

INTERNATIONAL LAW AND TECHNOLOGY

A Global Update on the Domain Name System and the Law: Alternative Dispute Resolution for Increasing Internet Competition— Oh, the Times They Are a-Changin’!

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The Internet Revolution has come upon the world and is in full swing. Traditional laws must fight to keep the pace and accommodate rapid new developments of the global Internet, particularly the growing desire and need for entities and individuals to create and maintain an Internet presence. This is accomplished via a domain name that is chosen and assigned by Internet registrars. However, not all domain names can be had without a fight or controversy. Often, multiple parties lay claim to the same domain name(s)—one entity, because of their ownership of that particular name or a close variant as a trademark, and the other party, possibly, because of a previous use in commerce or perhaps free speech rights.

This Article addresses the clash of trademark law and domain name registration, considering both U.S. and international case law and agreements. Developments in Internet administration, structure, and domain name policy are traced, along with a discussion in some detail of the new Uniform Dispute Resolution Policy for arbitrating, rather than litigating, domain name disputes. An annex of Internet domain name-related Web sites is included as well. The authors wish to provide a solid overview of the present state of domain name policy and law, while encouraging further research and synthesis of the international

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domain name system to help generate greater efficiency, more public input, and less controversy.

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I. INTRODUCTION

“The key to the Internet’s extraordinary innovation is that it doesn’t allow a term like ‘allow.’ It’s architected to disallow it.”¹

As a result of the exponential growth in the number of Internet users and the incompatibility of fundamental trademark law principles with the goals of the Internet, there has been an increase in conflicts resulting from attempts to register a trademark as a domain name. Plaintiffs generally rely on either trademark infringement or dilution claims, and, in foreign jurisdictions, the tort-based claim of “passing off” one’s business as that of another.² A consideration of the structure of the Internet as it intersects with the protection provided by trademark law indicates that the registration of trademarks as domain

1. Lawrence Lessig, *Architecting Innovation*, THE STANDARD (Intelligence for the Internet Economy), Nov. 14, 1999 (visited Jan. 15, 2000) <<http://www.thestandard.com/article/display/0,1151,7430,00.html>>.

2. See Denis Kelleher, *Internet Domain Name Disputes*, 148 NEW LAW J. 811 (1998). The U.K. recognizes this cause of action whose law maintains that “no man may pass off his goods as those of another.” *Reckitt v. Borden*, 1990 RPC 341 (quoting Lord Oliver of Aylmerton).

names presents special problems for trademark attorneys. Questions that arise include:

- (1) How does a trademark attorney reconcile the territorial applications of trademark law with the unlimited scope of the Internet?
- (2) What are the implications of domain names' potential to represent a vast array of products? How similar must the products be to trigger protection?
- (3) What is the effect on a registered trademark user if another entity registers its trademark as its domain name?
- (4) Who should be responsible for policing the Internet? Should this be a question for attorneys, or could such issues be managed by a separate entity that regulates the Internet? What are the responsibilities of domain name registrars such as Network Solutions, Inc., the first entity responsible for registration of domain names?

This Article seeks to provide an overview of two aspects of trademark law as applied to domain names: the dilution doctrine and trademark infringement. Additionally, included are sections describing the administration of domain name registration and a nonexclusive list of sample Web sites that offer domain name registration services and relevant information for the practitioner. This Article focuses on the present scope and future direction of international trademark protection within the context of the domain name system, specifically, the significance of intellectual property and trademark agreements, some representative international cases, and the new Uniform Dispute Regulation Policy created by the World Intellectual Property Organization and approved by the new nonprofit corporation controlling intellectual property.

Although this Article does not provide all of the answers to these questions, it should offer some guidance and an overview of the dilemma faced by trademark attorneys concerned with international rights to a mark in the developing global Internet market.

II. BACKGROUND

The Internet is an ever-evolving system of linked computers and networks, the "information super-highway," or the primary universe

of “cyberspace”³ as it has come to be called, upon and from which content is sent and stored. Internet users may surf the World Wide Web (WWW), the “Internet in viewable form,” to gain information about almost any subject and/or to buy or sell via “e-commerce.”⁴ Although most people have some level of familiarity with the Internet, a more precise understanding of the domain name system is necessary to understand the dilemma presented by the intersection of trademark law principles and the goals of the Internet. Therefore, we have attempted to provide a brief and simplified overview of the Internet, with attention to the principles relevant to trademark law.

Recent statistics claim that as many as fifty million people access the Internet every day; however, this number grows at an exponential rate each day.⁵ The ease and low cost of the Internet entice everyone from CEOs to kindergarten students in all parts of the world to participate on the World Wide Web. Two essential characteristics of the Internet hold particular relevance to trademark issues:

1. Until recently, there has been no central authority or controlling entity for Internet regulation.⁶ Previously, no comprehensive, uniform legislative authority existed to ensure consistent application of standards.
2. Accessibility to the Internet is not restricted by geography or territory.⁷ Internet users may access all information from any location, and the information may pass through several countries before reaching its destination user. In this sense, the Internet is a “multijurisdictional” network that operates in a global framework without boundaries.

Both of these issues still prove contentious for anyone concerned with the ramifications of trademark law upon the function of the

3. William Gibson, a founding author of the “Cyberpunk” literary genre, is credited with coining this term. See Adam H. Fleischer & S. William Grimes, *What a Tangled Web: The New Legal Liabilities Created by the Internet*, 4 No. 18 MEALEY’S EMERGING INSURANCE DISPUTES 29, 80 n.1 (Sept. 1999).

4. David Bicknell, *Bigger, better, faster, more (where the Internet revolution could take us over the next five years)*, COMPUTER WKLY., Nov. 18, 1999, at 44. CERN researcher Tim Berners-Lee developed the WWW in Switzerland and Mark Andreessen and others at the University of Illinois pioneered the first graphical WWW browser, Mosaic, in 1992 from which they spawned the company of Netscape in 1994.

5. See *Web News & Views: Internet Marketing 101, Basics* (visited Nov. 8, 1999) <<http://www.cincymart.com/webnews/market.html>>.

6. See Interim Report of the WIPO Internet Domain Name Process, Dec. 23, 1998, ch. 1, para. 2(iv) (visited May 20, 1999) <http://wipo2.wipo.int/process/eng/rfc3/interim2_ch1.html>.

7. See *id.*

domain name registration process. Although the federal government is currently attempting to resolve the issue of administration, trademark attorneys still grapple with the infinite scope of the Internet as it collides with territorially-based trademark law. As the Internet expands, with registrars authorizing over 70,000 new domain names per week and over five million already registered, more disputes will naturally occur. For this reason, more long-term solutions and means of dispute resolution have been created and will continue to develop.

A. *Domain Names: The Basics*

In order to provide information, goods, or services on the World Wide Web, an individual or entity must have a Web site, or a home page presence, which includes a domain name. A domain name is simply a computer address in user-friendly form.⁸ Each computer located on the Internet has an address which consists of a string of approximately ten digits. This address is the Internet Protocol number or "IP address."⁹ To facilitate recall of addresses, each numeric IP address is assigned to an alphabetical domain name that is easier to remember.¹⁰ Each domain name is included in the Uniform Resource Locator (URL), which identifies the Web site to the general public. An example of a domain name address is www.law.tulane.edu. Until 1993 the number of domain-name registrants was a mere 200 to 300 per month.¹¹ Today, that volume has exploded to an average of about 10,000 registrations per day. The dilemma faced by companies that wish to do business on the Internet is aptly described as follows: Given the importance of a memorable domain name, it is natural that a company with a well-known trademark would seek to use that mark as its domain name. Realizing this, and acting out of greed, malice, or mischief, unauthorized people have registered many famous trademarks as domain names.¹² A registrant who incorporates an

8. *See id.*

9. *See* F. LAWRENCE STREET, *LAW OF THE INTERNET* at xxx (1997).

10. *See id.* at xxxi. As *Wired* magazine reports, "The domain-name system (DNS) connects an Internet address like ibm.com with the numerical IP [Internet Protocol] address that identifies its host server." David Diamond, *Whose Internet Is It Anyway?*, *WIRED*, Apr. 1998 (visited Jan. 16, 2000) <http://www.wired.com/wired/archive/6.04/kashpureff.html?topic=internet_law&topic_set=newpolicy>.

11. Diamond, *supra* note 10.

12. Andrew Baum & Mark Epstein, *New Dilution Act Used to Evict 'Cybersquatters,'* *NAT'L L.J.*, Jan. 27, 1997, at C03.

unauthorized trademark into his or her domain name without authorization is commonly known as a "cybersquatter."¹³

The unavailability of trademarked or desired domain names for well-known companies and individuals has sparked some major Internet-rights disputes. Even Bill Gates is a victim of cybersquatters, who won the race to register his own computer-synonymous moniker as a domain name, www.billgates.com. Courts have arrived at different conclusions about who is entitled to the use of a particular domain name and why, depending on the facts of each particular case.

The demand for domain names bearing the trade names of many businesses has created a veritable black market for trading coveted domain name addresses, or a legitimate market, depending on the circumstances. For instance, the domain name altavista.com was recently purchased by Compaq, which recently acquired Alta Vista for \$3 million from another company that already owned the domain name.¹⁴ On the other hand, many companies who believe another entity or individual is misappropriating its name in bad faith for financial benefit have filed complaints not only with domain name registrars, companies such as Network Solutions, Inc., but also in court, against alleged cybersquatters. Rather than simply paying millions of dollars for the domain name that includes their names or trademarks, these businesses allege that the registrant of the domain name is a cybersquatter who can prove no legitimate claim to the name.

Most cybersquatters have lost their registrations of domain names in court because they cannot produce evidence of a good-faith intent to use the domain name in commerce. Also, several international organizations have now begun a new alternative dispute resolution process, which will offer a respectable alternative to lengthy and costly litigation.

13. A cybersquatter is one who has registered a famous trademark as a domain name, holding it hostage for a large ransom sought from the trademark owner. See Baum & Epstein, *supra* note 12, at C03.

14. David Judson, *Five Years Later Internet Law Remains Murky*, BALTIMORE BUS. J., Nov. 12, 1999. "AltaVista, the well-known search engine, had a hard-to-remember domain name altavista.digital.com, so its owner—Compaq Computer Corp.—purchased altavista.com from a legitimate owner for \$3 million." *Id.*

B. Top Level Domains

The domain name system operates in a hierarchical manner, and most domain names are composed of two domains: top level domains and second level domains.¹⁵ However, domain names often include several domains, and a Web site address will include a string or series of domains separated by backslashes or periods. Top level domain names such as .com, .net, and .edu provide the least specific component of the address.¹⁶ There are two types of top level domains: generic top level domains (gTLDs) and country code top level domains (ccTLDs). This distinction is relevant when considered with the territorial principles of trademark law.

There are two types of gTLDs. Open gTLDs impose no restrictions upon the person or entity that seeks to register a name within one of these domains. Common open gTLDs are .com, .net, and .org. Restricted gTLDs allow only certain types of entities to register within the domain. The four restricted gTLDs include .int, .edu, .gov, and .mil, which are restricted to international organizations, colleges and universities, government agencies, and the United States military, respectively. Although each of the restricted gTLDs imposes certain requirements necessary for registration, none of the open gTLDs imposes any geographic or territorial restraints.

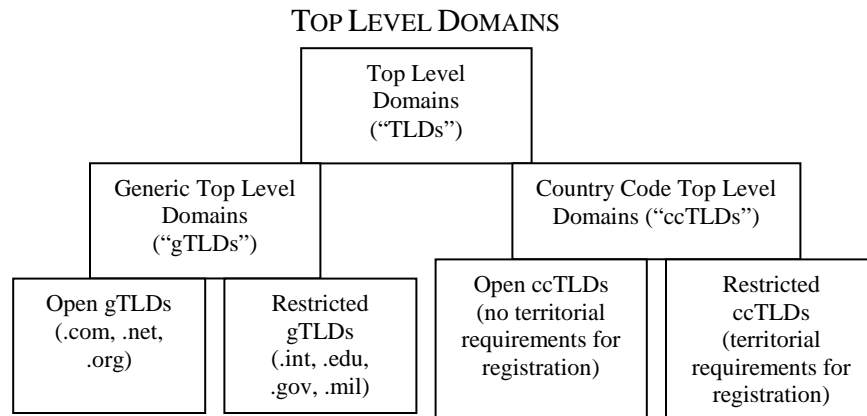
The second type of top level domain is a ccTLD. Each ccTLD is indicated by a two letter abbreviation for the country of registration, such as .ca for Canada or .eg for Egypt. Like the gTLDs, there is also a distinction between open and restricted ccTLDs. Open ccTLDs do not impose requirements for registration. Restricted ccTLDs require certain criteria for registration; typically, ccTLDs require domicile within the territory or country. Although both gTLDs and ccTLDs may be open or restricted, ccTLDs may impose *territorial* restrictions or limitations, unlike gTLDs, for which the restrictions usually pertain to the nature of the entity seeking registration. Despite the territorial restriction imposed by some restricted ccTLDs, in general, registration is still vastly unbounded by geography - a registrant may seek registration in any domain, regardless of the location of the registrant or the targeted audience. The multijurisdictional nature and unrestricted accessibility of the Internet suggest the inherent conflict

15. See *Panavision Int'l, L.P. v. Toeppen*, 945 F. Supp. 1296, 1299 (C.D. Cal. 1996).

16. See *Brookfield Communications, Inc. v. West Coast Ent. Corp.*, 174 F.3d 1036, 1044 (9th Cir. 1999).

between trademark law and the domain name system. Trademark law attempts to protect an owner’s rights within a specified area or territory, and geographic scope is an important factor to many forms of protection. For example, consider the situation in which two businesses use the same mark concurrently in good faith. The business that first used the mark is acknowledged as the “senior user;” the second business to use the mark is known as the “junior user.” The senior user has rights to the mark everywhere except in that restricted area where the junior user’s mark is well-known. Thus, the extent of an owner’s trademark rights will depend in some way upon the territory in which he uses the mark, and, possibly, the extent of the reputation of the business or the product.

However, notwithstanding these geographical issues of trademark law, the Internet affords the opportunity to employ a trademark as a domain name throughout the world with no territorial restrictions. For this reason, trademark attorneys struggle to reconcile the territorial concepts of trademark law with the unrestricted access of the Internet and its ability to transmit a trademark as a domain name across boundaries.



C. *Second Level Domains*

In addition to a top level domain, a domain name also includes a second level domain. A second level domain usually consists of the name of the business or entity seeking registration, and thus often includes a trademark of the business, often because the business has

sought federal registration for its name as a trademark.¹⁷ Because each Internet address is unique, only one entity may use each specific combination of a top level domain and a second level domain.¹⁸ The practical implications of the singularity or exclusive availability of a domain name leads to the inevitability that one party's registration of a domain name prevents all others from using that domain name, even if that domain name is the same as a company's trademark or service mark.¹⁹ Although trademark law permits use by multiple companies of the same trademark for different types of goods or services, thus enabling several companies to register identical words or word phrases as trademarks, more than one business cannot share an Internet address, and each domain name is limited to one registrant.²⁰

However, conflict arises because, although it may be possible for 100 million Mr. Smith's to peacefully co-exist in the world, there can only be one www.mr.smith.com. Once that domain name is registered, it cannot be possessed or appropriated by another unless it is abandoned or purchased.

What many Web surfers do not realize is that the words and letters they type into their Web browser inter-faces have become hot commodities, often protectable under intellectual property laws. The debate rages, although somewhat more controllably, as to what takes precedence if anything: A trademark holder's right to a domain name, or the registration of a domain name for the public good by a nontrademark owner. For example, although many people may think that "United.com" would correspond to United Airlines, this domain name, in fact, belongs to an Internet messaging company who registered it before United Airlines could do so. It appears that United Airlines, then, had to settle for using www.ual.com to establish an Internet/e-commerce presence. Therefore, "currently, when multiple unrelated companies have the same or similar names (such as United Airlines and United Van Lines), there is no good way to resolve the question of who gets the valuable domain name www.companyname.com."²¹

17. *See id.*

18. *See* *TeleTech Customer Care Management v. Tele-Tech Co.*, 977 F. Supp. 1407, 1409 (C.D. Cal. 1997).

19. *See id.*

20. *See Panavision*, 945 F. Supp. at 1302.

21. Interim Report of Working Group C of the DNSO of ICANN dated Oct. 23, 1999 [hereinafter Group C Report], *Position Paper A on New gTLDs*, I (visited Dec. 21, 1999) <<http://www.dnso.org/dns/notes/19991023.NCwgc-report.html>>.

Recently, some registrars of domain names have increased the maximum number of characters that can appear in the second level domain, the area between “www.” and “.com,” from twenty-three to sixty-three. This increase in characters will provide some fortunate companies with a new option that was never available to them, but it still does not resolve the competition for the most simple domain names.

Despite these limitations, it remains possible that more than one business may include the same trademark in its domain name, thus affording domain name registration the same potential to grant shared use of a trademark in the domain name. However, such use would still engender confusion. Several businesses may utilize the same second level domain with different top level domains. An example of this would be acme.com, acme.net, and acme.org. Although several domain addresses may share part or all of a trademark, the different top level domains will preserve the uniqueness of each address. However, confusion is still likely to occur because of the similarity of the names. Also, because .com is currently the most recognized top level domain, there would be competition for the domain address acme.com. Furthermore, the coexistence of the second level domains with varying top level domains does not extinguish the likelihood of confusion that results from similar domain names. Each domain address is assigned to only one registrant or business. Arguably, if an applicant seeking registration for acme.com is denied registration, but registration of acme.net or acme.org is still available, there is still a likelihood of consumer confusion, because the .com top level domain is the most prevalent top level domain in consumers’ minds. For example, if an Internet user wishes to locate a Web site but does not know the exact Web site address, she has two options: she may try to guess the domain name or use an Internet search engine.²² The most common guess is the company’s trademark or name followed by the “.com” top level domain.²³ However, when a cybersquatter has misappropriated the trademark or name of a business, the Internet user will be misled and will be faced with difficulty in her search for the desired Web site. Although a company has the option of attaching its trademark or name to another top level domain such as “.net,” not all Internet users are familiar with the various options available. Thus, if

22. See *Brookfield Communications*, 174 F.3d at 1044.

23. See *id.*

an Internet user types in www.acme.com, and the desired Web site does not appear, it is unlikely that she will continue to try “acme” as a second level domain with each and every top level domain. The .com top level domain is the most commonly used top level domain, and denial of this top level domain will likely result in a likelihood of consumer confusion and a loss of sales and consumers due to the difficulty that Internet users will encounter when trying to locate a business’s Web site.

If two entities or businesses are permitted to register similar domain names, such as acme.com and acme.net, then there is a genuine possibility that consumers will be confused, especially if similar goods or services are featured in both Web sites. This confusion will result in lost profits caused by diverted sales. This consumer confusion could give rise to a trademark infringement action by the registered trademark holder. In addition to the threat of trademark infringement, a registered trademark holder may have another option with a greater chance of success—a dilution claim against the other domain name registrant.

III. THE REVAMPED ADMINISTRATION OF THE INTERNATIONAL DOMAIN NAME SYSTEM

*To a large extent, whoever controls the DNS—and the root server, the holy temple in which all names are housed—also controls the Internet.*²⁴

A. *History of the Domain Name System*

The Internet began as many organic compounds do, growing from a root . . . server, that is. This world-wide computer network originated by the Defense Advanced Research Projects Agency, supported by the National Science Foundation, and developed and administered by university research institutes in California into ARPANET under the direction of one critically important individual, the late Professor Dr. Jon Postel.²⁵ Postel was primarily responsible for the continued organization and administration of the Internet via the entity that he established, the Internet Assigned Numbers Authority (IANA). IANA maintained the root server and “acted as the Internet’s central coordination, allocation, and registration body

24. *Id.*

25. For an informative tribute to this dedicated Internet pioneer, see *IANA Press Release, Oct. 19, 1998* (visited Dec. 22, 1999) <<http://www.postel.org/iana-pr102098.html>>.

for addresses, names, and protocol parameters since the early days of the Internet.”²⁶

The Internet Domain Name System (DNS) is known to the public through Web addresses based principally on the registration of top level domains (TLDs).²⁷

Recently, the administration of the Internet has been transferred and assumed by a new organization, the Internet Corporation for Assigned Names and Numbers (ICANN). ICANN performs the “administrative responsibilities for the assignment of IP addresses, Autonomous System Numbers, TLDs, and other unique parameters of the DNS and its protocols.”²⁸ However, no particular policies have been officially established for TLD managers for resolution of disputes over rights to domain names other than a few which are articulated in the Final Report on the Internet Domain Name Process, composed by the World Intellectual Property Organization (WIPO), and the Request for Comments and the preceding regional consultations, although trademark and other intellectual property laws may apply.²⁹

Significant changes to the structure and organization of the DNS occur slowly because of many different long-term policy conflicts of interest and considerations of import. In February 1997, for example, the Internet Ad-Hoc Committee (IAHC) and the Council on Registers (CORE)³⁰ recommended the creation of seven new gTLDs³¹

26. *Id.*

27. Final Report of the WIPO Internet Domain Name Process [hereinafter Final Report], Para. #334, Apr. 30, 1999 (visited Dec. 22, 1999) <<http://ecommerce.wipo.int/domains/process/eng/processhome.html>>. See generally <<http://wipo2.wipo.int>> [hereinafter Final Report]:

At the time of publication of the Interim Report, out of a total of more than 4,800,000 domains registered worldwide, over 1,400,000 were registered in the ccTLDs, with .de (Germany), .uk (United Kingdom) and .dk (Denmark) containing the largest numbers. Now, just four months later, there are approximately 1,860,000 registrations in the ccTLDs, and it is expected that the pace of registrations in these domains will continue to increase.

Id.

28. Introduction to the IANA TLD Delegation Practices Document or ICP-1 paper, posted May 21, 1999 (visited Jan. 13, 2000) <<http://www.iana.org/icp1.html>>.

29. *Id.* at (h).

30. See CORE (visited Jan. 14, 2000) <http://www.corenic.org/about_core/backgrou.htm>:

CORE evolved from a rigorous process of global consensus, launched by the Internet Society (ISOC) and the Internet Assigned Numbers Authority (IANA) in fall 1996, to plan for the end in 1998 of the monopoly status enjoyed by Network Solutions, Inc., as registry and registrar for .com, .org and .net. . . . The next step was the formation of the International Ad Hoc Committee (IAHC) to develop concepts for the registration of

subsequent to Dr. Postel's 1996 proposal for the authorization of fifty new registrars exclusively entitled to register up to three new gTLDs each (for a total of 150 new gTLDs).³² However, no new gTLDs have yet to be authorized because of the myriad of problems associated with competition for a popular Internet presence. However, ICANN's board plans to make a decision regarding the future of gTLDs by July 2000 at its meeting in Yokohama, Japan.³³

Furthermore, although there is still only one root server, several Internet entrepreneurs have begun to express their vision of a need for multiple private root systems to support the issuance of new TLDs (i.e., www.superroot.com). ICANN, though, does not support such a "patchwork organization of root servers."³⁴ In fact, it has published its opposition about such a nonuniform system, protesting that it could result in "greater possibilities for consumer confusion, the risk of increased trademark infringement, cyber squatting [sic], and cyber piracy."³⁵ It appears that ICANN, through its representative members, will have the final word on most major policy decisions, relating to the continuation of a stable, secure Internet.

B. New International Administrative Oversight and Extended Registry for the Domain Name System

The emergence of an enhanced framework and structure for Internet governance ultimately came about as a result of the United States Department of Commerce's White Paper³⁶ of June 5, 1998, which "covered the transition from U.S. Government regulatory

Internet domain names in a new era of deregulation and self-governance. The Policy Oversight Committee (POC) succeeded IAHC. It developed specific plans for a global infrastructure for adding and administering new names, with CORE as the nonprofit administrator of the gTLDs. . . .

Id.

31. *See id.* These seven newly proposed gTLDs are: .firm (for businesses or firms), .shop (for businesses offering goods to purchase), .web (for entities emphasizing activities related to the World Wide Web), .arts (for cultural and entertainment activities), .rec (recreation/entertainment activities), .info (information services) and .nom (individual or personal nomenclature).

32. Final Report, *supra* note 27, at #305.

33. *See* "Results of 10 March 2000 ICANN Board Meeting in Cairo" (visited April 11, 2000) <<http://www.icann.org/minutes/prelim-report-10mar00.htm>>.

34. Andrew Conry-Murray, *What's in a Domain Name?*, NETWORK MAG. (Nov. 1, 1999).

35. *Id.*

36. *See* Official White Paper Statement of Policy, *Management of Internet Names and Addresses* (visited Jan. 15, 2000) <http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.htm>.

control to industry self-governance.”³⁷ Originally, “on July 1, 1997, as part of the Clinton Administration’s *Framework for Global Electronic Commerce*, the President directed the Secretary of Commerce to privatize the DNS in a manner that increases competition and facilitates international participation in its management.”³⁸ The Internet was created, developed, and maintained under the auspices of the U.S. government, which awarded an exclusive contract to the private company Network Solutions, Inc. (NSI) in 1993 to register all domain names in the gTLDs. However, in early 1998, the United States formally announced the need and its intention to officially vest general control of the Internet in a new, democratic organization, led by international experts, established specifically to carry out this mission.³⁹ Therefore, beyond the many nongovernmental organizations (NGOs)⁴⁰ that have influenced the reorganization of the Internet and domain name policy, ICANN emerged out of IANA and the IAHC to assume full responsibility for governing the DNS.

1. International Quasi-Governmental Organizations: Transition from IANA to ICANN

ICANN, a nonprofit corporation, was formed to privately govern IP address space allocation, protocol parameter assignment, domain name system management, and root server system management

37. Internet Society (visited Jan. 14, 2000) <<http://www.isoc.org/internet/news/greenpaper.shtml>>; see also ISOC Press Release, *IANA plans transition to international non-profit group* <<http://www.isoc.org/isoc/media/releases/iana060598pr.shtml>>.

38. See Framework (visited Jan. 14, 2000) <<http://www.ecommerce.gov>>.

39. The U.S. Green Paper, *A Proposal to Improve the Technical Management of Internet Names and Addresses*, was first issued by the Department of Commerce’s National Telecommunications and Information Administration (NTIA) on Jan. 30, 1998, which became the White Paper (6/5/98). See NTIA (visited Jan. 14, 2000) <<http://www.ntia.doc.gov/ntiahome/domainname/domainhome.htm#3>>. For background, see generally Francis Gurry (WIPO Assistant Director General, Legal Counsel), Report on the WIPO Internet Domain Name Process at ICANN Berlin Meeting, May 25-27, 1999 (slide summary) (visited Dec. 22, 2000) <<http://ecommerce.wipo.int/process/index.html>>; see also ISOC News (visited Jan. 14, 2000) <<http://www.isoc.org/internet/news/greenpaper.shtml>> for more information on the Green/White Papers and the “Magaziner Report” named after its drafter, Ira Magaziner, President Clinton’s Internet Advisor.

40. See International Trademark Association at <www.inta.org>; Electronic Frontier Foundation <www.eff.org>; and the Association for the Creation and Propagation of Internet Policies (A-TCPIP)/Domain Names Rights Coalition (DNRC) <www.domain-name.org>; see also Internet Society, *All About the Internet* (visited Jan. 13, 2000) <<http://www.isoc.org/internet/law/orgs.shtml>> for a comprehensive page of “Links to entities with a significant role in the evolution of Internet law” and general guide to Internet law.

functions.⁴¹ ICANN was formed because the public institutions that preceded it, especially the U.S. government, did not want continued responsibility for the resolution of intense political and economic conflicts created by demand for new top level domain names; furthermore, the international community did not object to such a transfer of control and direction of the Internet.

ICANN has a significant role in the DNS arena because it is now the primary entity through which Internet policy is established. ICANN “will conduct open processes to continue the critical assignment of unique parameters that allow the Internet to function. This embraces the principle of industry self-regulation.”⁴² ICANN’s goal, as was IANA’s, is to “preserve the central coordinating functions of the global Internet for the public good.”⁴³

ICANN is administered by a board of nineteen international directors supported by six advisory committees, including a governmental one.⁴⁴ Importantly, ICANN’s bylaws (Article VI) also directed the creation of three Supporting Organizations (SOs) - the (IP) Address SO, the Domain Name SO, and the Protocol SO - “to assist, review, and develop recommendations on Internet policy and structure within three specialized areas.”⁴⁵ The SOs “are the primary source of substantive policy recommendations for matters lying within their specialized charters, serve as advisory bodies to the Board,” and also “encourage diverse and international participation in the technical management of the Internet.”⁴⁶

The SOs each appoint three directors to the ICANN Board of Directors. Additionally, ICANN’s at-large membership elects nine other directors, as well as its President.⁴⁷ ICANN’s board was originally composed of interim directors hand-picked by Dr. Postel, although board elections for the nine at-large seats occurred in October 1999. Only one American, Internet pioneer Vint Cerf, was among the first nine at-large directors elected, although there are presently five Americans in the SO-appointed board seats, including

41. ICANN (visited Dec. 21, 1999) <<http://www.icann.org/>>.

42. IANA, *Frequently Asked Questions (FAQ) #2* (visited Dec. 21, 1999) <<http://www.iana.org/faqs.html>>.

43. *Id.* at #4.

44. See ICANN at “Committees,” *supra* note 41 <<http://www.icann.org/committees.htm>>.

45. *Id.* at “Supporting Organizations” <<http://www.icann.org/support-orgs.htm>>.

46. *Id.*

47. For a listing of ICANN’s present board members and a structural overview, see *id.* at “About ICANN” <<http://www.icann.org/general/abouticann.htm>>.

Esther Dyson, the empress of Silicon Valley technology, who is presently the interim board chairperson.⁴⁸ Some Americans believe that U.S. representation on ICANN's board, currently less than one-third of its directors, is unfairly and unwisely disproportionate to the amount of U.S. investment in the Internet, especially considering that the United States has more Internet users than any other country and leads in creating "net-content." It is not likely that this representation will increase, however, because the ICANN Board appears to believe that its recent efforts assure proper global representation. Other groups have criticized ICANN's handling of various issues, arguing that ICANN is too slanted in its policy development, particularly toward the interests of major corporate trademark holders. Furthermore, "although a pseudo-public agency, ICANN holds board meetings in secret."⁴⁹ A common perception is that presented by University of Pennsylvania professor and member of the group ICANNWatch, Dave Farber: "I'm a big believer in sunshine laws. When you're at this tricky a time in the process of governing the Internet, the more sunshine you can shine on it, the better off you are."⁵⁰ Nonetheless, ICANN was also formed with the inclusion of an at-large membership to which anyone or any group can apply. The ICANN Board has actively encouraged and promoted this possibility.

The membership of the Domain Name Supporting Organization (DNSO) was formed through application and voting and has established a fully-functioning body operating openly under ICANN's by-laws. The General Assembly of the DNSO has a membership made up of:

1. members of the following seven DNSO Constituencies:
 - a. ccTLD registries;
 - b. commercial and business entities;
 - c. gTLD registries;
 - d. Internet Service Providers (ISPs) and connectivity providers;
 - e. noncommercial domain name holders;
 - f. registrars; and

48. Carolyn Duffy Marsan, *Domain Group Lacking Strong U.S. Presence*, NETWORK WORLD, Nov. 1, 1999.

49. Erik Espe, *Web Domain Name Disputes Likely to be Arbitrated*, WASH. BUS. J., Oct. 22, 1999.

50. *Id.*

- g. trademark and other intellectual property and anticounterfeiting interests;⁵¹
2. members of the Names Council (elected by the seven Constituencies);
3. members of the DNSO Working Groups (WGs) and Committees (currently WG-B, WG-C, WG-D and WG-E); and
4. members of all the mailing lists on the dnso.org server, including the General Assembly main mailing list (ga@dnso.org) and the Announcements list (announce@dnso.org).⁵²

As one of the four key purposes of the new corporation, the U.S. Department of Commerce White Paper also included a mandate to “oversee policy for determining the circumstances under which new TLDs are added to the root system.”⁵³ Because of the increasing sparseness of unassigned domain names within the gTLDs,⁵⁴ Working Groups C and D of the DNSO were convened to develop a proposal

51. See Domain Name Supporting Organization, “About DNSO”—The Constituencies (visited Dec. 22, 1999) <<http://www.dnso.org>>.

52. See *id.* at “FAQ,” *How to Join the DNSO* <<http://www.dnso.org/dns/faqdns.html>>.

53. Group C Report, *supra* note 21, at *Position Paper B on New gTLDs: Competition, Innovation, and Cultural Diversity*, #1 <<http://www.dnso.org/dns/notes/19991023.NCwg-report.html#Position Paper B>>.

54. NSI gTLDs are those that have been traditionally registered by Network Solutions, Inc. alone: .com, .net, .org. However, Working Group C’s paper establishes many reasons to create and offer more of these domain name endings. See *id.* at #2. For example:

(a) Second-level domain names under the dot com TLD routinely change hands for enormously inflated prices. (See Table) These are not cases of cybersquatting but legitimate trades of ordinary, nontrademark words. High prices reflect the artificial scarcity of common names in existing gTLDs, and the premium on .com names in particular. Domain Name Price: Bingo.com U.S. \$ 1.1 million Wallstreet.com U.S. \$1.03 million Rock.com U.S. \$1.0 million Eflowers.com U.S. \$1.0 million Drugs.com U.S. \$800,000 University.com U.S. \$530,000, Computer.com U.S. \$500,000, Blackjack.com U.S. \$460,000, BBC.com L200,000 Business.com U.S. \$150,000 Internet.com U.S. \$100,000, Trade.com U.S. \$40,000.

(b) There are widespread complaints among users that it is becoming increasingly difficult to find simple domain names in the NSI gTLDs. The basis for these complaints was verified in an April 14, 1999 Wired News survey, which found that of 25,500 standard dictionary words, only 1,760 were free in the .com domain. At the time of that article, only about 7.5 million domain names had been registered. More than three million have been registered in the ensuing five months.

(c) Currently, the weekly growth rate of domain name registrations is over 270,500. Projecting that growth rate into the future would put the number of domain name registrations at 67 million by 2003. Current gTLDs simply will not be able to contain such growth.

(d) The growing demand for domain names cannot be satisfied by ccTLD registries. The problem is not capacity, but consumer choice. Most users prefer gTLDs. Seventy-four percent of the world’s domain names are registered in gTLDs; 61% are in dot com.

for the creation of new gTLDs apart from the Memorandum of Understanding (MOU) already composed by CORE and the IAHC.⁵⁵ However, many disagreements have impeded their introduction, such that it is not likely that new gTLDs will be opened before June 2000.⁵⁶ Finally, the World Intellectual Property Organization recently issued its Final Report on Domain Names, which includes helpful policy for the introduction of any new gTLDs.⁵⁷

2. The Role of Registrars and WIPO

In order for the DNS to operate and continue to expand, institutions must exist to register domain names, necessary to have a presence on the Internet. Originally, “the IAHC plan called for only one registry, owned by all the registrars. A registry maintains the database of names (similar to an airline running a reservations system). The registrars sign up people (similar to travel agents) and send the desired web name to the registry.”⁵⁸ This is essentially what has remained, although as mentioned earlier, some entrepreneurs are lobbying for the expansion of the actual root directory to allow for multiple registries.

The U.S. government’s White Paper charged ICANN with the selection of five new domain name registrar companies to serve as the initial wave of competitors to NSI, providing available second level names in the gTLDs upon registrants’ requests. NSI, founded in 1979, is the pioneer Internet address registrar company. It acts as a wholesaler of the generic, popularly-known domain names ending in .com, .org, .net, and .edu issued exclusively by NSI to worldwide registrars. It is also responsible for the .mil and .gov top level domains. NSI’s ability to keep up with the huge growth of the Internet is unparalleled: “While it took four years to register the first

Id.

55. See MOU (visited Dec. 22, 1999) <<http://www.gtld-mou.org/>>.

56. See *id.*

[T]he Policy Oversight Committee [post-IAHC] notes that little progress has been made because of both an extremely complex political environment and the economic interests of the parties involved in the multi-billion dollar business of selling domain names. The Policy Oversight Committee also notes that despite a multi-year effort involving the United States Government and ICANN, little progress has been made in the core issue—the necessary economic model for registry/registrar relationships embodied in the Council of Registrars (CORE) model developed in the *Internet Ad Hoc Committee (IAHC)* Final Report.

57. See generally Final Report, *supra* note 27.

58. Internet Society, *supra* note 37 <<http://www.isoc.org/internet/news/greenpaper.shtml>>.

one million domain names, it took eleven weeks to register the one million names leading up to the six million mark. Today, Network Solutions is the world's largest Registrar with more than 6.5 million registrations since 1993."⁵⁹

In April 1999, ICANN announced the appointment of five new companies as the first additional registrars with exclusive authority to issue domain names in the gTLDs of .com, .net, and .org during the testing phase of the new competitive Shared Registry System (SRS). These new "test-bed" registrars were: America Online, CORE (Internet Council of Registrars), France Telecom/Oléane, Melbourne IT, and register.com.⁶⁰ The SRS was planned to coincide with the expiration of what had been NSI's exclusive contract to handle registrations under a 1992-93 Cooperative Agreement with the U.S. Government. The testing phase was due to expire in July, but was extended until November 31, 1999. New registrars continued to be accredited by ICANN to join NSI and the first five registrars in the exclusive issuance of the gTLD triumvirate.⁶¹ All registrars must now be accredited by ICANN, which serves in the public interest to manage the global top level domain space on the Internet.⁶² As of April 2000, thirty domain name registrars were fully operational and accredited, with most of these based in the United States, although nine other countries are also represented.⁶³

59. NSI (visited Dec. 19, 1999) <<http://www.netsol.com/nsi/>>.

60. In this general context, the recently announced participation of five companies to act as registrars in the initial testbed phase of the new competitive SRS for the .com, .net and .org domains represents an effort to assess, under controlled conditions, the reliability and robustness of the SRS technology used to allow multiple registrars to accept registrations in the existing open gTLDs. Final Report, *supra* note 27, at #310.

61. See ICANN, *supra* note 21, at "ICANN Announces Twelve New Domain Name Registrars."

62. See Name Space (visited Jan. 12, 2000) <<http://name.space.xs2.net/policy/>> for another registrar's policy charter on management duties regarding the Internet. This rival registrar sued NSI and the National Science Foundation in the Southern District of New York complaining of antitrust and free speech violations, but lost. The Appeals court held that NSI has implied "conduct-based" antitrust immunity. See *id.* <<http://name-space.com/law/>>; see also Goli Gharib, *NSI Wins Antitrust Case Appeal*, NAT'L L.J.—NLJ. COM, Feb. 7, 2000 (visited Feb. 9, 2000) <http://www.ljx.com/cgi-bin/f_cat?prod/ljextra/data/texts/2000_0131_59.html> (reporting on *Name.Space, Inc. v. NSI*, No. 99-6080 (2d Cir. 2000)).

63. For a full list of Accredited and Accreditation-Qualified Registrars, see ICANN, *supra* note 41, at "ICANN Announces Twelve New Domain Name Registrars" <<http://www.icann.org/announcements/icann-pr25jan00.htm>> (posted Jan. 25, 2000) (visited Feb. 14, 2000). Of the 30 fully accredited and currently operational registrars, the United States is home to 16. France and Canada follow with three each, while Japan has two. Only six other countries have accredited, operating registrars. See *id.*

Until the spring of 1999, NSI, a quasi-governmental entity, was the sole agency responsible for the registration of domain names. NSI's control of the domain name registration process resulted from its successful bid for an exclusive U.S. government contract in 1992. When NSI receives an application to register a domain name, it will generally give only a cursory examination to the application. Applications to register domain names do not undergo rigorous scrutiny, such as that performed by the Patent and Trademark Office upon receipt of a trademark application. As a result of this low-level examination, it is fairly easy to register a trademark as a domain name, even one that is held or in use by another business or entity as a domain name. However, NSI has recently enacted measures to correct this process and impose stricter standards upon a registrant who submits an application for a domain name.

Although NSI was first responsible for the registration of most domain names, most efforts of the United States-based company to resolve disputes have proved futile.⁶⁴ Its Domain Name Dispute Policy has already been amended numerous times, and NSI has felt the effects of its "inadequate thought" of trademark issues as a named defendant in several high profile lawsuits.⁶⁵ Although NSI requires a registration application to be in good faith, there is no examination of domain name applications for trademark conflicts. The need for a single, regulating body is apparent from the substantial number of conflicts in which a trademark is allegedly infringed or diluted.

The resolution of the domain name registration battle necessarily involves international law. Unlike most marks protected by trademark law, domain names are not restricted to any finite territory. Access to the Internet is unlimited, and any trademark that is registered as a domain name may reach Internet users across territorial borders. Thus, any legislation or regulation affecting trademarks registered as domain names must have the ability to transcend borders and apply to numerous jurisdictions.

The other major official quasi-governmental international organization now involved with governance of the Internet is the World Intellectual Property Organization (WIPO). WIPO, based in Geneva, is one of the sixteen specialized agencies of the United

64. G. Gervaise Davis, III, *Internet Domain Names and Trademarks: A Growing Area of Domestic and International Disputes*, 532 PLI/PAT 383, 393 (1998).

65. *Id.*

Nations system of organizations.⁶⁶ It is responsible for administering international intellectual property treaties and promoting the protection of intellectual property world-wide. The approximately 106 member states have established WIPO as the vehicle for globally promoting the protection, dissemination, and use of intellectual property for economic, cultural, and social development. Finally, "unique among U.N. agencies, WIPO is self-financing, generating income through the services it provides to industry, including fees obtained for international filing of patents."⁶⁷

IV. RELEVANT UNITED STATES TRADEMARK PRINCIPLES

Trademark law seeks to prevent confusion and deception in the market. As a territorially based system, trademark law attempts to protect consumers by ensuring exclusivity of a mark within a specific territory. However, this territorial system conflicts with the global medium of the Internet. This is only one of the problems for which a compromise must be achieved.

A. *Dilution as a Cause of Action*

*Trademark dilution is emerging as the most popular and effective theory upon which to challenge cybersquatters and other infringers of established brand names. Courts have been reluctant to find trademark infringement when the domain name is used for dissimilar goods or services.*⁶⁸

Section 43(c) of the Lanham Act (the Act), codified as 15 U.S.C. § 1125, defines dilution as

the lessening of the capacity of a famous mark to identify and distinguish goods and services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception.⁶⁹

The statutory language demonstrates that there are three prongs to every dilution cause of action. The plaintiff must prove that:

1. the mark is famous;

66. See WIPO, *About WIPO* (visited Dec. 23, 1999) <<http://www.wipo.org/eng/main.htm>>.

67. Stephanie Nebehay, *Switzerland: First Internet Domain Name Dispute Filed at WIPO*, REUTERS, Dec. 3, 1999.

68. See Linda A. Goldstein, *Emerging Issues in Online Advertising and Promotion Law*, 570 PLI/PAT 821, 827 (1999).

69. 15 U.S.C.A. §§ 1125(c)(1), 1127 (West Supp. 1996).

2. there is commercial use of the mark by another party in commerce; and
3. such commercial use causes dilution of the distinctive quality of the mark.⁷⁰

Each of these three requirements will now be examined in turn.

1. The Mark Must Be Famous

This determination presents many difficulties because of the numerous and varied opinions of what constitutes a “famous mark.” The drafters of the Lanham Act recognized the need for guidance to determine whether a mark is famous, and provided a nonexhaustive list of factors for consideration, including:

1. The degree of inherent or acquired distinctiveness of the mark;
2. the duration and extent of use of the mark in connection with the goods or services within which the mark is used;
3. the duration and extent of advertising and publicity of the mark;
4. the geographical extent of the trading area in which the mark is used;
5. the channels of trade for the goods or services with which the mark is used;
6. the degree of recognition of the mark in the trading areas and channels of trade used by the mark’s owner and the person against whom the injunction is sought;
7. the nature and extent of use of the same or similar marks by third parties; and
8. whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.⁷¹

Thus, a mark on which its owner has expended considerable monetary amounts to publicize and advertise is likely to be found famous by the court.⁷² An example of this, within the context of domain name disputes, would be an applicant who wishes to register a domain name or Web site address for which he has exerted considerable time and

70. See generally *Panavision Int’l, L.P. v. Toeppen*, 945 F. Supp. 1296, 1299 (C.D. Cal. 1996); *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227 (N.D. Ill. 1996); *Jews for Jesus v. Brodsky*, 993 F. Supp. 282 (D.N.J. 1998).

71. See 15 U.S.C.A. § 1125(c)(1)(A)-(H) (West Supp. 1996).

72. See *Jews for Jesus*, 993 F. Supp. at 298.

invested substantial sums to advertise extensively on the Internet or to place hyperlinks connecting his site to another site. Also, if the mark has been used for a substantial period of time, the mark is more likely to qualify as famous.⁷³ Media coverage is also relevant and suggests a famous mark.⁷⁴ There are also factors which discourage a finding that the mark is famous. For instance, if the mark is also used by several third parties, a court is not likely to find a famous mark.⁷⁵ However, in most cases that allege trademark dilution following the registration of a trademark as a domain name by a third party, the fact that the mark is famous or well-known is seldom disputed.⁷⁶

2. Defendant Must Use the Mark in a Way that Constitutes “Commercial Use”

Commercial use is an “essential element” in every trademark dilution claim.⁷⁷ Under the codification of the Lanham Act in 15 U.S.C. § 1125(c), noncommercial use is excluded as an unlawful use sufficient to give rise to a cause of action.⁷⁸ Therefore, in trademark dilution claims that involve the registration of a trademark as a domain name, the pivotal issue in the case is often whether such registration and use constitutes a commercial use. It is accepted by most courts that “[mere] registration of a mark as a domain name, without more, is not a commercial use of the trademark and therefore is not within the prohibition of the Act.”⁷⁹ Something more is required to place the registration of a domain name within the purview of the Lanham Act’s commercial use requirement; “mere registration” is insufficient to invoke a finding of commercial use.⁸⁰

73. *See id.*

74. *See id.*

75. *See id.*

76. *See Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316, 1324 (9th Cir. 1998); *Bally Total Fitness Corp. v. Faber*, 29 F. Supp. 2d 1161, 1166 (C.D. Cal. 1998) (no reference to whether the mark is famous); *TeleTech Customer Care Management v. Tele-Tech Co.*, 977 F. Supp. 1407, 1409 (C.D. Cal. 1997) (court held that mark is “probably famous” based on evidence submitted by plaintiff; no reference to any evidence submitted by defendant in opposition); *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1277, 1239 (N.D. Ill. 1996) (“Toeppen does not dispute that the Intermatic mark is famous . . .”). *But see Jews for Jesus*, 993 F. Supp. at 306 (court held plaintiff’s mark famous despite defendant’s argument and evidence in opposition).

77. *Bally*, 29 F. Supp. 2d at 1166.

78. *See Jews for Jesus*, 993 F. Supp. at 307.

79. *Panavision*, 945 F. Supp. at 1303, *aff’d*, 141 F.3d at 1324.

80. *Academy of Motion Picture Arts & Sciences v. Network Solutions, Inc.*, 989 F. Supp. 1276, 1278 (C.D. Cal. 1997), *cited in Panavision*, 141 F.3d at 1324.

Although the issue of whether a defendant's actions qualify as commercial use is resolved by a factual determination, the courts have provided examples of activities that indicate commercial use. For instance, the commercial use requirement is satisfied if a defendant seeks a profit through the registration. However, a court will also hold the registration to constitute commercial use if a defendant registers the plaintiff's trademark as a domain name in an attempt to cause commercial harm to the plaintiff or thwart the plaintiff's profits.⁸¹ Any attempt to "intercept . . . the audience sought by the [p]laintiff" would lead to a finding of commercial use.⁸² Thus, not only will profit-seeking motives fulfill the commercial use requirement, but the same is true for efforts to deprive the plaintiff and registered trademark owner of the targeted audience or entitled gains. A court will also take notice of any other activities by the defendant that indicate a profit-seeking motive, such as solicitation of funds by means of the Web site.⁸³

Recent case law has also offered some guidelines that assist trademark attorneys and courts in determining whether an allegedly unlawful use constitutes commercial use sufficient to prove dilution. Two prominent cases feature the same defendant, Toeppen, who registered several trademarks of well-known companies as domain names and then subsequently attempted to extort money from the companies in exchange for the domain name. The courts have uniformly held that such efforts to arbitrage a domain name render the registration a commercial use within the meaning of the statute.⁸⁴ The defendant operated a "business" of charging companies exorbitant sums of money for the right to register a company's trademark as its domain name and thus access the Internet audience. This innovative method of finding commercial use of a mark demonstrates the courts' determination to prevent a cybersquatter's attempts to extort a ransom from a large corporation or business entity in return for a domain name that they may have never used or had reason to use.

However, not every use will constitute a commercial use sufficient for a finding of dilution. Basic trademark law principles

81. See *Jews for Jesus*, 993 F. Supp. at 308.

82. *Id.*

83. See *id.* (citing *Planned Parenthood Federation of America, Inc. v. Bucci*, 42 U.S.P.Q.2d 1430 (S.D.N.Y. 1997)).

84. See, e.g., *Panavision*, 141 F.3d at 1316; *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227, 1227 (N.D. Ill. 1996).

permit nonauthorized use of a mark for certain purposes.⁸⁵ The commercial use requirement prevents the subordination of First Amendment rights in preference of trademark principles. For instance, under the umbrella of First Amendment rights, consumer criticism is a permissible reason to register another party's trademark as a domain name.⁸⁶ Also, the dilution doctrine cannot be used to prevent the mere placement of a trademark on a Web site operated by an unrelated party.⁸⁷ An examination of the legislative intent behind the dilution statute illustrates that the dilution doctrine must not prohibit "noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction."⁸⁸ Thus, use of a trademark within a Web site or domain address for purposes of parody or consumer review is permissible.

Some courts consider "use in commerce" to be a separate requirement.⁸⁹ However, in cases that involve dilution and domain names, this requirement is easily satisfied by the commonly held expansive view of commerce as it exists on the Internet. The court held in *Intermatic Inc. v. Toebben* that the use in commerce requirement must be interpreted liberally in accordance with the goals of the Lanham Act.⁹⁰ Under this standard, the use in commerce requirement does not present a barrier to a finding of dilution. The *Intermatic* court held that the act of placing the mark on the Internet satisfies this prong of the dilution claim.⁹¹ This finding proceeds from the ability of the Internet to transmit any message to a user and therefore perform any transaction instantaneously without geographical restrictions.⁹² As the court stated, "[u]se of the Internet is sufficient to meet the 'in commerce' requirement of the [Lanham] Act."⁹³ Thus, in every case in which registration of a domain name is at issue, the "in commerce" requirement, if applied, will be fulfilled.

85. See *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26 (1st Cir. 1987).

86. See *Bally Total Fitness Corp. v. Faber*, 29 F. Supp. 2d 1161, 1165 (C.D. Cal. 1998).

87. See *id.* at 1166.

88. 141 Cong. Rec. S19306-10 (daily ed. Dec. 29, 1995), cited in *Bally*, 29 F. Supp. 2d at 1167).

89. See *Intermatic*, 947 F. Supp. at 1239.

90. See *id.*

91. See *id.*

92. See *id.*

93. *Id.* at 1240.

Other courts also require a finding that the defendant's alleged use began after the trademark became famous.⁹⁴ If a court chooses to do so, then the court must make a factual determination of first use and priority. In this situation, the dates of registration, both for the trademark and the domain name, as well as the dates of first use for the trademark and the domain name become of the utmost importance. However, not all courts read this requirement into their interpretation of the federal dilution act.⁹⁵

3. Such Use Must Cause Dilution of the Trademark Owner's Mark

Traditionally, there are two ways in which a mark may be diluted: blurring and tarnishment. In the first instance, "dilution by 'blurring' occurs whenever a junior mark is either identical to or sufficiently similar to the famous mark that persons viewing the two marks will instinctively make a 'mental association' between the two."⁹⁶ An example demonstrates how the registration of a third party's trademark as a registrant's domain name may blur the mark and cause dilution. Consider an entity that registers a Web site that incorporates a trademark, and the Web site contains subject matter completely unrelated to the goods represented by the trademark. Every time an Internet user prints the contents of the Web site in full or in part, the domain name address will also be printed on each and every page with the contents of the Web site. Thus, it may be argued that the constant and continued association between the domain name address, which incorporates the trademark, and the contents of the Web site, although unrelated to the trademark, will result in a blurring of the mark's distinctive quality over time.

The second traditional means of dilution is tarnishment, which may arise "when the goodwill and reputation of a plaintiff's trademark is linked to products which are of shoddy quality or which conjure associations that clash with the associations generated by the

94. See John F. Delaney et al., *The Law of the Internet: A Summary of U.S. Internet Caselaw and Legal Developments*, 545 PLI/PAT 61, 126 (1999) (referring to *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998)); *Bally Total Fitness Corp. v. Faber*, 29 F. Supp. 2d 1161, 1166 (C.D. Cal. 1998).

95. See *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 305 (D. N.J. 1998); *TeleTech Customer Care Management v. Tele-Tech Co.*, 977 F. Supp. 1407 (C.D. Cal. 1997); *Intermatic*, 947 F. Supp. at 1239-40.

96. *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 452 (4th Cir. 1999).

owner's lawful use of the mark."⁹⁷ For example, this may occur if Applicant *A* registers a trademark for "ACME" for use with his business, Acme Lighting, which includes lighting supplies and installation services. Subsequently, Registrant *B* registers the domain name address "acmelighting.com" for lighting supplies and installation services. However, *B*'s products and services are significantly inferior in workmanship and design to the products and services offered by *A*. *A* would have a dilution claim, based upon the tarnishment prong of the dilution doctrine, that *B*'s domain name incorporating *A*'s trademark tarnishes *A*'s reputation by causing a mental association between *A*'s mark and *B*'s shoddy goods. Another example of tarnishment would concern the placement of obscene, offensive, or immoral subject matter on a Web site that has a domain name address that incorporates another party's trademark. For instance, a well-known children's store may have a cause of action against the owner of a Web site that incorporates the trademark of the children's store if the Web site owner places pornographic material on the Web site. However, some courts confronted with an allegedly diluting domain name registration base their holdings on another concept, separate from blurring or tarnishment, described by one court as "diminishment."⁹⁸

Diminishment is distinguished from blurring and tarnishment as a separate cause of action that may give rise to a dilution claim.⁹⁹ At least two courts have held that a cybersquatter's unlawful conduct varies from the two standard theories of trademark dilution.¹⁰⁰ In each of these cases, the aforementioned defendant, Toeppen, registered the trademarked names "PANAVISION" and "INTERMATIC" as two separate domain names, "panavision.com" and "intermatic.com." Although in both cases the courts found that the defendant cybersquatter did not use the marks in a way that constituted blurring or tarnishment, both courts held that Toeppen diluted the marks through his domain name registrations because he "eliminated the capacity of the . . . marks to distinguish goods and services on the Internet."¹⁰¹ By registering Intermatic's trademark as a domain

97. *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 31 (1st Cir. 1987).

98. *See Intermatic*, 947 F. Supp. at 1238.

99. *See id.*

100. *See* Lesley F. Brown, Note, *Avery Dennison Corp. v. Sumpton*, 14 BERKELEY TECH. L.J. 247, 262 (1999).

101. *Panavision Int'l, L.P. v. Toeppen*, 945 F. Supp. 1299, 1304 (C.D. Cal. 1996), *aff'd*, 141 F.3d at 1316 (9th Cir. 1998).

name, the defendant “lessen[ed] the capacity of Intermatic to identify and distinguish its goods and services by means of the Internet.”¹⁰² In other words, the defendant diminished the trademark owner’s means of marketing and distributing the goods. Since only one party may register a specific domain name, the defendant’s registration of Intermatic’s trademark precluded the possibility that Intermatic may register its own trademark as its domain name or Web site address. Internet users will typically search for a company’s Web site by inserting the company’s name or trademark into a search engine, which then displays the closest matches. Consumers would encounter difficulty when attempting to access Intermatic’s Web site via the Internet, since its address must necessarily be different than its trademark. It is this difficulty that lessens or diminishes the capacity of a trademark owner to identify its goods to potential customers via the Internet.¹⁰³

In addition, the *Intermatic* court implied that a fourth type of dilution may exist. The court held that dilution occurred because the defendant’s registration allowed him unrestricted use of the mark. Both the name and reputation of Intermatic would be “at [the defendant’s] mercy,” permitting unlimited associations of the trademark beyond the scope of the owner’s control.¹⁰⁴ The domain name would appear on every Web site and printed page, resulting in the loss of distinctiveness and dilution of the mark.¹⁰⁵ This form of dilution resembles blurring, but the court declined to classify the effects of the defendant’s acts as one of the traditional patterns of dilution. In doing so, the *Intermatic* court indicated that although traditional trademark principles may apply to domain name disputes, some “remodeling” of the theories may be required for application to Internet-related claims.

B. Trademark Infringement as a Cause of Action

1. Basic Principles of Trademark Infringement

The dilution doctrine is not the only option for a business or entity that wishes to bring a claim against a party pertaining to a

102. *Intermatic*, 947 F. Supp. at 1240.

103. *See id.*

104. *Id.*

105. *See id.*

domain name dispute. In addition to a claim of trademark dilution, a plaintiff may bring a claim of trademark infringement against a person who registers a domain name that incorporates a mark registered by another person or entity. A trademark infringement claim hinges upon whether the allegedly infringing mark is likely to cause consumer confusion. Although there are several factors for a court to consider, three of the most important factors in trademark infringement claims that involve use of the Internet include the similarity of the two marks, the relatedness of their products and services, and the common use of the Internet in marketing the products or services.¹⁰⁶ When considering these three factors, the court must analyze the likelihood of confusion from the perspective of the ordinary consumer.¹⁰⁷

2. Conflicts Between Trademark Infringement Principles and Domain Name Registration

There are some that argue that use of a trademark as part of a domain name should receive the same stringent protection as other types of use. Others argue that traditional trademark law cannot be applied to the new technology of the Internet. There are inherent difficulties that arise when a court attempts to apply trademark law to domain name disputes. For example, there is a conflict that exists between the geographic territoriality of trademark law and the limitless scope of the Internet, as described above. Another conflict arises upon consideration of the basis upon which the Patent and Trademark Office confers trademarks and the process by which various registrars grant domain name registrations. The Patent and Trademark Office upholds traditional trademark law principles that protect the first party to use a mark in commerce.¹⁰⁸ In contrast, NSI, for example, has registered domain names on a "first-come, first-served" basis.¹⁰⁹ It is impossible to completely separate trademarks from domain names. The inevitable commingling of these two spheres requires a reconciliation between the registration procedures for trademarks and for domain names.

106. See Robert L. Kirkpatrick, *Trademark Infringement and Dilution Update*, 569 PLI/Pat 61, 76-77 (1999).

107. See *id.*

108. See John R. Dean, *The Sheriff Is Coming to Cyberville: Trademark and Copyright Law and the Internet*, 11 BYU J. PUB. L. 75, 78 (1997).

109. See *id.*

3. Courts' Treatment of Trademark Infringement Claims in the Context of Domain Name Disputes

Because of these and other conflicts, many courts have attempted to sidestep the issue of trademark infringement as it applies to domain name disputes.¹¹⁰ For instance, trademark infringement within the context of domain name registration often “escaped review” as relieved courts decided cases based upon procedural grounds and not substantive issues of trademark law.¹¹¹

However, not all courts are as reticent today to apply traditional trademark theory to domain name disputes. For example, in *Comp Examiner Agency, Inc. v. Juris, Inc.*, a district court in California became the first court to apply traditional trademark infringement law to a domain name dispute.¹¹² This position was subsequently affirmed by the Ninth Circuit in the *Panavision* case, discussed in a previous section.¹¹³ Similar principles are applied to domain name disputes despite the fact that the alleged infringement does not occur through the typical channels such as marketing or distribution. Many courts are beginning to demonstrate some uniformity in the application of trademark principles. For instance, almost every U.S. court that has confronted a trademark infringement claim within the context of a domain name dispute emphasizes the similarity of the products represented by the marks at issue as a factor for consideration of likelihood of confusion. Similarly, U.S. courts have demonstrated a clear reluctance to support a cause of action for trademark infringement when the marks—incorporated into the domain names—represent different goods.¹¹⁴

The most recent court of appeals case to confront trademark infringement in the context of a domain name dispute is *Brookfield Communications Inc. v. West Coast Entertainment Corp.*¹¹⁵ In 1993,

110. See *id.* at 76.

111. *Id.* For examples of cases in which courts decide cases alleging claims of trademark infringement on other grounds, see generally John F. Delaney & Robert Murphy, *The Law of the Internet: A Summary of U.S. Internet Caselaw and Legal Developments*, 570 PLI/Pat 169 (1999); Dean, *supra* note 108, at 79-82.

112. See Stacy B. Sterling, *New Age Bandits in Cyberspace: Domain Names Held Hostage on the Internet*, 17 LOY. L.A. ENT. L.J. 733, 758 (1997) (citing *Comp. Examiner Agency, Inc. v. Juris, Inc.*, No. 96-0213-WMB (CTx), 1996 WL 376600 (C.D. Cal. Apr. 26, 1996)).

113. *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir 1998).

114. See *TeleTech Customer Care Management v. Tele-Tech Co.*, 977 F. Supp. 1407 (C.D. Cal 1997); *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227 (N.D. Ill. 1996).

115. See *Brookfield Communications, Inc. v. West Coast Ent. Corp.*, 174 F.3d 1036 (9th Cir. 1999).

the complainant, Brookfield Communications Inc. (Brookfield), offered its on-line entertainment database to the public under the trademark "MOVIEBUFF."¹¹⁶ In 1996, Brookfield attempted to register a domain name for its database that incorporated its trademark, only to learn that West Coast Entertainment Corp. (West Coast) had previously registered "moviebuff.com" as its domain name.¹¹⁷ West Coast had also obtained a federally registered trademark for the phrase "THE MOVIE BUFF'S MOVIE STORE" in 1993. In 1998, Brookfield registered "MovieBuff" as a federally registered trademark, designating "computer software providing data and information in the field of the motion picture and television industries," and as a service mark, "providing multiple-user access to an on-line network database offering data and information in the field of the motion picture and television industries."¹¹⁸ As a result of West Coast's domain name, Brookfield was precluded from registering "moviebuff.com" as it had hoped, and instead, Brookfield registered "moviebuffonline.com" as its domain name.¹¹⁹

Brookfield initiated the litigation after learning of West Coast's intentions to provide an on-line entertainment database from the "moviebuff.com" Web site.¹²⁰ West Coast ignored Brookfield's cease and desist letter, and soon thereafter Brookfield filed a complaint against West Coast that included claims of trademark infringement, dilution, unfair competition, and false advertising.¹²¹

After determining that Brookfield had a "valid, protectable trademark interest in the 'MovieBuff' mark," the Ninth Circuit applied the basic rule that infringement occurs if there is a likelihood of confusion between two marks.¹²² However, the *Brookfield* court is noted for its extension of the rule in the context of domain name disputes. *Brookfield* demonstrates one court's firm position that a *domain name* may also infringe a trademark; in other words, trademark infringement is not limited to disputes that involve two *trademarks*, but it also applies to disputes involving a trademark and a domain name. However, the Ninth Circuit, in overruling the district court's finding, emphasized that neither mere registration of a domain

116. *See id.* at 1041.

117. *See id.* at 1042.

118. *See id.*

119. *See id.* Brookfield also registered "brookfieldcomm.com."

120. *See id.*

121. *See id.* at 1042-43.

122. *Id.* at 1046-47.

name¹²³ nor “registration of a domain name with the intent to use it commercially [is] sufficient to convey trademark rights.”¹²⁴

In its analysis of the likelihood of confusion between West Coast’s domain name “moviebuff.com” and Brookfield’s trademark “MovieBuff,” the court examined the similarity of the marks. The court quickly and decisively found that the marks were similar, despite - and in part *because of* - differences that were due to the nature of the Internet. Although noting such differences as the addition of “.com,” the court indicated that such differences were not sufficient to hold that the marks were not similar. The court observed: “In terms of appearance, there are differences in capitalization and the addition of ‘com’ in West Coast’s complete domain name, but these differences 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.”¹²⁵

The Ninth Circuit also diminished any differences in sound and meaning. As the court stated, many companies use the “.com” top level domain, thus it does little to distinguish the mark.¹²⁶ Furthermore, the court underscored the dual purpose of a domain address: It not only serves as an Internet address, but it also conveys meaning. For this reason consumer confusion is likely to occur.¹²⁷ On this issue, the Ninth Circuit cited a series of district courts that have reached similar conclusions.¹²⁸ In addition to the similarity of the marks, the court also examined several other factors that determine likelihood of confusion.

In its analysis of the relatedness of the products, the Ninth Circuit stressed the fact that both companies utilize the Internet as a “marketing and advertising facility.”¹²⁹ This fact by itself exacerbates the likelihood of confusion.¹³⁰ After concluding its consideration of this factor, despite the existence of several other factors for consideration of trademark infringement, the Ninth Circuit recognized that consumer confusion is likely to result “[g]iven the virtual identity

123. *See id.* at 1051 (citing *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316, 1324-25 (9th Cir. 1998)).

124. *Id.* at 1052.

125. *Id.* at 1055.

126. *See id.*

127. *See id.*

128. For a list of these district court cases, see *id.* at 1055.

129. *Id.*, 174 F.3d at 1057.

130. *See id.*

of [the marks], the relatedness of the products and services accompanied by those marks, and the companies' simultaneous use of the Web as a marketing and advertising tool."¹³¹ Although the court continued its analysis of other issues, it rendered a tentative conclusion at this stage that West Coast's domain name infringed Brookfield's trademark. Thus, the first trademark holder was held to be entitled to the domain name. The Ninth Circuit also noted that Internet users are especially susceptible to confusion. The ease of "surfing the 'Net'" and quickly visiting dozens of sites through hyperlinks and metatags has the practical consequence that Web surfers—potential consumers—are more likely to be confused about the ownership of a Web site than a traditional consumer or patron would be.¹³²

4. Trademark Infringement as an Option for Plaintiffs

Although dilution has traditionally presented the best option for plaintiffs with famous marks, trademark infringement has surfaced as another viable alternative, especially for owners of less widely known marks. Once shunned by courts which hastened to avoid the implications of applying traditional trademark theories to the Internet, trademark infringement law now possesses its own body of case law—albeit small—in the context of domain name disputes. Although the Ninth Circuit is thus far the most outspoken and fearless jurisdiction, other courts will soon follow. It is fair to anticipate that other jurisdictions will follow the Ninth Circuit's lead and decide domain name disputes based upon traditional trademark law principles. With some guidance out there, other courts will be less reluctant to confront cases of domain name disputes grounded in traditional trademark law principles.

V. THE PROPOSED ANTICYBERSQUATTING CONSUMER PROTECTION ACT AND THE PROPOSED TRADEMARK CYBERPIRACY PREVENTION ACT

Congress has recently embarked on a legislative solution to the threat posed by cybersquatters. In August 1999, the Senate passed a bill that sponsored anti-cybersquatting legislation, quickly followed

131. *Id.*

132. *See id.*

by the House of Representatives in October.¹³³ The slight differences between the two bills does not diminish the significance of the speed with which both houses of Congress passed the legislation, demonstrating Congress' commitment to stop cybersquatters' attempts to hijack trademarks and defraud consumers. Both of the bills passed by the Senate and the House prohibit the bad-faith registration of domain names that are identical or similar to existing trademarks with the intent to profit from the goodwill established by the trademark owners.¹³⁴ The legislation would provide a cause of action to trademark owners, allowing them to sue people who register a domain name that is confusingly similar or identical to a trademark or who exhibit a bad faith intent to profit from the trademark.¹³⁵ Uniformity is one reason that proponents urge Congress to pass the bill. As Representative James Rogan (R-Glendale, California) has stated, the bill applies traditional trademark law to the Internet.¹³⁶ Without the uniformity provided by the anticybersquatting legislation, there are serious risks posed to the future of e-commerce. For example, in the words of Senator Orrin Hatch (R-Utah), "The fact is that if consumers cannot rely on trademarks online as they do in the world of bricks and mortar store-fronts, few will engage in e-commerce."¹³⁷ The legislation draws support from a diverse range of proponents, from the trademark industry, including the American Intellectual Property Law Association and the International Trademark Association, to the film studios in Hollywood, seeking greater protection for copyrighted names.¹³⁸ However, a final version of the legislation is not expected to be adopted for several months.¹³⁹ There are still several issues that must be resolved.

For example, one conflict pertains to the question of personal names. Although the bill passed by the House, the Trademark Cyberpiracy Prevention Act, protects the names of famous people in addition to prohibiting bad-faith registrations, the Senate's version of

133. See Ritchenya Shepherd, *No Cybersquatter Protection Yet: Domain-Name Bill Passes, But White House Has Concerns*, NAT'L L.J., Nov. 15, 1999, at B8.

134. See *id.*

135. See Carolyn Lochhead, *Web-Address Legislation Called Flawed/Corporations Could Dominate Small-Firm Sites, Experts Say*, S.F. CHRON., at A1.

136. See *id.*

137. David McGuire, *Hatch, Leahy Praise IP Provisions in Budget*, NEWSBYTES, Nov. 19, 1999.

138. See Lochhead, *supra* note 135.

139. See Shepherd, *supra* note 133.

the bill, the Anti-Cybersquatting Consumer Protection Act, does not contain similar protection for personal names.¹⁴⁰ Another contentious issue involves allegations of favoring large corporations at the expense of small businesses and individuals.¹⁴¹ The statutory penalties imposed by the legislation could allow large corporations to threaten small firms or individuals. For example, if the legislation is passed, a large corporation could send a threatening cease and desist order to an individual, demanding that the individual comply with the corporation's demands or risk a fine of \$100,000. With such options, the individual without the financial resources of the corporation will have little choice but to abide by the corporation's demands, regardless of his or her rights.¹⁴² Another source of contention is the possibility of reverse domain name hijacking. This occurs when an "individual user [has] a perfectly legitimate registered domain name, and somebody with a trademark sends [the user] a mean note from a lawyer threatening . . . a lawsuit and all kinds of expenses," trying to take away the name.¹⁴³ There have already been two infamous instances of such hijacking. In one case, a twelve-year-old boy registered his nickname, Pokey, and was then threatened by the maker of Gumby and Pokey toys.¹⁴⁴ In another instance, Archie Comics hounded a young girl named Veronica, who registered her name as a domain name.¹⁴⁵ There is also a mounting rift between the bills sponsors, Senator Spencer Abraham (R-Michigan) and Senator Patrick J. Leahy (D-Vermont), reportedly over Sentencing Commission nominations supported by Senator Leahy, that may interfere with the passage of the cybersquatting bill.¹⁴⁶ However, these political quarrels are expected to be resolved, yielding a legislative compromise satisfying both senators and protecting the rights of trademark owners.¹⁴⁷

One particular source of controversy is determining how this allegedly unilateral U.S.-approach will operate in the framework of international efforts to resolve domain name disputes.¹⁴⁸ For this

140. *See id.*; *see also* Lochhead, *supra* note 135.

141. *See* Lochhead, *supra* note 135.

142. *See id.*

143. *Id.*

144. *See id.*

145. *See id.*

146. *See* Shepherd, *supra* note 133.

147. *See id.*

148. *See* Lochhead, *supra* note 135.

reason, the White House initially opposed the bill.¹⁴⁹ Specifically, the legislation presents a dilemma in consideration of the new international domain name dispute process promulgated by the World Intellectual Property Organization.¹⁵⁰ One White House spokesman has stated, “We believe fundamentally we’d be walking down the wrong road if we legislated a cybersquatting law and then the two hundred or so Internet countries around the world started legislating their own rules and laws.”¹⁵¹ Although sponsors of the bill insist that it applies only to domestic domain name registrations, it is difficult to foresee how the legislation will not impact international disputes, caused by the Internet’s nature as a global portal. Proponents of the bill accuse the White House of attempting to shift control of domain name disputes to an international tribunal; critics say that current trademark law is already resolving many of the problems presented by cybersquatters.¹⁵² Although the new anti-cybersquatting legislation may further the attempts of current trademark law to resolve domain name disputes, it is unlikely that any bill heralded as applicable only to domestic domain name registrations will adequately address the global consequences that arise when there is a domain name dispute, considering the expansive territory and multijurisdictional nature of the Internet.

VI. THE CURRENT STATUS OF THE CONFLICT BETWEEN UNITED STATES TRADEMARK LAW AND DOMAIN NAME REGISTRATION

There is no definitive resolution to a conflict that results when a party registers another party’s trademark as a domain name, although a body of case law is developing that will provide protection to trademark owners, similar to that which exists regarding other types of trademark actions. Despite any differences in methodology, the courts have consistently endeavored to prevent a defendant from profiting by his acts of bad faith.¹⁵³ The most contentious issue in a

149. *See id.*

150. *See id.*

151. *See id.*

152. *See id.*

153. There is very little case law on the good faith registration of a trademark as a domain name by a party other than the trademark owner. A dilution claim based upon the federal statute does not require a finding of bad faith or predatory intent, in contrast to some state antidilution statutes. *See generally* Deere & Co. v. MTD Products, Inc., 41 F.3d 39, (2d Cir. 1994); W.W.W. Pharmaceutical Co., Inc. v. Gillette Co., 984 F.2d 567, 576-77 (2d Cir. 1993). Predatory intent is one of the “Sweet factors,” which are a set of factors set forth in Mead Data Central, Inc. v.

dilution claim will be whether the registration constitutes a commercial use. If the registrant seeks a “ransom” from the trademark owner in exchange for the domain name, or if he registers the domain name in a malevolent effort to intercept and divert the audience sought by the trademark owner, such motives will lead a court to conclude that the registration is a commercial use. With cases involving the domain name registration of another business’s trademark, the fame of the mark is seldom at issue. The remaining consideration is the effect of the registration: Does the registration dilute the distinctive quality of the mark? The courts have expanded the dilution doctrine to include an alternative to blurring or tarnishment. With the addition of diminishment as a possible form of dilution, the courts have a broadly defined mechanism to enforce the rights of trademark owners. The addition of this incompletely defined variant of dilution has already resulted in varied holdings. There is at this time no guidance for district courts, and each continues to set its own standards.

Trademark infringement has developed as a viable option for plaintiffs, but the case law is underdeveloped at this time to offer any assurances. The unbounded geographic constraints of the Internet also affect domain name disputes in the context of trademark infringement claims, and thus far courts have not acknowledged this particular issue. However, it is likely that courts will continue to enforce trademark owners’ rights as trademark infringement claims against domain name registrants become more common. The body of case law necessary to secure protection for trademark owners is still in its fledgling stage, and it will be at least a few more years until there is precedent upon which trademark owners can rely. In the interim, claimants may turn to the new ICANN Uniform Dispute Resolution Process as an alternative to the courts.

Toyota Motor Sales, 875 F.2d 1026, 1035 (2d Cir. 1989), proposed to be useful indicators of dilution. At least one court has held that the Sweet factors are inappropriate for purposes of the federal dilution act. *See* I.P. Lund Trading ApS and Kroin Inc. v. Kohler Co. and Robern, Inc., 163 F.3d 27, 48-49 (1st Cir. 1998). Therefore, although predatory intent, as one of the Sweet factors, may be useful for claims arising under the state statutes, it is not significant under the federal dilution act.

VII. THE STATE OF INTERNATIONAL LAW: INTERNATIONAL
TRADEMARKS V. INTERNET DOMAIN NAMES

*“The tension between domain names, on the one hand, and intellectual property rights, on the other hand, has led to numerous problems that raise challenging policy questions. These policy questions have new dimensions that are a consequence of the intersection of a global, multipurpose medium, the Internet, with systems designed for the physical, territorial world.”*¹⁵⁴

A. *Problems in Cyberspace: The Nature of Domain Name Disputes*

Overall, a myriad of concerns surrounds disputes over domain names. Many respondents throughout the world have expressed frustration regarding the conflicts arising out of competition for domain names.¹⁵⁵ For example, commentators have emphasized the need for the domain name system to accommodate the diverse nature of the Internet’s users—who may register domain names for commercial, as well as political and social purposes—and to ensure individuals’ freedom of communication. These conflicts may be seen as a consequence of the global reach of the Internet, where the rights of a trademark holder in one territory must coexist with the legitimate rights of other trademark holders or Internet users, employing the same or similar names, in different jurisdictions and for different uses.¹⁵⁶

Furthermore, other small businesses and large scale trademark holders or famous personalities often clash for competing rights to a domain name. It has also been emphasized that the “suspension, transfer or cancellation of a domain name held by a small business owner could irrevocably damage its commercial interests.”¹⁵⁷

154. Final Report, *supra* note 27.

155. *See generally id.*

[E]ven in a country like India, which has just begun its journey on the information superhighway, we have already begun to encounter things like ‘Internet Property Auction.’ Names sites have already been picked up and resold to the original owners, including BJP, which is the ruling party in India today, Srivansan, Times of India, VHP, ABCL, Tata, ONGC, . . . ITC Hotels Ltd., Welcome Net LTD, . . . State Bank of India and a host of other corporates, which reads like a Who’s Who. The minimum auction bid here is stated as US\$1500, . . . and the time of closing of the bid is five days thereafter.

Id. at #328.

156. *See id.* at #324.

157. *Id.* at #325.

As more trademark owners have begun to contest domain names that they perceive as “their property,” more domain name registrants have defended themselves arguing that the trademark holders are engaged in “reverse domain name hijacking.” These are “situations where a trademark holder, relying on its trademark registrations, seeks to interfere with the rights of a domain name holder who obtained the domain name under legitimate circumstances and does not use it in a way that would justify a claim of trademark infringement or dilution.”¹⁵⁸

Theoretically and academically, the debate goes on about whether a trademark holder should have superior rights to a domain name that includes the trademark over the domain name registrant. Internationally, though, courts are beginning to reach fairly similar conclusions in favor of trademark owners when the opposing domain name registrant has no legitimate claim to the name. However, when there are two competing legitimate claims to a single domain name, courts have not always found in favor of a trademark holder. Some believe that even owners of famous trademarks are not automatically entitled to a domain name if such automatic preference would contribute to anticompetition and loss by legitimate, noncyber-squatting users. For example, one U.S. district court judge recently summarized his rejection of a claim of trademark dilution caused by registration of the same as a domain name:

While use of a trademark as a domain name to extort money from the markholder [sic] or to prevent that markholder from using the domain name may be per se dilution, a legitimate competing use of the domain name is not. . . . Holders of a famous mark are not automatically entitled to use that mark as their domain name; trademark law does not support such a monopoly.¹⁵⁹

Nonetheless, litigation continues, encouraged by varying judgments by different courts. Demonstrating the glut of litigation in courts, at one of WIPO's regional consultations, a speaker testified that as to the

One dispute was recently brought to my attention. A small Internet provider has received a domain name challenge from another company that is located on the other side of the United States and it is in a completely different business. They have already spent \$40,000 to defend themselves and the case hasn't even gone to trial yet. I am talking about a company with six employees.

Id.

158. *Id.* at #323; see also Carl Oppedahl, *Recent Trademark Cases Examine Reverse Domain Name Hijacking*, 21 HASTINGS COMM. & ENT L.J. 535 (Spring 1999).

159. *Hasbro, Inc. v. Clue Computing, Inc.*, 66 F. Supp. 2d 117, 133 (D. Mass. 1999).

intensity of claimed dilution of famous marks, “in less than a year, we have already had 579 matters in the existing gTLDs.”¹⁶⁰ Fortunately, the new Uniform Domain Name Process is now in place to divert lawsuits to arbitrating forums and lessen the load on courts.

B. International Trademark Protection Agreements: TRIPS, MADRID, and the Paris Convention

International litigation over domain names has generally resulted when an entity holds trademark rights to a name in one or multiple countries and another entity or individual has registered the trademark as a domain name. Companies engaged in e-commerce now need to ensure that their domain names are protected internationally. This must be accomplished through a combination of international registrations and individual country registrations, because not all countries are parties to the same international treaties.

In most countries, rights are initially secured by registration and maintained by later use in the country. . . . Only the United States and a few other nations require use of the mark before registration (*e.g.*, Canada and the Philippines) or give some priority of rights based solely on use (*e.g.*, in addition to the United States, common law countries such as Australia, Canada, and the U.K.).¹⁶¹

Several international agreements provide for the protection of trademarks. Because the United States is not a party to all

160. Final Report, *supra* note 27, at #315.

We are encountering the same kind of volume that others are encountering and that is cases in the volume of 15 to 20 per month. In one particular case, someone registered ‘ATTT.com,’ which linked to a pornographic site. While this area may seem perhaps obscure to some, it is taken very seriously by those of us who have the brand recognition of the commercial players that are in this room. . . . Among the other examples are the registration of ‘AT-T.com,’ ‘ATTT.net,’ ‘ATTworldnet.net,’ ‘ATTwirelesservices.com,’ ‘ATTcellular.com,’ ‘ATTweb.com,’ ‘ATTonline.com,’ ‘ATTnetwork.net,’ ‘ATTTCI.com,’ .net, .org, it goes on and on. We do think that it is important so, when we talk about volume, we think it is there and increasing. . . .

Id.; *see also id.* at #317. Emphasizing the gamesmanship that is sometimes involved, still another speaker stated:

I probably have to send claim letters out and pursue people on a majority of the motion picture titles that we are coming out with and we have recently confirmed that there are growing numbers of people who watch the MPAA (Motion Picture Association of America), so that they can register domain name sites as soon as the MPAA registers our titles, which is months and months before those movies appear.

Id.

161. Sally Abel, *Fenwick & West LLP International Intellectual Property* (visited Dec. 23, 1999) <<http://www.softwareprotection.com/trademark.html>>.

international intellectual property treaties (i.e., the Madrid Agreement and Protocol) the international trademark protection presently available to U.S.-based companies without foreign subsidiaries or operations derives from the European Community Trademark (CTM) Act,¹⁶² Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) under GATT,¹⁶³ and the Paris Convention for the Protection of Individual Property,¹⁶⁴ the last two of which the United States is a member country or signatory. Since April 1, 1996, any entity can register for a CTM via the office in Alicante, Spain, which, when granted, will guarantee protection for a mark throughout the European Community.

Under the Paris Convention, a trademark owner may back-date its trademark rights in another signatory state to the time it initially filed in its home country, as long as it filed in the foreign state within six months of its home filing. For example, a U.S. natural gas company seeking to prevent Trinidadian companies from infringing its domain name site that failed to apply for registration of its trademark/name in Trinidad within six months of its filing in the U.S. will only be protected in Trinidad from the time it files a national application with the Trinidadian government.

In addition, article 10*bis* of the Paris Convention establishes an obligation on signatories to protect against unfair competition,¹⁶⁵ and article 10*ter*(1) requires contracting States to assure nationals of other

162. See Interlaw, Ltd., "European Union Adopts Community Trademark Act" (visited April 11, 2000) <<http://www.lectlaw.com/files/il-3.htm>>.

163. See Final Report, *supra* note 27, Annex XI, "List of States Party to the World Trade Organization (WTO) and Bound by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement." TRIPS is binding on 134 countries.

164. See *id.* Annex X, "List of States Party to the Stockholm Act of 14 July 1967 of the Paris Convention for the Protection of Industrial Property." The Paris Convention has been signed by 154 countries.

165. See *id.* at #174. Article 10*bis* provides:

(1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition, (2) Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition, (3) The following in particular shall be prohibited:

1. all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
2. false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
3. indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods. *Id.*

contracting States “appropriate legal remedies effectively to repress all the acts referred to in articles 9, 10, and 10*bis*.”¹⁶⁶

TRIPS incorporates the Paris Convention by reference and goes somewhat beyond it. Under TRIPS, “the basic rule contained in Article 15 is that any sign, or any combination of signs, capable of distinguishing the goods and services of one undertaking from those of other undertakings, must be eligible for registration as a trademark, provided that it is visually perceptible” (including combinations of “figurative elements” and colors).¹⁶⁷ TRIPS also contains rules on methods enforcement of intellectual property rights which overall must be existent and effective in all signatory countries without being barriers to trade. Finally, both TRIPS and the Paris Convention offer protection to well-known and/or famous marks whether or not they are registered in every signatory country.¹⁶⁸

Another issue, to be considered before a review of international case law, is that of enforcement of international judgments pronouncing trademark infringement and granting monetary damages in the form of lost profits, punitive awards, criminal fines, or the payment of litigation expenses. For example, a foreign entity that wins a suit against a company with U.S.-based assets would seek to enforce the judgment in the United States.¹⁶⁹ It may simply be seeking the enforcement of an injunction barring the Web site from operating in some fashion. Usually, enforcement of domain name disputes or decisions involving entities physically based in separate countries has and will continue to involve simply the termination of use or reassignment of a misused, or infringing, domain name by the

166. *Id.*

167. WTO on Intellectual Property (visited Jan. 15, 2000) <<http://www.wto.org/wto/intellect/intell2.htm>>.

168. See Final Report, *supra* note 27, at #266.

169. David Westin, *Enforcing Commercial Judgments and Arbitral Awards: United States, West Germany, and Great Britain*, 19 LAW & POL'Y INT'L BUS. 325, 329-30 (1987) (quoting *Hilton v. Guyot*, 159 U.S. 113, 202-03 (1895)). State courts and legislatures have uniformly agreed that the starting point is the principle of comity among nations as laid down by the Supreme Court in *Hilton v. Guyot*: where there has been opportunity for a full and fair trial abroad before a court of competent jurisdiction, conducting the trial upon regular proceedings, after due citation or voluntary appearance of the defendant, and under a system of jurisprudence likely to secure an impartial administration of justice between the citizens of its own country and those of other countries, and there is nothing to show either prejudice in the court, or in the system of laws under which it was sitting, or fraud in procuring the judgment, or any other special reason why the comity of this nation should not allow it full effect, the merits of the case should not, in an action brought in this country upon the judgment, be tried afresh, as on a new trial or an appeal, upon the mere assertion of the party that the judgment was erroneous in law or in fact.

appropriate original registrar. Sometimes, though, more will be required, but “the case law regarding enforcement of judicial orders arising from Internet trans-border problems is not mature.”¹⁷⁰

In the United States, there is no national law for foreign judgment enforcement, and the task is usually left to state courts implementing either their enacted particular version of the Uniform Foreign Money-Judgments Recognition Act, or their own common law.¹⁷¹ However, since January 1, 1987, most of Europe has been able to rely on the Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (Brussels Convention).¹⁷² The Brussels Convention begins with the premise that “[u]nder no circumstances may a foreign judgment be reviewed as to its substance . . . [and] a judgment given in a Contracting State shall be recognized in the other Contracting States.”¹⁷³ Therefore, as domain name disputes occur between entities in various European Community countries, difficulties in enforcement and conflicts of laws are automatically reduced.

Furthermore, the January 1, 1996 Agreement between WIPO and the WTO formalized WIPO's position at the forefront of monitoring and ensuring member countries compliance with TRIPS.¹⁷⁴ Therefore, WIPO/WTO is the center for the settlement of general international intellectual property-related disputes and enforcement of decisions, at least between and amongst TRIPS signatory countries. However, between countries not signatory to the same conventions, protection and enforcement of intellectual property rights presents more challenges. For example, because China is not yet a party to the WTO, TRIPS, or the Paris Convention (despite its membership to the Madrid Agreement and Protocol, which the United States has not signed), enforcement of U.S. intellectual property rights proves more difficult because there is no mutually binding agreement. U.S. companies can only protect their trademarks according to China's particular rules. However, there are still no absolute guarantees that TRIPS and other international agreements protecting trademarks will provide for the enforcement of foreign judgments. This is due to two

170. Martin B. Schwimmer, *Domain Names and Everything Else: Trademark Issues in Cyberspace*, 569 PLI/Pat 381, 421 (1999) (Understanding Basic Trademark Law—Practising Law Inst.).

171. See Westin, *supra* note 169, at 329.

172. 1978 O.J. (L 304) 77.

173. *Id.* tit. III.

174. See WTO, *supra* note 167 <<http://www.wto.org/wto/intellect/intell10.htm>>.

reasons: first, because not all nation states are members of the WTO; and, second, because even under WTO governance, only sanctions upon member states exist as punishment for noncompliance and only after a WTO dispute-resolution panel has voted to impose them. No WTO dispute panel has done so in the new TRIPS-related disputes that have arisen.¹⁷⁵ It is doubtful, however, that any domain name dispute will necessitate WTO panel enforcement via imposition of sanctions. Most likely, not all Internet trademark disputes will rise to the public or political level of the WTO, but rather will continue to be resolved privately via the registrars, the parties themselves, or in settlement by state or federal courts according to the discretion afforded them under common law or regional conventions after another court or, more probably, an arbitrator has decided a case.

C. *A Survey of Recent International Judicial Decisions Regarding Domain Name Disputes*

Courts around the world are becoming more consistent in their holdings regarding the rightful owner of a domain name. However, there is no over-arching rule, nor any clear international precedent. It does seem to appear that continental European courts are more likely than U.S. courts to find a likelihood of confusion and subsequent trademark infringement on the grounds of use of the same or similar domain name, even when the parties are not engaged in the same nature of business. Besides this very broad conclusion, nothing distinguishes U.S. decisions on domain name disputes from those of foreign courts. The rulings are highly fact-dependent, as in the United States. There is nothing to suggest that any international judicial consensus on the handling of domain name disputes will be reached any sooner than a domestic one. Furthermore, as more new gTLDs are introduced by ICANN, part of the problem of the potential for dilution of famous marks may be curtailed if registering domain names associated with such well-known marks is denied from the outset, except when registered by the registered trademark holder.

1. United Kingdom

At least one foreign case exemplifies the courts' resorting to the age-old rule of "first in time, first in right" to settle domain name disputes. In one domain name dispute between two entities with

175. See *id.* at "List of Disputes" <<http://www.wto.org/wto/dispute/distab.htm>>.

competing legitimate claims and trademarks, located in different geographical areas of England, the court applied the “first-come, first-served” principle of domain name allocation to decide the case.¹⁷⁶ Thus, the company that registered the domain name first was entitled to continue using the name, and the other had to come up with a variation of it to do business on the Internet.

The High Court in London has paralleled American court holdings on famous trademarks stolen from plaintiff companies.¹⁷⁷ The Courts have pronounced in several cases that trademark “brands” have been infringed; or in English legal parlance, that defendants have “passed off” the plaintiffs’ well-known marks by cybersquatting on domain names for which they could demonstrate no legitimate claims.¹⁷⁸

Additionally, another British court found jurisdiction over a Web site based in Germany.¹⁷⁹ The English plaintiff alleged that harm and damages resulted within England from the German sites’ operation, citing Section 2, Article 5(3) of the Brussels Convention that allows lawsuits to be heard where the harmful event occurred.¹⁸⁰

2. Europe

Many French domain name disputes have been decided by the District Court of Nanterre outside Paris because many companies choose to locate their principal place of business there for the economic incentives the locale offers.¹⁸¹ Foreign entities should be particularly careful about the availability of their Web sites within

176. See *Pitman Training, Ltd. v. Nominet UK*, F.S.R. 797 (1997).

177. See *Oggi Advertising Ltd. v. McKenzie*, 1 N.Z.L.R. 631; 1998 NZLR Lexis 50, High Court of Auckland (June 5, 1998); see also *British Telecomm. plc., Virgin Enterprises Ltd., J. Sainsbury plc., Ladbroke Group plc. v. One in a Million Ltd.*, 1 W.L.R. 903 (C.A. 1998).

178. The High Court in London stated:

Any person who deliberately registers a domain name on account of its similarity to the name, brand name or trade mark of an unconnected commercial organization must expect to find himself on the receiving end of an injunction to restrain the threat of passing off, and the injunction will be in terms which will make the name commercially useless to the dealer. *British Telecomm.*, 1 W.L.R. 903.

See also Mike Bracken, *UK Stands Firm on Domains*, WIRED, July 28, 1998 (visited Dec. 20, 1999) <<http://www.wired.com/news/news/politics/story/14054.html>>.

179. See Karen Marie Kitterman, *Borderless/Entangled in the Wide Web*, ECONOMIC TIMES, Nov. 27, 1999 (citing *Mecklermedia Corp. v. D.C. Congress GmbH*, CH 1996m7266 High Court, Chancery Div., Mar. 7, 1997).

180. See *id.*

181. Interview with Pierre-Yves Gautier, Professor of Contracts and IP, at Université Paris II (Jan. 7, 2000).

France because French courts have liberally invoked jurisdiction over domain name disputes, relying on the Brussels Convention. French courts “have considered themselves the proper forum to hear trademark cases arising out of Web sites accessible within France.”¹⁸² Therefore, foreign companies will fare better in domain name disputes involving their company names if they register their names and identifiers as trademarks with the Institute National de la Propriété Intellectuelle (INPI), also located in Nanterre, and register their company names as domain names in France’s ccTLD (.fr).¹⁸³

In one case, a French company was successful in its trademark infringement suit against the German company Brokat for its Internet misuse of the domain name “payline.”¹⁸⁴ Also of note, the internationally-known French company of Lancôme won its trademark dilution claim against cybersquatters for its famous mark, or *le marque de renommée*, in Nanterre.¹⁸⁵ Moreover, at least two French cities, Ville d’Elancourt¹⁸⁶ and St. Tropez,¹⁸⁷ have won their trademark infringement suits against other Web site registrants who use the names of the cities in their domain names.¹⁸⁸

In Italy, Playboy, a vigorous policer of its trademarks, won a suit against the domain name owners of “playboy.it” because the parodic pornographic site infringed Playboy’s famous trademark.¹⁸⁹ A Netherlands court also enjoined a registrant’s misuse of a domain name that it found belonged rightfully to a trademark holder.¹⁹⁰

3. Asia and the Pacific

Research has uncovered only a minimal number of reported domain name disputes occurring in Asia.¹⁹¹ One of the most high-profile cases was decided in India in favor of Yahoo!. Yahoo!

182. Kitterman, *supra* note 179.

183. See INPI (visited Jan. 13, 2000) <<http://www.inpi.fr/inpi/html/deleg/nanterre.htm>>.

184. See Kitterman, *supra* note 179.

185. See Gautier, *supra* note 181.

186. See Commune d’ Elancourt c/ Loic L., TGI de Versailles, Ord. Refere, Oct. 22, 1998.

187. See Schwimmer, *supra* note 170, at 421.

188. See *id.* at 181, for a similar case involving the City of Heidelberg, tried in the Munich District Court.

189. See *Playboy Enterprises, Inc. v. Giannattasio and CS Informatica*, Court of Naples, Jan. 14, 1999.

190. See *Labouchere v. IMG Holland*, President District Court Amsterdam, May 15, 1997.

191. See, e.g., Young June (Jay) Yang, *Domain Names and Trademarks on the Internet: Asian Pacific Rim Perspective*, 564 PLI/Pat 295, Third Annual Internet Law Inst., New York City (June 14-15, 1999).

successfully sued an Indian entity for infringing its trademark when it registered Yahooindia.com without a license.¹⁹²

Additionally, Yahoo! also prevailed in China in securing the return of its domain name which had been registered by cybersquatters under China's ccTLD (.cn). However, Yahoo! required the assistance and support of at least one Chinese lawyer and two other U.S. domain name companies because "the Internet is still very much controlled by the government in China," said International Communications spokesperson Xueni Ye.¹⁹³ Several Beijing-based companies had registered "yahoo.com.cn." However, since this dispute, "China has disallowed companies from registering names that do not belong to them."¹⁹⁴ In China, the State Administration of Industry and Commerce (SAIC) is the trademark registration agency, and all companies doing business in China must also register their company names with SAIC.¹⁹⁵

The legal lesson to be learned by trademark holders from this example is that national laws of trademark vary worldwide, and countries in which a company may seek to invoke its intellectual property rights may not be a party to TRIPS or to the Paris Convention treaties. "Companies tend to focus on their domain names domestically, but companies like Yahoo! that view themselves as international would be wise to secure their rights abroad" simply so that they will not run into conflicts in using their trademark in selling or providing their goods and services in particular demographic foreign markets.¹⁹⁶

Another interesting Asian case, which is representative of the ongoing debate regarding domain names, free-speech rights, and trademarks, has recently been filed in the Philippines. The Philippine Long Distance Telephone Company (PLDT) has sued both the domain name owner of www.pldt.com, a Web site that "promotes free speech on the Internet through personal commentary, political satire,

192. See *Yahoo! Inc. v. Akash Arora & Anor.*, High Court of Delhi (Feb. 19, 1998), IPLR 1999 Apr. 196 (I.A. No. 10115/199); see also *Yahoo! Inc. v. Yahoo-Israel Ltd.*, Tel Aviv District Court (July 1, 1998) (holding that the Israeli defendant company had indeed infringed American Yahoo!'s trademark rights, although neither company had yet registered a trademark in Israel.)

193. Paul Festa, *Yahoo Secures Chinese Domain Name*, *CNET News.com*, Sept. 1, 1998 (visited Jan. 16, 2000) <<http://news.cnet.com/news/0-1005-200-332811.html?tag=>>>.

194. *Id.*

195. Mark A. Cohen, *Protection of Company Names in China: Issues and Answers*, E. ASIAN EXEC. REPORTS 9 (Apr. 15, 1998).

196. *Id.* (quoting Jeffrey Neuburger).

free email service, and an active public discussion board,” and a consumer group, the Philippine League for Democratic Telecommunications, Inc. (PLDTI), for illegal use of its PLDT trademark.¹⁹⁷ PLDTI promotes the affordability of telecom services and vociferously protests the mandatory local-call metering that PLDT is proposing.¹⁹⁸ Although PLDT registered “pldt.com.ph” using the ccTLD of the Philippines, it failed to register simply its domain name in the .com gTLD. The telephone company is relying upon the trademark law of Republic Act 8293, or the Philippine Intellectual Property Code, and claims that Internet users were “‘lured’ instead to defendants’ [W]eb sites ‘only to find articles, illustrations and graphics derogatory to PLDT.’”¹⁹⁹ The unique element present in this case is that the Philippine Internet Service Organization (PISO) has already gone on record expressing its doubts about the legitimacy and strength of PLDT’s claims. PISO’s president stated, “As far as I’m concerned there is no law that is being violated.”²⁰⁰ If the Philippine court hearing the case decides likewise that the registration of pldt.com, despite its identicalness to PLDT’s name, does not violate PLDT’s famous trademark, this decision will add some contrast to the growing body of domain name dispute case law in the United States. U.S. courts have not tended to protect domain names as free-speech that fail to add anything new or express something else in the domain name itself apart from the literal copying of another’s trademark.²⁰¹ Such a decision would be analogous to a U.S. court ruling that the registration and operation of a Web site promoting lower long-distance rates with the slogan “More cents inter-state is less sense” under the domain name mci.com did not infringe or dilute MCI’s well-known trademark. Generally, when a similar business or competitor registers a domain name identical to an already widely-known trademark, U.S. courts have found infringement or dilution, and sometimes both.

197. *Domain Name Dispute Not a Big Issue, Say PISO Officials*, BUS. WORLD, Oct. 5, 1999.

198. *See id.*

199. *See id.*

200. *Id.*

201. *See, e.g.,* Schwimmer, *supra* note 170, at 407-08 (citing *Archdiocese of St. Louis v. Internet Entertainment Group, Inc.*, U.S.P.Q. 99CV27SNL, 1999 U.S. Dist. Lexis 508 (E. Mo. Feb. 12, 1999)).

Additionally, a number of Australian lawsuits have already been decided regarding domain name disputes, especially against alleged cybersquatters.²⁰²

VIII. THE EMERGENCE OF ADR: DEVELOPMENT OF A DOMAIN NAME DISPUTE RESOLUTION PROCESS

*There is no denying that the DNS/TM problem is complex. It involves conflicts caused by trying to map a trademark system that is both geographic and sectoral onto a domain name space that is world-wide and has only one .com. There are conflicts between trademark owners and those with other legitimate interests in a domain name—interests that range from nicknames and surnames to criticism and parody. In addition, there are conflicts caused by speculative behavior and hoarding (sometimes termed “cybersquatting” or “cyberpiracy”), or outright attempts to deceive by passing off one site as associated with another’s brand.*²⁰³

Realizing the need for a new way to hear and decide domain name disputes that offers a more economical and efficient alternative to the court system, WIPO conducted studies to draft a Final Report on the Domain Name Process²⁰⁴ into which was incorporated a new Uniform Dispute Resolution Policy (UDRP) as an alternative to litigation. Aware of the need for input from all sectors of society on the development of a domain name dispute resolution policy, WIPO issued requests for comments and organized two rounds of regional consultations in five geographic areas²⁰⁵ such that any person or entity could provide feedback at a public forum. The final result of all these consultations and comments is the UDRP, now binding on virtually all domain name registrants, originated by WIPO, as revised slightly and adopted by ICANN on August 26, 1999.²⁰⁶ Any applicant for a domain name to an ICANN-accredited registrar now automatically

202. See Domainz (visited Jan. 14, 2000) <www.domainz.co.nz> for more information on these cases.

203. A. Michael Froomkin, *Symposium: The Legal and Policy Framework for Global Electronic Commerce: A Progress Report. Of Governments and Governance*, 14 BERK. TECH. L.J. 617, 626 (Spring 1999).

204. See generally Final Report, *supra* note 27.

205. See *id.* at “Consultations” (header) for recordings, transcripts, etc. These consultations occurred twice in South America (Brazil), North America (Canada and the United States), Asia (Singapore), Europe (Belgium), and Africa (Senegal).

206. See ICANN, *supra* note 21, at “UDRP” (visited Feb. 20, 2000) <<http://www.icann.org/udrp/udrp-policy-24oct99.htm>> for Policy and Rules.

agrees to submit to an approved arbitration process if a controversy or conflict over its domain name, as registered, develops.

A. *An Overview of the New WIPO/ICANN Dispute Resolution Policy*

Much effort went into the preparation of a new UDRP by WIPO, including the consideration of approximately 234 comments from many different entities and individuals.²⁰⁷ Since ICANN put the UDRP into effect in December 1999, the number of claims submitted has skyrocketed. While only seven disputes were filed with WIPO²⁰⁸ and the National Arbitration Forum (NAF),²⁰⁹ two of the three dispute resolution providers thus far approved by ICANN, by mid-January 2000, virtually a hundred more were filed within the next month.²¹⁰ Disputes.org/eResolution Consortium is the third provider.²¹¹ Each of the dispute resolution service providers follows ICANN Rules and have also formulated their own supplemental rules. Costs for dispute resolution services vary between the three approved providers, but they are published and known to the parties before alternative dispute resolution (ADR) commences.²¹² The National Arbitration Forum has announced that its “arbitrators will review cases and issue awards within forty-five days,”²¹³ and, in general, this is the average time estimated to resolve a dispute.²¹⁴ The time can be minimized even more because the new UDRP, overseen by chosen arbitrators, can take place entirely online with parties filing all communications via the

207. See Final Report, *supra* note 27, Annex II, *List of Governments, Organizations and Persons Submitting Formal Comments*.

208. See WIPO Arbitration and Mediation Center (visited Dec. 22, 1999) <<http://arbiter.wipo.int/domains/>>.

209. See NAF (visited Jan. 15, 2000) <<http://www.arbforum.com/domains/>>. NAF was established in 1986 and is based in Minneapolis.

210. See ICANN, *supra* note 21, at UDRP (last visited Feb. 20, 2000) <<http://www.icann.org/udrp/proceedings-list.htm>> for a list of domain name disputes presently being settled in the UDRP and the provider organization hearing each dispute.

211. See eResolution <<http://www.eresolution.ca/>>. This provider was founded in 1996.

212. See the following areas of each provider’s Home page for their published fees: <<http://www.eresolution.ca/services/dnd/schedule.htm>>, <<http://www.arbforum.com/domains/>>, and <<http://arbiter.wipo.int/domains/fees/index.html>>. Prices for a single panelist to resolve two domain names in dispute range from \$750 (eResolution) to \$1000 (NAF). WIPO also charges \$1000 for up to five names.

213. ICANN Selects NAF to Resolve Cybersquatting Disputes Worldwide, PR NEWSWIRE, Dec. 21, 1999.

214. ICANN and U.S. Congress Tackle Internet Domain Name Disputes, ONLINE NEWSLETTER, 1999 WL 7583524, Oct. 1, 1999.

Internet.²¹⁵ Under the new process, disputes will be decided on the basis of documents only, without a hearing. Most likely, as the process develops, disputes will be resolved via online filings. Since the UDRP became effective in December, the number of claims has skyrocketed exponentially.

However, the WIPO/ICANN new policy has somewhat limited applicability. Only those domain name holders accused of abusively registering²¹⁶ their names must submit to ADR if a complaint is filed against them. Further, the UDRP preserves venue jurisdiction in no more than two countries: either in the nation of domicile of the applicant or in the country where the registrar is located.²¹⁷ WIPO has acknowledged that “in applying the definition of abusive registration, the panel of decision-makers shall, to the extent necessary, apply the law or rules of law that it determines to be appropriate in view of all the circumstances of the case.”²¹⁸

Further, the dispute resolutions will be published and freely available. In fact, the first domain name dispute under the new UDRP was received by WIPO on December 2, 1999, and was decided and partially published by January 14, 2000. The case concerned an abusive domain name registration by a cybersquatter of www.worldwrestlingfederation.com accepted by Melbourne IT, one of the four new additional first registrars accredited by ICANN to register .com, .net, and .org gTLDs in addition to NSI. The World Wrestling Federation (WWF) lodged a complaint with WIPO against the “California resident who had registered the domain name and offered to sell it back, at significant profit, to the WWF three days

215. *See id.*

216. *See* Final Report, *supra* note 27, at #171.

The definition of abusive registration that we recommend be applied in the administrative procedure is as follows:

(1) The registration of a domain name shall be considered to be abusive when all of the following conditions are met:

- (i) the domain name is identical or misleadingly similar to a trade or service mark in which the complainant has rights; and
- (ii) the holder of the domain name has no rights or legitimate interests in respect of the domain name; and
- (iii) the domain name has been registered and is used in bad faith.

Id.

217. “It is recommended that the domain name applicant be required, in the domain name registration agreement, to submit, without prejudice to other potentially applicable jurisdictions, to the jurisdiction of the courts of: (i) the country of domicile of the domain name applicant and (ii) the country where the registrar is located.” *See id.* at #147.

218. *Id.* at #177.

later.”²¹⁹ Parties are not denied the right to litigate after submitting to the dispute resolution process. Thus, if WWF would have lost, they could have still filed a lawsuit against the alleged cybersquatter. There is no definitive language, however, in the UDRP, to resolve what appears to be a tension between the wholly binding nature of the UDRP on a respondent, and the second-chance for a complainant to have a lost arbitration redecided in court. The question remains unanswered whether ICANN-approved UDRP providers will adopt a “loser pays” model of covering the costs of the dispute resolution. This model is more prevalent in foreign countries, although it presently does not exist in the United States.²²⁰

Francis Gurry, Director General of WIPO, expressed that “if some indications prove correct, there could be significant demand at least initially. Then there will be a deterrent effect of the procedure which would discourage people from cyber-squatting.”²²¹ Gurry has also stated that “[o]ur aim is to make sure that parties are treated fairly and equally and that balanced decisions providing practical guidelines are taken. There is a great deal of misconception about the rights and wrongs of the Internet. This system will help bring some clarity in a relatively quick and cheap manner.”²²²

In addition to the UDRP, WIPO also included in its Final Report a general section on *Avoiding Disjunction Between Cyberspace and the Rest of the World: Practices Designed to Minimize Conflicts Arising out of Domain Name Registrations*.²²³ In another section, WIPO included suggestions regarding famous marks, including the listing of seven nonexhaustive factors to be analyzed in decisionmaking on applications for exclusions of famous or well-known marks in new, open gTLDs.²²⁴ This would offer protection

219. WIPO Press Release 2000/204 (visited Jan. 13, 2000) <<http://www.wipo.org/eng/main.htm>>.

220. See Espe, *supra* note 49.

221. Nebehay, *supra* note 67.

222. Prakash M. Swamy, *WIPO Handling First Cybersquatting Case*, BUS. LINE, Dec. 15, 1999.

223. See Final Report, *supra* note 27, at #45-128.

224. See *id.* at #284-87.

1. The degree of knowledge or recognition of the mark in the relevant sector of the public;
2. the duration, extent and geographical area of any use of the mark;
3. the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;

such that famous trademarks or tradenames, like “McDonald’s,” could not be registered in the new .web domain by anyone but the trademark holder. Furthermore, this section of WIPO’s report also recommended the exclusion of intergovernmental organization acronyms (i.e., UNESCO) and International Nonproprietary Names (i.e., INNs).²²⁵

Finally, the “WIPO Arbitration and Mediation Center is presently working with domain name registrars accredited by Internet Corporation for Assigned Names and Numbers, as well as designated country-code domain registrars, to implement tailor-made domain name dispute avoidance and resolution systems (DARS).”²²⁶ WIPO Advisory staff are presently crafting DARS in Japan, Europe, the United States, and Latin America.

B. Merits, Criticisms & Challenges of the Emerging Organizational Structures of Internet Regulation and Decision-Making Bodies

“Governance structures matter at least as much as the content of any ephemeral set of rules. . . . ‘Nothing is possible without men, nothing is lasting without institutions.’”²²⁷

The need that fueled the formulation of the new UDRP was and continues to be great.²²⁸ The potential for success of the UDRP also

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4. the duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;
 5. the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by courts or other competent authorities; and
 6. the value associated with the mark,
 7. evidence of the mark being the subject of attempts by non-authorized third parties to register the same or misleadingly similar names as domain names.

Id.

225. See *id.* at #292-303.

226. WIPO Arbitration and Mediation Center, *supra* note 208, at “WIPO Advisory Services” <<http://arbiter.wipo.int/domains/services/index.html>>.

227. Froomkin, *supra* note 203, at 619 (quoting Jean Monnet).

228. See Final Report, *supra* note 27, at #132. Disputes over domain name registrations and intellectual property rights present a number of special characteristics:

- (i) Because a domain name gives rise to a global presence, the dispute may be multijurisdictional in several senses. The global presence may give rise to alleged infringements in several jurisdictions, with the consequence that several different national courts may assert jurisdiction, or that several independent actions must be brought because separate intellectual property titles in different jurisdictions are concerned.

remains large if a majority of individuals and entities realize its strength and work to ensure its transparency.

WIPO has expressed the hope that faith and trust in the ADR system will grow with time, to reduce the cost, amount, and duration of Internet-related litigation. Trademark holders and domain name claimants alike stand to benefit from the formulation of this new ADR mechanism, but they will need to embrace it voluntarily and make strident efforts to participate in its development and refinement. A judicial trial and decision on a domain name dispute should not be attributed with inherently greater value than an arbitrated settlement via the new UDRP.

Nevertheless, many entities or individuals have already critiqued the UDRP and mentioned qualms about the way it was formulated. For instance, one law professor sitting on WIPO's Panel of Experts has stated:

The WIPO process represents an innovative experiment in negotiation between a United Nations body and the private sector. Once having authorized the initial process, the member states have been conspicuous by their absence, at least as a formal matter, except as commentators in response to the various "requests for comments" authored by the Secretariat staff. Regardless of the merits of the WIPO proposals, there can be little debate that the public participation in the process has been dominated by intellectual property rights holders and their lawyers and trade associations.²²⁹

(ii) Because of the number of gTLDs and ccTLDs and because each gives the same access to global presence, essentially the same dispute may manifest itself in many TLDs. This would be the case, for example, if a person sought and obtained abusive registrations in many TLDs of a name which was the subject of corresponding trademark registrations held throughout the world by a third party. In order to deal with the problem, the intellectual property owner may need to undertake multiple court actions throughout the world.

(iii) In view of the ease and speed with which a domain name registration may be obtained, and in view of the speed of communication on the Internet and the global access to the Internet that is possible, the need to resolve a domain name dispute may often be urgent.

(iv) A considerable disjunction exists between, on the one hand, the cost of obtaining a domain name registration, which is relatively cheap, and, on the other hand, the economic value of the damage that can be done as a result of such a registration and the cost to the intellectual property owner of remedying the situation through litigation, which may be slow and very expensive in some countries.

(v) The registration authority has often been joined in domain name disputes because of its role in the technical management of the domain name.

229. Froomkin, *supra* note 203, at 627.

The need to maintain transparency and openness within the governance of the Internet and associated dispute settlement process is essential. Many groups within the Internet community originally criticized NSI's domain name dispute policies,²³⁰ as did at least one federal judge.²³¹ Now, sectors of the Internet community are again criticizing ICANN's new UDRP. For example, Ralph Nader has chided ICANN for a "lack of openness, a lack of accountability and a lack of membership."²³² Additionally, in October 1999, the DNRC objected to the proposal by ICANN of its new Uniform Dispute Policy based on that developed by WIPO. The Coalition announced that "under this proposal, only the domain name holders are contractually obligated to follow the rules, the trademark holders continue to have their traditional options available."²³³ The DNRC objects to ICANN's circumventing the mandate given to it in the U.S. White Paper and believes that ICANN is expanding too far outside "technical management" of the Internet to create policy. It also criticizes ICANN for side-stepping its own rules and by-laws.²³⁴ The DNRC likewise complained that the UDRP is "'more restrictive than any country's law' because, among other things, it prohibits the exchange of any money for a name if the use of that name has been challenged by a trademark holder."²³⁵

Trademark owners complain that the UDRP is "fatally flawed" in that it requires complainants to jump the much higher hurdle of demonstrating that the "domain name holder's primary purpose is extracting money" in order to strip the holder of the right to the

230. See NSI Flawed Domain Name Policy information [sic] Page, *Responses of the International Trademark Association to U.S. Government's Request for Comment on Internet Domain Name System*, (visited Dec. 23, 2000) <<http://www.patents.com/nsi.sht>> (scroll to mid-page).

231. District Court Judge Pragerson stated: "It is clear beyond question that the Policy's sole purpose is to protect NSI. Indeed, as Panavision itself stated in its opposition to defendant NSI's motion to dismiss: '... NSI has repeatedly represented that it is out to protect no interests but its own.'" *Panavision Int'l, L.P. v. Toepfen*, 945 F. Supp. 1296; 40 U.S.P.Q.2d 1908 (C.D. Cal. 1996).

232. Kevin Coughlin, *What a Tangled Web the Federal Government Wove—ICANN Has the Unwieldy Task of Sorting Out Net Addresses*, STAR-LEDGER, Oct. 3, 1999.

233. *DNRC Files Complaint with ICANN Over Uniform Dispute Policy*, PR NEWSWIRE, Oct. 7, 1999.

234. See *id.*

235. Nick Patience, *ICANN Adopts Controversial Dispute Resolution Policy*, COMPUTERGRAM INT'L, 1999 WL 21238604, Aug. 27, 1999 (quoting Mikki Barry of the DNRC).

name.²³⁶ However, Temple University Law School Professor and Cyberspace Law Institute founder David Post expressed his belief that it “is skewed towards trademark holders because it allows them to choose the arbiter” (as complainants).²³⁷ Post also has plans to start up a competitive dispute resolution service called Internet Dispute Resolution Organization, along with thirty-two other lawyers.²³⁸

The Electronic Frontier Foundation (EFF) has also criticized the new UDRP for “improperly creating procedures for protecting trademark holders in the DNS while specifically excluding from those procedures disputes involving all other rights.”²³⁹ Many Internet administrators, though, believe that widespread adoption and recognition of the UDRP will benefit their positions and have already chosen to implement it in their registrar business practices. J. William Semich, president of the “.nu” TLD and the first private registrar to approve ICANN’s UDRP as its own, said that “the recent approval by ICANN of this policy is an important step in the move to privatize the Internet and to free TLD managers and registrars from having to be judge and jury on questions of trade mark abuse.”²⁴⁰

C. *The Time Is Now: Other Emerging Domain Name-Related Conflicts*

*If you don't have a name and number, you don't exist. It is death-penalty power, electronic life and death.*²⁴¹

The Internet has indeed become a lifeline for more expansive communication, and for that reason, struggles for position and

236. ICANN’s Dispute Policy Seen too Tough on Trademark Holders, COMM. DAILY, Nov. 16, 1999.

237. *Id.*

238. *Id.*; see also Prof. Milton Mueller, *Trademarks and Domain Names: Property Rights and Institutional Evolution in Cyberspace* (visited Dec. 23, 1999) <<http://istweb.syr.edu/%7Emueller/study.html>>.

239. ONLINE NEWSLETTER, *supra* note 214.

240. *NU Domain Adopts ICANN Trademark Dispute Policy—First TLD to Implement ICANN’s New Anti-Cybersquatting Policy*, PR NEWswire, Oct. 26, 1999. Interestingly, the .nu domain name is actually a ccTLD belonging to the Polynesian island of Niue, the smallest independent, self-governing nation in the world. See *Digital Paradise—Free Internet Services Comes to Idyllic Polynesian Island*, *tele.com*, Feb. 22, 1999 (visited Jan. 13, 2000) <<http://www.techweb.com/se/directlink.cgi?TLC19990222S0008>>; see also Dave King, *Tropical Niue Finds Its Place in the Sun ... on the Web*, INFOtech WKLY., Feb. 1, 1999 <www.infotech.co.nz/february_1/ntniue.html>. Semich’s company registers .nu domain names to anyone and 25% of the profits goes back to the island-state of Niue for Internet projects and providing its citizens—about 1700—with free email.

241. Coughlin, *supra* note 232 (quoting David Post).

presentation on the World Wide Web will continue. In addition to trademark-related domain name disputes over which governmental or quasi-governmental bodies should have ultimate decision making authority, other controversial issues are on the horizon. Although the first wave of massive Internet litigation concerning cybersquatting and intellectual property rights to domain names is far from over and international consensus is only beginning to emerge, other waves of associated Internet disputes are rapidly approaching our transient cyber-shores, if they have not rolled in already. The international governing bodies that have evolved must formulate new policy for how best to deal with these new Web site related conflicts. These bodies should already recognize particular or potential areas of Internet and e-commerce disputes looming ahead and formulate preventative procedures now.

For example, one such area of concern is the question of who will register the new gTLDs that are created by IANA and ICANN. Some companies already in existence may attempt to invoke priority as registrars. For example, there are suppliers of registry services willing and able to administer new gTLDs.

These include, but are not limited to, Core, Image Online Design, Name.space, VRx, and MHSC. Thousands of registrants have paid to reserve domain names under TLDs not carried in the legacy IANA root. Several ccTLD registries, such as .nu, .cc, and .to, have transformed themselves into gTLDs, marketing their names globally as alternatives to .com, .net and .org.²⁴²

Also, companies may begin to contest the need to register one's domain name within every single ccTLD in order to be guaranteed rights to its original domain/trade name in foreign countries. Given the exponential development of the Internet, the increased burden on companies to police their trade names and the uncertainties of favorable court decisions concerning conflicts of law and judicial independence issues may provoke a backlash against the current requirement of multicountry registration.

In addition, demand for domain name options in foreign languages and registration of non-Latin characters is already a burgeoning business that may present new challenges. For example, merely since November 1999, a Singapore company, i-DNS, has been active in allowing Web site operators to register domain names in all

242. Group C Report, *supra* note 21, at #2e.

languages except English, including Chinese and Russian.²⁴³ In its first commercial partnership with a Taiwanese ISP, 90,000 applications for Chinese domain names were filed within the first four days.²⁴⁴ However, it is highly possible that I-DNS could have already registered a huge number of cybersquatters, who have attempted to seize control of a domain name that is not rightfully theirs.

Finally, new controversies over phenomena known as meta-tagging and keying have developed. Search engine operators, such as Excite!, have been sued for selling the opportunity to be associated with a famous trademark, or selling advertising of one's site through banner ads that appear when a certain trademark is entered.²⁴⁵ This is known as "keying." In addition, in "meta-tagging," a Web designer includes a famous trademark name in the code that she writes for a Web site so that this independent site will automatically be returned as part of the results of an Internet user's online search for the trade name. Thus, it is possible that a site, even though possibly completely unrelated to a trademark, can nonetheless become linked to a trademarked site and the trademark via internal computer code, not readily apparent to an Internet user.

IX. CONCLUSION

*"[F]reedom is the constitution of every great system of innovation. This is the architecture of the open-source, or free, software movement. By carrying its code with it and by leaving it open for others to modify, no one actor can maintain control over open-source evolution or make strategic decisions on how the system will evolve."*²⁴⁶

It remains to be seen how the virtual lack of regulation of the Internet will fare in the new millennium. Will the privatization of Internet regulation continue, or will governments play an increasing role in regulation as more and more competitive concerns surface? Who will decide the increasing number of Internet or cyberspace intellectual property disputes, particularly those related to trademark? One must delve deeper into the past, present, and progressing "architected" structure of hybrid Internet organization to understand, but the probability is that the Internet Domain Name System will

243. Mary Oey, *New Registry Offers Chinese Domain Names*, S. CHINA MORNING POST, Dec. 14, 1999.

244. *See id.*

245. Fleischer & Grimes, *supra* note 3.

246. Lessig, *supra* note 1.

continue to develop with expansive permissiveness, much as it has in the past, as long as national governments remain at the fringe, rather than the center, of its control.

Returning to our original set of questions for the trademark attorney, we see that the conflict between trademark law and fundamental principles of the Internet leave us with few answers to the questions. The conflict between the territorial nature of trademark law and the unlimited geographic scope of the Internet may remain irreconcilable. Regarding the similarity of the products, courts emphasize that even within the context of domain name disputes, if the products represented by the trademark and the Web site demonstrate a high degree of similarity, then likelihood of confusion is great. This increased likelihood of confusion may then result in a successful trademark infringement claim. A trademark owner can assert his rights against a domain name registrant in either a trademark infringement or a dilution claim. Current domestic case law has declared that trademark owners have rights against a domain name registrant who incorporates an infringing or diluting mark as if the registrant were another trademark owner. The question of administration is still unresolved. Although the responsibility of issuing domain names was traditionally within the sole ambit of NSI's jurisdiction, rapid development and high demand has forced the creation of ICANN, which has infused the domain name registration process with more coherence and openness to the involvement of many more entities. Support for this new administrative body responsible for the efficient operation of domain name registration must be continued in light of the need for an international solution, as the Internet, and any disputes related to it, transcends all borders.

To manage the brave new world of Internet commerce will demand significant resourcefulness and ingenuity. It presents challenges to trademark holders. Yet, essential philosophies and commitments should also be respected and maintained for the Internet. Neither governments nor trademark holders, nor any concentration of special-interest entities, should be allowed to monopolize control of the Internet. If anything, more public constituencies need to join in the at-large membership of ICANN, and its DNSO, in order to strengthen this institution at the forefront of setting Internet policy and hold it accountable. Thus far, the Internet has been administered in a very responsible and fairly democratic

way, and ICANN must continue to manage it in an egalitarian fashion that bridges the digital divide.

X. APPENDIX

The following list is not intended to be exhaustive and should not be construed in such a way. There are literally thousands of Web sites that address issues related to domain name registration. The Web sites listed below are merely intended to reflect a sample of the available sources. The first Web sites offer domain name registration services.

1. www.oznic.com/

OzNic's mission statement declares that its goal is to "maximize [a user's] available Web site development time by providing an all-in-one service to register . . . domain names, provide hosting for those names and advertise [the] new site to the world."²⁴⁷ The site also provides information about domain names and the registration procedure, and offers a registration service for a fee.

2. www.domainregistry.com/dnr-dr

This site offers answers to frequently asked questions about the Internet and the registration of domain names.²⁴⁸ The site also provides a domain name registration service, and notes that registration is "subject to any trademark, legal, or NIC/ICANN rules or changes."²⁴⁹ Furthermore, the Web site states: Please note that registration of a domain name, does not limit the ability of a company or individual with a trademark from raising objections to the registration through legal or domain dispute methods. Please make a good faith effort not to infringe on known trademarks.²⁵⁰

3. www.jenkinsinc.com/domainform

This Web site provides domain name registration services for a wide variety of top level domains.²⁵¹

247. *About OzNic.com* (visited Nov. 20, 1999) <<http://www.oznic.com/oznic.html>>.

248. *Domain Name Registration* (visited Nov. 20, 1999) <<http://www.domainregistry.com/dnr-dr.html>>.

249. *Id.*

250. *Id.*

251. *Advanced Internet Domain Name Registration Form* (visited Nov. 20, 1999) <<http://www.jenkinsinc.com/domainform.html>>.

4. www.alldomains.com/

This site provides domain name registration services and includes facts about each country's top level domain (such as .mz for Mozambique and .vg for the British Virgin Islands).²⁵² The site also includes information about proposed top level domains and a few organizations related to the administration of domain names.²⁵³

5. www.netnames.com/

In addition to domain name registration, this site includes links to recent news reports concerning domain names and issues relating to cybersquatting; a beginner's guide to domain name registration; and frequently updated statistics on domain name registration.²⁵⁴

The cost for the registration processes offered by the Web sites listed above varies from \$70 to \$339. The price depends upon several factors, including country of origin and choice of top level domain.

The Web sites listed below discuss trademark law as it applies to domain name registration.

6. www.uspto.gov/web/offices.tac/notices/guide299

This comprehensive Web site of the Patent and Trademark Office addresses and answers almost all questions relating to trademark law as it affects domain name registration.²⁵⁵

7. www.inta.org/harmdom

This Web site describes the perspective of the International Trademark Association (INTA), and lists the steps to resolve the conflict between trademark law and domain name registration services. These measures included the formation of a new organization to allocate domain names, previously known as IANA, the Internet Assigned Numbers Authority, now named ICANN, the Internet Corporation for Assigned Names and Numbers. Other remedies described by INTA include the addition of generic top level domains, which is still in progress. Finally, the establishment of a quick and inexpensive dispute resolution policy and increased

252. *Welcome to Alldomains.com* (visited Nov. 20, 1999) <<http://www.alldomains.com/>>.

253. *See id.*

254. *NetNames.com: The International Domain Name Registry* (visited Nov. 20, 1999) <<http://www.netnames.com/>>.

255. Examination Guide No. 2-99: Marks Composed, in Whole or in Part, of Domain Names (visited Nov. 21, 1999) <www.uspto.gov/web/offices.tac/notices/guide299.htm>.

representation of trademark owners and Internet stakeholders in ICANN were also priorities of INTA, both of which have become a recent reality.²⁵⁶

8. <http://netsol.com/policy/noi>

This Response to the Department of Commerce Inquiry illustrates Network Solutions, Inc.'s position on a variety of "important issues" related to the Internet and the registration of domain names. Although not limited to the following topics, the Response specifically asserts NSI's position pertaining to the following trademark issues in the context of domain name registration: protection of trademarks, preliminary review of applications, handling disputes, preventing trademark conflicts, requirements for domain name applicants, other issues affecting quantity and cost of disputes, and technical solutions to valid trademark challenges.²⁵⁷

The Web sites below represent organizations or agencies directing and influencing the future of the domain name system.

1. www.ntia.doc.gov/

This is the Web Site of the National Telecommunication and Information Administration (NTIA) housed within the United States Department of Commerce (USDOC). The site has links to the White and Green Papers establishing the agreement with ICANN and many other documents and information about the U.S. and the Internet.

2. www.ecommerce.gov

This Web site is the official USDOC's E-Commerce Site. It contains links to important documents and agreements; some related to the domain name system.

3. ecommerce.wipo.int/domains/process/eng/processhome.html

This Website is the official site of WIPO's Internet Domain Name Process. It contains the Final Report of the UDRP, with translations, press conference testimony, and information on public participation.

256. Harmonizing Domain Names and Brand Protection (visited Nov. 21, 1999) <www.inta.org/harmdom.htm>.

257. *Network Solutions, Inc.: Response to the Department of Commerce Notice of Inquiry on Internet Administration* (visited Nov. 21, 1999) <<http://netsol.com/policy/noi.doc>>.

4. wipo2.wipo.int

This informative WIPO Web site focuses exclusively on Domain Names.

5. arbiter.wipo.int/domains/

This Web site of the WIPO Arbitration and Mediation Center discusses how the UDRP will work in practice, lists the names of participating arbitrators, and other general information about the center and its procedures.

6. www.wipo.org/eng/main.htm

This Web site is WIPO's main home page (in English, French, Spanish, and Arabic). It contains sections on the functions of WIPO, its organization, meetings and conferences, job vacancies, helpful links, and the electronic bookshop including many free publications like WIPO's wonderful magazine (posted with Adobe Acrobat for easy accessibility and printing).

7. www.icann.org

The ICANN home page contains boundless information on the new organization and its policies, including reports on recent activities up front.

8. www.dnso.org

This is the Website of the Domain Name Supporting Organization (DNSO of ICANN). It contains all the working papers/reports generated by the DNSO, details on its structure, etc.

9. www.iana.org

The homepage of IANA has information on its history and the transition to ICANN.

10. www.corenic.org/about_core/backgrou.htm

The Council of Internet Registrars' Web site serves the organization, created in 1997 by an MOU, to promote new name spaces. It contains information on all of CORE's registrars and on its activities.

11. www.domain-name.org; www.isoc.org; www.eff.org

The Web sites of the Domain Names Rights Coalition (DNRC), the Internet Society, and the Electronic Frontier Foundation (EFF) discuss all the Internet non-governmental organizations' activities and positions.