- (2) the need for a uniform standard that would provide protection on a national basis and a consequent curtailment of forum-shopping;
- (3) the express grant of authority to federal courts to issue nationwide injunctions on the basis of dilution per se; and
- (4) the provision of a statutory vehicle to assist United States enterprises in their international business efforts.¹³⁵

In determining whether a mark is sufficiently famous, as to warrant protection, a court may consider factors such as, but not limited to—

- (A) the degree of inherent or acquired distinctiveness in the mark;
- (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
- (C) the duration and extent of advertising and publicity of the mark;
- (D) the geographical extent of the trading area in which the mark is used;
- (E) the channel of trade for the goods and services with which the mark is used;
- (F) the degree of recognition of the mark in trading areas and channels of trade used by the mark’s owner and the person against whom the injunction is sought;
- (G) the nature and extent of use of the same or similar marks by third parties; and
- (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.¹³⁶

¹³⁴ *Id.*

¹³⁵ *Ringling Bros.-Barnum & Baily, Combined Shows Inc. v. B.E. Windows Corp.*, 937 F.Supp 204, 40 USPQ2d 1010 (S.D.N.Y. 1996).

¹³⁶ 15 U.S.C. §1125 (c) (1) (1995).

Lastly, the Act does not apply to (1) the fair use of a famous mark in comparative commercial advertising or promotion; (2) non-commercial use of the mark; or (3) news reporting or commentary.¹³⁷

IV. Domain Name Case Law Analysis

From the first complaint ever filed in a domain name—trademark controversy, the judicial system has attempted to apply the above legal doctrines to the domain name disputes. This section is an in-depth look at the case law, divided by the categories of squatters, parasites, and twins/poachers. Each of these cases are an example of the problems that have occurred from the application of the legal doctrines and the ignorance of the judicial system to the function of the Internet.

1. Squatters

a) *McDonald's v. Quittner*

One of the first and well-publicized cases of Internet domain name squatting involved Joshua Quittner, a writer for Wired magazine, who wanted to test McDonald's reaction to his registration of the domain name of their famous fast food chain.¹³⁸ In the October 1994 issue of Wired magazine, Quittner reported an experiment in which he was able to register the domain name "mcdonalds.com" and invited readers to send him e-mail with suggestions as to the use of the famous mark.¹³⁹ Many of the messages encouraged Quittner to sell the name to McDonald's for a hefty ransom, while others suggested "he use the name as an address to distribute information promoting vegetarianism over hamburger consumption."¹⁴⁰ When approached by McDonald's to relinquish the domain name, Quittner, in a Robin Hood-istic manner, refused to relinquish the name unless the corporation donated \$3,500 to a public school in New York, which was in need of computers.¹⁴¹ Ultimately, McDonald's agreed, and although this case was not adjudicated in the courthouse, it marked the first time that a registrant cooperated in the relinquishment of a domain name in return for some economic benefit.

b) *Avon Prods., Inc. v. Carnetta Wong*¹⁴²

Avon Products, Inc. filed this claim a mere two and half weeks after the Federal Trademark Dilution Act was signed into law. Plaintiff's alleged trademark dilution, after David Lew and Carnetta Wong had registered "avon.com" and attempted to extract "a

¹³⁷ 15 U.S.C. §1125 (c) (1995).

¹³⁸ Joshua Quittner, *Billions Registered: Right now, there are no rules to keep you from owning a bitchin' corporate name as your own Internet address*, Wired, Oct. 1194, at 50, 54.

¹³⁹ *Id.*

¹⁴⁰ *Id.*

¹⁴¹ *Id.*

¹⁴² No. 96-0451 (E.D.N.Y. 1996)

very large, but unspecified sum” of money in exchange for the domain name.¹⁴³ Before this case was heard in court, Avon sought action through NSI’s dispute policy.¹⁴⁴ NSI terminated Lew’s registration and awarded it to Avon.¹⁴⁵ This case was historic for two reasons. First, it was an example of a suit filed under the newly enacted Federal Dilution Act. Second, this case did not have to resort to the court system, thereby adding another powerful tool against potential squatters.

c) *The “Toeppen” Cases*¹⁴⁶

Both of these cases involve the same individual, Dennis Toeppen, who registered over 240 trademarks as domain names.¹⁴⁷

In *Intermatic*, the plaintiff, was the owner of a trademark for “INTERMATIC”, and wanted to register the domain name “intermatic.com”, but found that it already been registered by Mr. Toeppen. Plaintiff’s sought summary judgment under federal trademark law, and federal and state trademark dilution law.

The court first tackled the issue of Intermatic’s trademark infringement and unfair competition claims. The court stated that in order to prevail, the company needed only to prove that it owned prior rights in the mark and that Toeppen’s use of the “intermatic.com” was “likely to cause consumer confusion, deception or mistake.”¹⁴⁸ Intermatic met the first requirement (using the mark for more than 50 years before Toeppen), but the court held that it was “undisputed that Intermatic [held] a valid registration for the mark.”¹⁴⁹ In determining likelihood of confusion,¹⁵⁰ the court determined that there was no similarity between the products and services;¹⁵¹ that there was no evidence of any relationship in the use, promotion, distribution or sales between the good and services;¹⁵² there was no evidence of actual confusion;¹⁵³ and that Toeppen’s intent was a question of fact.¹⁵⁴ Therefore, the court denied Intermatic’s claim under trademark infringement.

¹⁴³ *Id.*

¹⁴⁴ *Id.*

¹⁴⁵ *Id.*

¹⁴⁶ See *Intermatic v. Toeppen*, 947 F. Supp. 1227 (N.D. Ill. 1996); *Panavision Int’l, L.P. v. Toeppen*, 945 F. Supp. 1296, 1300 (C.D. Cal. 1996), *aff’d*, 141 F. 3d 1316 (9th Cir. 1998).

¹⁴⁷ *Intermatic*, 947 F. Supp. at 1232.

¹⁴⁸ *Id.* at 1234

¹⁴⁹ *Id.*

¹⁵⁰ See *Dr. Seus Enter.*, *supra* note 125.

¹⁵¹ *Intermatic*, 947 F. Supp. at 1235. Toeppen’s Web page contained merely a map of the city of Urbana, Ill., while Intermatic’s home page would probably offer information regarding its products.

¹⁵² *Id.* at 1235.

¹⁵³ *Id.* at 1236.

¹⁵⁴ *Id.*

The court did hold that Toeppen's use of "intermatic.com" violated §43(c) of the Lanham Act (Federal Dilution Act) and the Illinois Anti-Dilution Act.¹⁵⁵ Notably, the court concluded that although the addition of ".com" did not establish commercial use, Toeppen's intent to resell the domain name was adequate to meet the commercial use requirement of the Dilution Act.¹⁵⁶ Therefore, the court issued injunctive relief upon the finding that the mark was likely to be diluted.

In *Panavision*, Mr. Toeppen registered Panavision's trademarks as domain names, and operated a web site showing aerial views of Pana, Illinois.¹⁵⁷ Toeppen offered to "settle the matter" if Panavision would pay him \$13,000 in exchange for the domain name.¹⁵⁸ The trial court granted Panavision's motion for summary judgement, holding that Toeppen diluted Panavision's trademarks in violation of the Federal Trademark Dilution Act and the California Anti-Dilution law.¹⁵⁹ The court held, just as in *Intermatic*, that Toeppen's attempt to sell the domain name was considered commercial use of the mark.

The Ninth Circuit affirmed, holding that Toeppen's use of Panavision's marks was commercial because his "business is to register trademarks as domain names and sell them to the rightful trademark owners... This is a commercial use."¹⁶⁰

(d) *Minnesota Mining and Manufacturing Co., v. Taylor*¹⁶¹

Plaintiff, Minnesota Mining and Manufacturing Company ("3M") instituted an action alleging trademark dilution, and infringement based on Defendant Taylor's registration of the domain names "post-it.com," "post-its.com," and "ipost-it.com."¹⁶² 3M alleged that Taylor's registration violated their federal rights in the trademark "POST-IT". On the dilution claim, the court held that the mark "POST-IT" was famous and defendant's registration, use and attempts to sell the domain names to 3M were evidence of dilution.¹⁶³ On the infringement claim, the court held that the mark was strong, the domain name was identical to the mark and that Taylor intended to confuse the consumer in order to extort money from 3M.¹⁶⁴ The court issued a preliminary injunction, and forced Taylor to relinquish the rights to the domain names.¹⁶⁵

¹⁵⁵ *Id.* The court considered the various factors in their analysis, including: (1) was the mark famous; (2) whether Toeppen had engaged in commercial use of the mark; (3) whether Toeppen's use of the Internet constituted commerce; and (4) whether Toeppen was causing dilution of the distinctive quality of the mark.

¹⁵⁶ *Id.* at 1239. *See also* Oppedahl, *supra* note 81, at 453 (critiquing the court's stretching of commercial use).

¹⁵⁷ *Panavision*, 141 F. 3d at 1319.

¹⁵⁸ *Id.*

¹⁵⁹ California Business and Professional Code § 14330.

¹⁶⁰ *Panavision*, 141 F. 3d at 1324.

¹⁶¹ 21 F. Supp.2d. 1003 (D. Minn. Aug. 6, 1998).

¹⁶² *Id.* at 1003.

¹⁶³ *Id.* at 1004.

¹⁶⁴ *Id.*

¹⁶⁵ *Id.* at 1005.

2. Parasites

a) *Princeton Review Mgt. Corp. v. Stanley H. Kaplan Educ. Center, Ltd.*¹⁶⁶

This case involved two arch rival test preparation companies, Stanley Kaplan Education Centers (“Kaplan”) and Princeton Review. Princeton Review along with registering their domain name also registered “kaplan.com” to “mock and annoy the other company.”¹⁶⁷ Kaplan then became aware of the situation and demanded that Princeton Review cease using the domain name. Not only did Princeton Review not relinquish the name, but then they filled the contents of the web site with their advertisements hoping to reach users looking for the Kaplan web page.¹⁶⁸ This dispute was eventually referred to binding arbitration, which held in Kaplan’s favor and ordered Princeton Review to transfer the domain name to Kaplan.

b) *Comp Examiner Agency, Inc. v. Juris, Inc.*¹⁶⁹

This case was the first decision to uphold the application of trademark infringement laws to domain names. The court issued a preliminary injunction against Comp Examiner Agency who infringed upon Juris’ federal trademark of “JURIS.”¹⁷⁰ The court held that the defendant had used Juris’ trademark as a domain name to “sell, distribute, advertise, and/or market its goods and services to Juris’ target market of lawyers and law firms.”¹⁷¹ The court enjoined Comp Examiner Agency for using “JURIS” or any confusing variant, although it did allow Comp Examiner Agency a three-month window to continue use of the domain name and web site to post notice of its new site.¹⁷²

d) *Hasbro, Inc. v. Internet Entertainment Group, Ltd.*¹⁷³

The Internet Entertainment Group was using “CANDYLAND” to identify its sexually explicit Internet site, “candyland.com.”¹⁷⁴ Hasbro, the owner of the federal trademark registration for “CANDYLAND” was granted a preliminary injunction, although the defendant was also allowed to post a notice referral for 90 days.¹⁷⁵ The basis for the court’s injunction was blurring via the use of the mark and tarnishment via association of a child’s board game with pornography.

e) *Toy’s ‘R’ Us, Inc. v. Akkaoui*¹⁷⁶

¹⁶⁶ 94-Civ-1604 (MGC) (S.D.N.Y. filed Mar. 9, 1994).

¹⁶⁷ See Burk, *supra* note 33, at 18.

¹⁶⁸ *Id.*

¹⁶⁹ 1996 WL 376600 (C.D. Cal. May 22, 1996).

¹⁷⁰ *Id.*

¹⁷¹ *Id.*

¹⁷² *Id.*

¹⁷³ No. C-96-130, 1996 WL 84853 (W.D. Wash. Feb. 9, 1996).

¹⁷⁴ *Id.*

¹⁷⁵ *Id.*

¹⁷⁶ No. C 96-3381, 1996 WL 772709 (N.D. Cal. Oct. 29, 1996).

Another case with similar circumstances involved Toys ‘R’ Us, a toy retailer, attempting to shut down an Internet site called “adultsrus.com.”¹⁷⁷ The court noted that plaintiff’s “‘R’ Us” trademark was very famous and distinctive and protected under the Federal Trademark Dilution Act. The defendant had tarnished those marks by “associating them with a line of sexual products that are inconsistent with image of Toy’s ‘R’ Us has striven to maintain for itself.”¹⁷⁸

f) *Cardservice Int’l, Inc. v. McGee*¹⁷⁹

Cardservice International was granted a permanent injunction against McGee’s use of terms similar to Cardservice’s federal trademark “CARDSERVICE” as a result of McGee’s registration of the domain name “cardservice.com.”¹⁸⁰ The court found a likelihood of confusion due to the fact that both companies provided the same credit card processing services.¹⁸¹

g) *Teletech Customer Care Mgt., Inc. v. Tele-Tech Co.*¹⁸²

TeleTech Customer Care Mgt., Inc. (“TeleTech”) owned the registered trademark “TELETECH”. They brought suit for trademark infringement and dilution against Tele-Tech Company, Inc. (“Tele-Tech”), which had registered the domain name “teletech.com.”¹⁸³ The court issued a preliminary injunction, because Tele-Tech could have easily and by far less confusingly used the domain name “tele-tech.com.” The court did not find for infringement and unfair competition, but held under the Federal Trademark Dilution Act that defendant had diluted TeleTech’s registered mark.¹⁸⁴

h) *Planned Parenthood Fed. of America, Inc. v. Bucci*¹⁸⁵

Richard Bucci, an active participant in the anti-abortion movement, as host of “Catholic Radio”, registered the domain name “plannedparenthood.com” with NSI.¹⁸⁶ Bucci then developed a web site and home page that read “Welcome to the PLANNED PARENTHOOD HOME PAGE!”¹⁸⁷ at the top, and below was a scanned image of the cover of a book entitled “The Cost of Abortion,” with several links to other pages related to this anti-abortion book.¹⁸⁸ Planned Parenthood, a non-profit, reproductive care organization, with a federal trademark registration, wanted to enjoin defendant from using the domain name “plannedparenthood.com.” The court issued a preliminary

¹⁷⁷ *Id.*

¹⁷⁸ *Id.*

¹⁷⁹ 950 F. Supp 737 (E.D. Va.), aff’d, 129 F.3d 1258 (4th Cir. 1997).

¹⁸⁰ *Id.*

¹⁸¹ *Id.*

¹⁸² 977 F. Supp. 1407 (C.D. Cal. 1997).

¹⁸³ *Id.*

¹⁸⁴ *Id.* at 1409.

¹⁸⁵ 1997 WL 133313 (S.D.N.Y Mar. 24, 1997).

¹⁸⁶ *Id.* at 1.

¹⁸⁷ *Id.*

¹⁸⁸ *Id.*

injunction on the basis that it found commercial use and a significant likelihood of confusion and dilution under the Lanham Act.¹⁸⁹ The court rejected defendant's First Amendment and parody defenses.¹⁹⁰

i) *Lozano Enterprises v. La Opinion Publishing Co.*¹⁹¹

Loranzo Enterprises published a Spanish language daily newspaper "La Opinion." The defendant, La Opinion Publishing Co. ("LOP") started a web site "laopinion.com" along side its print newspaper La Opinion de San Antonio.¹⁹² The court granted Loranzo's motion for summary judgment, finding the LOP's domain name infringed and diluted Loranzo's trademark rights to "La Opinion."¹⁹³ The court ordered a permanent injunction and also the transfer of the domain name to Loranzo.¹⁹⁴

j) *Playboy Enterprises, Inc. v. Calvin Designer Label*¹⁹⁵

Playboy Enterprises, Inc. ("Playboy") owned the federally registered trademarks "PLAYBOY" and "PLAYMATE." They brought suit against Calvin Designer Label ("Calvin") who operated web sites under the domain names 'playboyxxx.com' and 'playmatelive.com,' claiming those sites infringed and diluted their trademarks.¹⁹⁶ The court granted a preliminary injunction, holding there was a significant likelihood of confusion created by Calvin's web sites.¹⁹⁷

k) *Green Prods. Co. v. Independence Corn By-Prods. Co.*¹⁹⁸

Green Products Co. ("GP") and Independence Corn By-Products Co ("ICBP") were direct competitors in the corncob by-products industry. GP brought an action to compel ICBP to convey the domain name "greenproducts.com" to GP because of ICBP's infringement of GP's trademark and trade name.¹⁹⁹ The court rejected ICBP's proposal that if it took every precaution to ensure no consumer confusion, and if it was not "selling a product on store shelves using the mark 'greenproducts.com,' then there would be no actionable confusion under the Lanham Act."²⁰⁰ The court found that ICBP's use of the domain name was analogous to its hanging a sign in front of its store that read "Green

¹⁸⁹ *Id.* at 12.

¹⁹⁰ *Id.* at 10. On the First Amendment claim, the court found that the defendant's use was of product labeling or identification rather than as a communicative message. And on the parody exception, the court did not find Bucci's message of the home page an "ironic and contrasting allusion to plaintiff." *Id.* at 10.

¹⁹¹ No. CV-96-5969, 1997 WL 745036 (C.D. Cal. July 31, 1997).

¹⁹² *Id.*

¹⁹³ *Id.* In the likelihood of confusion analysis the court held that the defendant intended to deceive the public because he knew of plaintiff's trademark and newspaper in advance.

¹⁹⁴ *Id.*

¹⁹⁵ 985 F. Supp. 1220 (N.D. Cal 1997).

¹⁹⁶ *Id.* at 1221.

¹⁹⁷ *Id.* at 1221-1222.

¹⁹⁸ 992 F. Supp. 1070 (N.D. Iowa 1997).

¹⁹⁹ *Id.*

²⁰⁰ *Id.* at 1076.

Products,” and then telling customers after they had entered the store that “this store isn’t owned by Green Products; it’s owned by ICBP. We don’t sell anything made by Green Products, but as long as you are here, we’ll tell you our products are better than Green Products.”²⁰¹ The court found that there was a likelihood of confusion even though ICBP had not actually created a web site for the domain name, since users browsing the web might look for that address and be told that no documents match the query, leading browsers to “randomly input other domain names, guessing that Green Products was registered under some variation of its trademark.”²⁰² Therefore, the court ordered ICBP to transfer ownership of the domain name to GP.²⁰³

l) *Jews for Jesus v. Brodsky*²⁰⁴

Jews for Jesus, a religious organization, owned a stylized service mark “JEWS FOR JESUS”, with the Star of David representing the “O”.²⁰⁵ They operated a web site at “jews-for-jesus.org,” to post electronic versions of its religious pamphlets.²⁰⁶ The organization brought suit for trademark infringement and dilution against Stephen Brodsky, who operated a web site “jewsforjesus.com.”²⁰⁷ The court issued a preliminary injunction against Brodsky’s use of the domain name, finding that his web site was likely to confuse potential and actual viewers,²⁰⁸ and that the mark was famous and likely to be diluted, since “defendant was using the mark and the name of the plaintiff organization to lure individuals to his Internet site where he made disparaging statements about the plaintiff organization.”²⁰⁹

m) *Toy’s ‘R’ Us, Inc., v. Feinberg*²¹⁰

Plaintiff Toy’s ‘R’ Us, along with its federal trademark of “TOY’S ‘R’ US” owns a number of other federal trademarks containing the ‘R’ Us phrase.²¹¹ Also, plaintiff owned various domain names.²¹² Mr. Feinberg owned a firearms store called “We Are Guns.”²¹³ Some of his business was done through the Internet, through the domain name

²⁰¹ *Id.*

²⁰² *Id.* at 1079.

²⁰³ *Id.* at 1081-1082.

²⁰⁴ 993 F. Supp. 282 (D.N.J. Mar. 6, 1998).

²⁰⁵ *Id.* at 288

²⁰⁶ *Id.* at 289.

²⁰⁷ *Id.* at 290.

²⁰⁸ *Id.* at 303.

²⁰⁹ *Id.* at 306-307.

²¹⁰ 26 F. Supp.2d 639 (S.D.N.Y Oct. 28, 1998).

²¹¹ *Id.* at 640. Examples, include Babies ‘R’ Us; Bikes ‘R’ Us; Books ‘R’ Us; Computers ‘R’ Us; Dolls ‘R’ Us; Games ‘R’ Us; Mathematics ‘R’ Us; Movies ‘R’ Us; Parties ‘R’ Us; Portraits ‘R’ Us; Shoes ‘R’ Us; and Sports ‘R’ Us.

²¹² *Id.* They include: “tru.com”; “toysrus.com”; “kidrus.com”; “boysrus.com”; “dollsrus.com”; “galsrus.com”; “girlsrus.com”; “babiesrus.com”; “computersrus.com”; “guysrus.com”; “mathematicsrus.com”; “moviesrus.com”; “opportunitiesrus.com”; “partiesrus.com”; “treatsrus.com”; “tykesrus.com”; “sportsrus.com”; “giftsrus.com” and “toysrusregistry.com.”

²¹³ *Id.* at 641. The business was previously known as “Guns Are Us,” and then changed to “Guns are We,” and then finally to its present name, in response to objections by the plaintiff.

“gunsareus.com.”²¹⁴ The court found that there was unlikely to be any consumer confusion in finding the defendant in violation of the federal trademark infringement, and New York common law infringement and unfair competition.²¹⁵ On the dilution claim, the court found that the plaintiffs failed to establish the existence of a triable issue of fact as to whether the defendant blurred, or tarnished plaintiff’s mark.²¹⁶ Therefore, the court held that the plaintiff’s motion for summary judgment was denied in its entirety, and summary judgment was granted in favor of defendants.²¹⁷

3. Twins/Poachers

a) *Actmedia, Inc. v. ActiveMedia Int’l, Inc.*²¹⁸

Since 1972, Actmedia, Inc. had been providing advertising and promotional services, through use of its federal trademark “ACTMEDIA.”²¹⁹ In February 1996, plaintiff attempted to register the Internet domain name “actmedia.com,” but discovered that defendant, ActiveMedia International, Inc., had already registered such name.²²⁰ The court found that defendant’s use of “actmedia.com” violated the Lanham Act and Illinois common law because (a) the action constituted unauthorized use and misappropriation of Actmedia’s mark, (b) it created a false designation of origin, (c) it was likely to cause confusion in the marketplace that the two companies were affiliated and (d) it was likely to cause confusion that Actmedia sponsored or approved ActiveMedia’s commercial activities.²²¹ The court granted a permanent injunction requiring ActiveMedia to transfer the domain name to Actmedia.²²²

b) *Juno Online Services, L.P. v. Juno Lighting, Inc.*²²³

Plaintiff, Juno Online Services (“Online”), an online services provider and owner of the domain name “juno.com,” brought suit against Juno Lighting, Inc. (“Lighting”) for trademark misuse, trademark infringement, and a declaratory judgment that the “juno.com” does not infringe Lighting’s federal trademark “JUNO.”²²⁴ Subsequently,

²¹⁴ *Id.*

²¹⁵ *Id.* at 642. The court stated that they felt that it would be doubtful that a prudent purchaser would be misled into thinking the Toys ‘R’ Us sponsored, approved, or endorsed defendant’s firearm products.

²¹⁶ *Id.* at 644.

²¹⁷ *Id.* at 645.

²¹⁸ No. 96 C 3448, 1996 WL 466527 (N.D. Ill. July 17, 1996).

²¹⁹ *Id.* at 1.

²²⁰ *Id.*

²²¹ *Id.*

²²² *Id.*

²²³ 979 F. Supp. 684 (N.D. Illinois 1997)

²²⁴ *Id.* The reason Juno had to file suit against Lighting was in response to NSI’s Domain Name Dispute Policy. Lighting sent a letter to NSI requesting that NSI cancel Online’s domain name. In response NSI sent Online a letter stating that, unless Online transferred the domain name or filed a declaratory judgment action in federal court, NSI would suspend the operation of the domain name. *Id.* at 686.

Lighting obtained the domain name “juno-online.com.”²²⁵ The court granted defendant, Lighting’s motion to dismiss all counts except the declaratory action, finding no precedent for an affirmative claim for trademark misuse,²²⁶ and no use in commerce on “juno-online.com” owing to its mere registration by Lighting, without any accompanying web site or other Internet use.²²⁷

c) *CD Solutions, Inc. v. CDS Networks, Inc.*²²⁸

The plaintiff CD Solutions, Inc. (“CD”) sought declaratory judgment against CDS Networks, Inc. (“CDS”).²²⁹ Defendant Commercial Printing/CDS Networks, Inc., (with “CDS” standing for “Commercial Documentation Services”) issued a “cease and desist” letter to CD, who sold and manufactured CD-ROM compact discs, asserting that CD’s use of the domain name “cds.com” in association with the sale and manufacture of CD-ROMs infringed upon defendants’ mark “CDS.”²³⁰ CD responded to the action alleging there was no infringement because there was no likelihood of confusion, and that CDS could not assert a trademark right to the generic use of “CDs” or “cds.com.” By applying the traditional likelihood of confusion test the court determined that the mark was not entitled to protection as a strong mark in view of the common usage of “CDs” for compact disks.²³¹ They further stated that although the mark “CDS” was identical to the disputed domain name, the mark had a different sound (“see-dee-ess” versus “cee-dees”) and a different meaning (“commercial documentation services” versus “compact disks”).²³² Finally, the court concluded that the defendant should not expand their trademark rights to generic descriptions that existed in every day language, and they awarded summary judgment to CD.²³³

d) *Data Concepts, Inc. v. Digital Consulting, Inc.*²³⁴

This case was an example of reverse domain name hijacking or better known as poaching.²³⁵

²²⁵ *Id.* According to Lighting this was done in order to prevent others from obtaining the name, thus allowing Lighting to transfer the domain name to Online to help resolve the dispute.

²²⁶ *Id.* at 690.

²²⁷ *Id.* at 691.

²²⁸ 15 F. Supp.2d 986 (D.Or. Apr. 22, 1998).

²²⁹ *Id.*

²³⁰ *Id.* at 987.

²³¹ *Id.* at 988.

²³² *Id.* The court also found that although both parties use the Internet to market their services, there was no actual confusion on the part of the Internet user initially visiting the “cds.com” web site with the intent of purchasing a product from the “CDS” trademark owner. Further court found no evidence of bad faith.

²³³ *Id.* at 990.

²³⁴ 150 F.3d 620 (6th Cir. 1998). *See also*, Gateway 2000 Inc. v. Gateway.com, Inc., 1997 U.S. Dist. LEXIS 2144, at *11 (E.D.N.C. Feb. 6, 1997) (court refused to grant computer manufacturer a preliminary injunction against a computer consultant who had been using the domain name “gateway.com” since 1988); Trustees of Columbia Univ. v. Columbia/WCA Healthcare Corp., 1997 WL 214952 (S.D.N.Y. Apr. 28, 1997) (court refused to enjoin the use of “columbia.net” by a health-care provider).

²³⁵ *See* Oppedahl, *supra* note 48.

Plaintiff, Data Concepts, Inc. (“Data”) sought declaratory judgment against Digital Consulting, Inc. (“Digital”) pursuant to NSI’s Dispute Policy. On the other hand, Digital counter-claimed alleging trademark infringement and dilution. Pursuant to both sides filing summary judgments, the magistrate judge’s report and recommendation denied Data’s motion, while granting Digital’s motion to enjoin Data’s use of the “dci.com” domain name.²³⁶

On appeal, the Sixth Circuit found that magistrate judge’s analysis of trademark law was full of blunders, and through its own research, found many Internet domain names incorporating the initials “DCI.”²³⁷ The court held that the lower court’s analysis of the likelihood of confusion was clearly inadequate, and that due to those errors Digital was not entitled to summary judgment as a matter of law.²³⁸ They concluded that the case appeared to present too close a question to decide as a matter of law, therefore it affirmed the denial of Data’s summary judgment motion, and reversed the district court’s grant of Digital’s motion, and remanded the case.²³⁹

V. The Need For Change in the Domain Name System

From its origins as a United States research vehicle, the Internet became an international medium for commerce, education and communication.²⁴⁰ The traditional means of organizing its technical functions needed to evolve as well. Examples of some of the key issues that have been addressed were:

- (1) “The widespread dissatisfaction about the absence of competition in domain name registration.
- (2) Conflicts between trademark holders and domain name holders were becoming more common, and mechanisms for resolving these conflicts were expensive and cumbersome.
- (3) Commercial interests, staking their future on the successful growth of the Internet, were calling for more formal and robust management structure.
- (4) An increase in the percentage of Internet users reside outside the U.S., and those stakeholders wanted to participate in Internet coordination.

²³⁶ Data Concepts Inc., 150 F.3d at 622 (district judge upheld the magistrate judge’s report and held that “the registered trademark of Digital is superior to the unregistered mark of Data, and that Data’s use ... infringes upon Digital’s registered trademark.” *Id.* at 623. *See also* Oppedahl, *supra* note 48 (reasons why the magistrate judge’s decision was incorrect).

²³⁷ Data Concepts Inc., 150 F.3d at 625 n. 2.

²³⁸ *Id.* at 626.

²³⁹ *Id.* *See also* Oppedahl, *supra* note 48 (stating that it was unfortunate that the court of appeals did not go a bit further and state real problem, that Digital was engaging in poaching).

²⁴⁰ *See* National Telecommunications & Information Administration, (visited Mar. 22 1999) at <http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.html>.

- (5) As Internet names increasingly have commercial value, the decision to add new top-level domains cannot be made on an ad hoc basis by entities or individuals that are not formally accountable to the Internet community.
- (6) As the Internet became more commercial, it became less appropriate for U.S. research agencies to direct and fund these functions.²⁴¹

The Internet technical community was actively debating the Domain Name System (“DNS”) for several years. In 1996, the International Ad Hoc Committee (“IAHC”) was formed as an organization charged with the task of developing administrative and management enhancements for the DNS.²⁴² In its Final Report they set forth its recommendations for modifying DNS administration and management. Some of these proposed recommendations included the creation of seven new generic TLDs (“gTLDs”),²⁴³ a new registration system of these new gTLDs,²⁴⁴ and a new policy framework for management of the new system.²⁴⁵

On July 1, 1997, President Clinton, as part of his Administration’s Framework for Global Electronic Commerce, instructed the United States Secretary of Commerce to privatize the DNS in a manner that increased competition and facilitated international participation in its management.²⁴⁶

On January 30, 1998, the National Telecommunications and Information Administration (“NTIA”), an agency of the United States Department of Commerce, issued for comment, “A Proposal to Improve the Technical Management of Internet Names and Addresses” (better known as the “Green Paper”).²⁴⁷ The Green Paper proposed for discussion a number of measures related to the administration of the DNS, including the creation by the private sector of a new corporation located in the United States and managed by a globally and functionally representative Board of Directors.²⁴⁸

After the allotted comment period, the NTIA issued, on June 5, 1998, its “Statement of Policy on the Management of Internet Names and Addresses” (better known as the “White Paper”).²⁴⁹ The White Paper confirmed the claim contained in the Green Paper for the creation of a new, private, not-for-profit corporation responsible for coordinating specific DNS functions for the benefit of the Internet as a whole.²⁵⁰

²⁴¹ *Id.*

²⁴² See IAHC (visited April 10, 1999) at <<http://www.gtld-mou.org/draft-iahc-recommend-00.html>>.

²⁴³ The proposed new gTLDs were: (1) .firm (2) .shop (3) .web (4) .arts (5) .rec (6) .info and (7) .nom.

²⁴⁴ They would be distributed and administered by multiple, competing globally dispersed registers and also that the already existing gTLDs (.com, .net, and .org) would fall into the new registration system once the NSI Cooperative Agreement expired.

²⁴⁵ See IAHC, *supra* note 242.

²⁴⁶ World Intellectual Property Organization (WIPO), The Management of Internet Names and Addresses: Intellectual Property Issues, Interim Report of the WIPO Internet Domain Name Process (December 23, 1998) at <http://wipo2.wipo.int/process/eng/rfc3/interim2_ch_1.html> [hereinafter Interim Report].

²⁴⁷ See <<http://www.ntia.doc.gov>> (visited 3/22/99).

²⁴⁸ *Id.*

²⁴⁹ See NTIA, *supra* note 240.

²⁵⁰ *Id.*

Following the publication of the White Paper, the Department of Commerce (“DOC”) entered into a Memorandum of Understanding (“MOU”) with the Internet Corporation for Assigned Names and Numbers (“ICANN”)²⁵¹ creating procedures necessary to transfer management of the DNS no later than September 30, 2000.²⁵² Although the MOU did not give ICANN immediate responsibility for the Internet, the non-profit organization would have substantial oversight during the transition period.²⁵³ In a symbiotic relationship, the DOC agreed to provide expertise and advice on existing DNS management functions and to support administrative procedures for conducting public proceedings that address technical domain name management issues. In addition, the DOC will act as liaison between ICANN and NSI.²⁵⁴ On the other hand, ICANN will provide the expertise on technical management, including allocation of IP number blocks and an assignment of Internet technical parameters for maintaining universal connectivity of the Internet.²⁵⁵ Lastly, ICANN has the task of developing a uniform approach to resolving trademark/domain name disputes involving (i) cyberpiracy, (ii) a process for protecting famous trademarks in the generic top levels, and (iii) the effects of adding new gTLDs and related dispute resolution procedures on trademark and intellectual property holders.²⁵⁶

As part of the White Paper, the Commerce Department also asked the World Intellectual Property Organization (“WIPO”) to develop recommendations for a uniform approach to resolving domain name/trademark disputes.²⁵⁷ WIPO, which was created by a treaty and has 171 Member States, issued a request for comments and hosted regional meetings to discuss its Internet Domain Name Process.²⁵⁸ After compiling all the relative information, WIPO drafted the Interim Report.²⁵⁹ Following a third request for comments, WIPO intends to publish its Final Report at the end of this month, which would be transmitted to ICANN, as well as to the Member States of WIPO.²⁶⁰ The Interim Report recommended a number of proposals. They included:

- (1) Domain name applicants provide accurate and reliable contact information.²⁶¹
- (2) Applicants make representations in the registration agreement that the registration of the domain name does not interfere with or infringe the intellectual property rights of another party.²⁶²

²⁵¹ ICANN can be found at its web site, <<http://www.icann.org>>.

²⁵² See <<http://www.ntia.doc.gov/ntiahome/domainname/icann-memorandum.htm>> (visited 3/22/99).

²⁵³ *Id.*

²⁵⁴ *Id.*

²⁵⁵ *Id.*

²⁵⁶ *Id.*

²⁵⁷ See NTIA, *supra* note 240.

²⁵⁸ See Interim Report, *supra* note 246.

²⁵⁹ *Id.*

²⁶⁰ *Id.*

²⁶¹ See Interim Report at <http://wipo2.wipo.int/process/eng/rfc3/interim2_ch_2.html> (Chapter 2).

²⁶² *Id.*

- (3) Limitations on how a registration authority uses and discloses contact information to protect privacy interests.²⁶³
- (4) Uniform dispute resolution procedures. Including the encouragement of an alternative dispute resolution (“ADR”) procedure, such as arbitration or mediation, and that the procedure be conducted via the Internet.²⁶⁴
- (5) Applicants and trademark holders submit to certain jurisdictions and mandatory ADR.²⁶⁵
- (6) A list of guiding principles for decision-makers in such a proceeding.²⁶⁶
- (7) Owners of famous and well-known marks be allowed to apply for an exclusion for certain domain names and that such an exclusion give rise to an evidentiary presumption in favor of the holder of the exclusion in the ADR procedure.²⁶⁷
- (8) Finally, if new gTLDs were to be introduced they would need to be introduced in a controlled manner without causing harm to the protection of intellectual property rights.²⁶⁸

VI. Conclusion

With the overwhelming boom of the Internet in the past couple of years and with the immense potential of future commercial applications, domain name addresses have become one of the most important commodities. The need for an unmistakably clear way for users to access company’s web sites has led to all this controversy between domain name registrants and trademark holders.

The unsuccessful attempt by the legal system to set a clear defining line through trademark infringement and dilution can be attributable to judicial lack of understanding of the realm of cyberspace. The efforts of the United States and WIPO have been a positive step forward in attempting to alleviate the current dichotomy. By receiving input from a multinational panel of experts in this field, the problematic issues will be resolved in an efficient manner, both beneficial to the domain name registrant and the trademark holder. It shall be interesting to read the WIPO Final Report, and see how fast ICANN can implement the suggestions made. Although the numbers of disputes might not

²⁶³ *Id.*

²⁶⁴ *See* Interim Report at <http://wipo2.wipo.int/process/eng/rfc3/interim2_ch 3.html> (Chapter 3).

²⁶⁵ *Id.*

²⁶⁶ *Id.* They include: (i) the rights and interests of the parties; (ii) the use of the domain name; (iii) the length of time or registration; (iv) the nature of the top-level domain in which the domain name is registered; (v) abusive registration of the domain name; (vi) identical or confusingly similar; and (vii) first-come, first-serve principle.

²⁶⁷ *See* Interim Report at <http://wipo2.wipo.int/process/eng/rfc3/interim2_ch 4.html> (Chapter 4).

²⁶⁸ *See* Interim Report at <http://wipo2.wipo.int/process/eng/rfc3/interim2_ch 5.html> (Chapter 5).

decrease from these proposed changes in the DNS, hopefully the methodology for handling these disputes will become faster, concise and equitable.