

DOMAIN NAME DISPUTES: NEW DEVELOPMENTS AND OPEN ISSUES

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By now, most trademark lawyers have been exposed to the basics of domain name litigation, whether it be under the Uniform Domain Name Dispute Resolution Policy (“UDRP”) or the Anti-Cybersquatting Consumer Protection Act (“ACPA”).¹ Yet much lies beneath the surface and recent developments may only increase the amount and complexity of domain name litigation.

This article touches upon some of these recent developments, including: the introduction of new generic top level domain names that will exponentially increase both the number of available domain names and the accompanying disputes; proposed changes in the UDRP procedure; substantive developments in domain name litigation under both the UDRP and the ACPA; issues regarding personal jurisdiction based on Internet contacts; and how courts are dealing with situations where an Internet web site may be lawful in one geographic area but infringe on another’s rights in another geographic area. As more businesses try to attract attention via the Internet, additional legal issues will arise concerning the use of names and marks on web sites. This article attempts to address some of the recurring issues.

I. ADDITIONAL GTLDS

Among the most significant events in the domain name world is the addition of seven new generic top level domain names (“gtlds”): .aero; .biz; .coop; .info; .museum; .name; and .pro. The .info name, like .com before it, is unrestricted and anyone will be able to register and use it. The other domain names have restricted uses. Registrations in the .aero gtld will be

¹ A discussion of these litigation tools can be found in Barbara A. Solomon, “Two New Tools to Combat Cyberpiracy – A Comparison,” 90 The Trademark Reporter 679 (Sept.-Oct. 2000)

limited to entities providing services related to the air transport industry; registrations in the .biz gtld must be used for bona fide business or commercial purposes; registration in the .coop gtld will be limited, at least initially, to members of the National Cooperative Business Association; registration in the .museum gtld will be limited to Museum Domain Management Association accredited museums; the .name gtld will be limited to personal names for personal use; and the .pro gtld will be limited to individuals or entities that can prove membership in the legal, medical or accounting professions.

The operators of these domain names have all indicated some willingness to provide protection to trademark owners. However, the types of protection they are willing to provide differ. For example, the operator of the .aero gtld has indicated that it would provide protection for “famous marks.” What qualifies as a famous mark has not been established. The operator of the .biz gtld is providing a fee-based “Intellectual Property Service.” The service allows businesses who claim intellectual property rights (whether based on registration or common law use) to submit trademark claims before the application process is opened to the public for a fee. Domain name applicants will be notified of a trademark owner’s claim when they submit an application for a claimed domain name. If the applicant proceeds with the registration, the claimant will be given an opportunity to challenge the registration using a modified version of the UDRP. The period for submission of claim forms runs from May 21 through August 6, 2001. Once the .biz websites go live, sometime in October, 2001, registrations for .biz domain names will not be checked against any intellectual property claim on file. If a domain name is adopted in bad faith, it is likely that the UDRP will be used to resolve such challenges.

The .info top level domain registry, like the .biz top level domain registry, has also finalized its agreements with ICANN and has published a schedule for its registration activities. From July 25, 2001 through August 28, 2001, anyone with a nationally registered mark in effect

prior to October 2, 2000 can apply for a .info domain name corresponding exactly to the textual elements of its registered trademark. On September 12, 2001, registration will be opened up to the public. If two different entities seek registrations for the same mark, the first application processed will receive the domain name. The applications will be processed in a random order.²

In addition to these new gtlds, there are certain country code top level domains (“cctlds”) that are being marketed and effectively used in the same manner as a generic top level domain name. These include the designations .tv (Tuvalu), .ad (Andorra) and .ws (Western Samoa). Companies and individuals have been registering domain names with these suffixes, giving rise to additional litigation. Fortunately, disputes concerning the cctlds .tv and .ws are governed essentially by the UDRP, with disputes submitted to WIPO.

In another new development, domain name registrants can now obtain domain names with the .com, .org and .net suffixes not only in English but in the Japanese, Chinese, Korean, Greek, Cyrillic, Armenian and Georgian languages, to name just a few. How domain name disputes concerning the registration of non-English domain names are going to be resolved has yet to be addressed.

II. CHANGES IN THE UDRP PROCEEDINGS

As of January 1, 2000, all domain names with a .com, .net and .org suffix became subject to the UDRP. The UDRP was adopted to provide a relatively fast and effective means of dealing with the issue of bad faith domain name registration. Currently, the UDRP applies to the .com, .net, .org gtlds and to seventeen cctlds.³ Moreover, there is a push for all cctld registrars to adopt a policy modeled on the UDRP. If all domain registrars were to adopt the same policy, a

² Information about the .biz generic top level domain name can be found at www.neulevel.com; information about .info can be found at www.afilias.com.

³ These are .AC (Asansian Island); .AG (Antigua an Barbados); AS (American Samoa); .BS (Bahamas); .CY (Cyprus); .GT (Guatemala); .MX (Mexico); NA (Namibia); .NU (Niue); .PH (Philippines); .PN (Pitcairn Island); .RO (Romania); .SH (St. Helena); .TT (Trinidad and Tobago); .TV (Tuvalu); .VE (Venezuela); .WS (Western Samoa). In some cases, the cctld has slightly modified the UDRP procedure.

complainant could bring a consolidated action concerning objectionable domain names in both gtlds and cctlds. WIPO has received four such cases.⁴

Concerns have been voiced that the UDRP produces results that unfairly favor complainants. Based only on the filings with WIPO, which in 2000 accounted for approximately sixty-five percent of all UDRP cases filed, panelists found in favor of complainant eighty-two percent of the time. Milton Mueller, an information studies professor at Syracuse University, in his report, *Rough Justice: An Analysis of ICANN's Uniform Dispute Resolution Proceeding*,⁵ analyzed UDRP decisions and concluded that the ability of the complainant to select the arbitration service provider may result in skewing decisions in complainant's favor. Among the proposals reviewed by Mueller to prevent forum shopping are the random selection of the forum that will decide the complaint; an appeals process; or having each domain name registrar contract with a specific service provider. There is no indication as to whether or when ICANN will address any of these proposals.

A gathering last year of WIPO panelists raised other issues about the UDRP, including a concern that the submission of lengthy papers could affect the efficiency of the UDRP system, slow the system down, result in an increased charge for cases to be heard and result in people refusing to act as panelists because of the workload. The arbitrators also have raised concerns that statements about a company's rights should not be conclusory but should be accompanied by documentary exhibits and, if appropriate, sworn declarations. Panelists also are increasingly of the opinion that, even in the case where a respondent defaults, a complainant should not prevail unless it offers more than bald assertions that it has complied with or otherwise met the criteria of the UDRP. The practitioner must bear in mind that in a UDRP proceeding the complainant

⁴ "Domain Name Dispute Resolution Service in 2000." A summary review published by WIPO.

⁵ See <http://www.dcc.syr.edu/report.htm>.

must plead and prove its case in its submission. Allegations based upon information and belief are not sufficient.⁶

III. SUBSTANTIVE DEVELOPMENTS

Two of the most hotly contested issues in domain name litigation are: (1) the right to use a trademark as part of a domain name either to advertise the fact that the site offers the trademark owner's goods or to discuss or criticize the trademark owner; and (2) whether the first amendment right of free speech protects the right to register and use domain names that end with the word "sucks" or another pejorative term to criticize the trademark owner or its products. While these issues continue to be at the forefront of domain name disputes, there is still no clear answer with respect to how these matters will be resolved.

A. When is Use of a Trademark in a Domain Name Fair Use?

Decisions under both the UDRP and the ACPA hold that while it may be a fair use to use a recognized trademark on a website or in a metatag, one cannot use the mark as a domain name.⁷ Nevertheless, the cases are not consistent. Consider, for example, Canon Kabushiki Kaisha v. Price-less Inkjet Cartridge Co.⁸ In that case, the registrant owned the domain name canoninkjet.com and was selling Canon ink jet products on its website. The panelist stated that notwithstanding respondent's right to sell Canon products, the respondent has no legitimate rights in the domain name. Moreover, bad faith was found because the names were used to create confusion. It should be noted that because the respondent's website made prominent use of the CANON mark, it was unclear whether CANON had sponsored the site. Perhaps if this were not the case, the result would have been similar to Canon USA, Inc. v. Sims,⁹ where a different panel found that the registration of canoncopymachines.com was permitted since the

⁶ UDRP ¶4 (complainant must "prove" the elements of the claim).

⁷ See, e.g., Paccar, Inc. v. Telescan, 115 F. Supp. 2d 772 (E.D. Mich. 2000); Bihari v. Gross, 119 F. Supp. 2d 309 (S.D.N.Y. 2000) (use of mark not permitted in domain name but permissible in metatag).

⁸ WIPO D2000-0878 (Alan Limbury) (Sept. 21, 2000).

name led to a website at which Canon copiers are available. The panelist concluded that under United States law, the respondent could refer to another's mark, even in a domain name, to identify the types of products or services it sells.

Panelists deciding UDRP cases seem to be relatively at ease in deciding when use of a domain name constitutes fair use. In the recent case American Online, Inc. v. John Deep d/b/a Buddy USA Inc.,¹⁰ an issue was raised as to whether the domain name aimster.com and other domain names that incorporated "aim" violated American Online's rights in its AIM marks. The respondent asserted a fair use defense, contending that it included the common word "aim" in the mark AIMSTER and the corresponding domain name in order to reflect the fact that it was creating a technology that is inter-operable with instant messaging systems including complainant's AIM service. A majority of the panel ruled against the fair use defense without giving any real reason for doing so. Indeed, the panel recognized that although the respondent could have chosen other domain names, if it did, the linkage between the services respondent intended to offer and complainant's services "would not be as explicit to its users."¹¹ The dissenting panelist stated that he thought the fair use defense was legitimate, noting that there might be no alternative for respondent but to use AOL's AIM mark to describe respondent's services. The dissent expressed concern that the majority disregarded established principles of fair use, stating that the issue was complicated and was "more properly determined by a trial court rather than a panel of three lawyers spending a few hours on the case and relying solely upon affidavits and pleadings by the parties."¹²

⁹ WIPO D2000-0819 (Jeffrey M. Samuels) (Oct. 16, 2000).

¹⁰ NAF 96795 (Peter L. Michaelson and Hon. James A. Carmody) (May 14, 2001).

¹¹ Id. at 23.

¹² Id. at 30.

The federal courts have been reluctant to find fair use where the domain name connects to a website that has a commercial element. In Paccar, Inc. v. TeleScan Technologies LLC,¹³ defendant operated an Internet-based truck locator service and used plaintiff's truck brand PETERBILT in a series of domain names. Arguing against plaintiff's motion for a preliminary injunction, defendant claimed that the domain names merely described its website. The district court rejected this argument, holding that a domain name communicates information about the entity sponsoring the website. By using the PETERBILT mark as part of its domain names, defendant sent an erroneous message to Internet users that the site was associated with or sponsored by plaintiff.¹⁴ Thus, the Court rejected the fair use defense.

A district court in Illinois reached a result similar to Paccar, but resolved the issue through a more traditional analysis. In Trans Union LLC v. Credit Research, Inc.,¹⁵ the plaintiff and defendant had a relationship whereby Credit Research, Inc. provided credit data to Trans Union in return for the right to use credit data maintained by Trans Union. Credit Research established a website that offered for sale credit reports featuring data from Trans Union as well as other entities. The domain names chosen by the defendant consisted of plaintiff's trading name Trans Union. In determining whether plaintiff was entitled to a preliminary injunction barring defendant's use of the domain names, the court went through the standard likelihood of confusion analysis. Balancing the factors, it found a likelihood of confusion with regard to the domain names transunioncredit.com, transunioncredit.net and transunioncredit.org. However, it found no likelihood of confusion as to the domain names creditbureautransunion.com, creditbureautransunion.net and creditbureautransunion.org because the addition of the term

¹³ 115 F. Supp. 2d 772 (E.D. Mich. 2000)

¹⁴ Id. at 779.

¹⁵ 2001 U.S. Dist. LEXIS 3526 (N.D. Ill. 2001),

“Credit Bureau” at the beginning of the domain names made them less susceptible to consumer confusion.¹⁶

Using a company’s name in a domain name that leads to a site critical of the company also raises the issue of fair use. It has been held that the “fair use doctrine applies in cyberspace as it does in the real world.”¹⁷ Yet in most UDRP cases, fair use was not found because the domain names were used with sites that had both commercial and non-commercial elements or because there was evidence of bad faith. Recently, however, a panel found that the use of the domain name *bridgestone-firestone.net* constituted a fair use.¹⁸ Concluding that the respondent was making fair use of the domain name, the panel noted that instead of taking the .com gTLD, which could signify a commercial website, the respondent registered in the .net gTLD, which would lead Internet users to recognize that the domain name was not the official site of Bridgestone-Firestone.¹⁹ In addition, the domain name registrant put disclaimers on its home page and included such criticism and commentary on the site that nobody would believe that it was the trademark owner’s website. In reaching its decision, the panel noted that the “the exercise of free speech for criticism and commentary . . . demonstrates a right or legitimate interest in the domain name under Paragraph 4(c)(iii). The Internet is above all a framework for global communication, and the right to free speech should be one of the foundations of Internet law.”²⁰

The view that a domain name should be protected when it is being used in connection with a free speech site was echoed by the District Court in Minnesota in Northland Insurance Companies v. Blaylock,²¹ which held that the registration and use of the domain name

¹⁶ Id. at *22.

¹⁷ Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036, 1065 (9th Cir. 1999).

¹⁸ Bridgestone Firestone, Inc., et al v. Jack Myers, WIPO D2000-0190 (Dana Haviland) (July 6, 2000).

¹⁹ Id. at 4.

²⁰ Id. at 5.

²¹ 115 F. Supp. 2d 1108 (D. Minn. 2000)

northlandinsurance.com to criticize plaintiff was not necessarily done with a bad faith intent to profit. Under both the ACPA and the UDRP, however, if the domain name connects to a website that is involved in any commercial activity, the fair use defense is unlikely to be upheld.²²

B. Is a Domain Name Protected Speech?

This issue of whether a domain name constitutes protected speech arises most frequently in cases concerning domain names consisting of a trademark followed by the word “sucks” or other pejorative terms. While court decisions generally have favored the domain name registrant on grounds of free speech,²³ cases under the UDRP generally have not.²⁴ However, that tide may be turning.

The first hint of a shift came when a panel found that registration of walmartcanadasucks.com did not violate the UDRP.²⁵ The panelist noted that the UDRP has a narrow scope of protection and does not provide a general remedy for all misconduct involving domain names. The panelist determined that the domain name was not identical or similar to the WAL-MART mark since the two serve fundamentally different purposes. The WAL-MART mark serves as a commercial indication of source of products whereas the domain name functions as criticism. The domain name is sufficiently different to make it clear that any

²² Another issue related to the one of fair use is whether there would be absolute protection to one’s given name in or as part of a domain name. In Ford Motor Co. v. Ford Financial Solutions, Inc., 103 F. Supp. 2d 1126 (N.D. Iowa 2000), the Court granted Ford injunctive relief preventing the use of the domain name fordfinancialsolutions.com. The defendant, whose company owner’s surname was “Ford” had been conducting business using the FORD mark for two years. The Court found that this was not a defense, applying general theories of trademark law that state that when an individual’s use of his or her personal name violates the rights of a prior use trademark, the individual will be prevented from using his name. Id. at 1129.

²³ Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp 2d 1161 (C.D. Cal. 1998); OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp. 2d 176 (W.D.N.Y. 2000); Lucent Technologies Inc. v. LucentSucks.com, 95 F. Supp 2d 528 (E.D. Va. 2000).

²⁴ Diaggio plc v. John Zuccharini, WIPO D2000-0996 (James Bridgeman) (Oct. 22, 2000); Wal-Mart Stores, Inc. v. Walsucks and Walmarket Puerto Rico, WIPO D2000-0477 (Frederick M. Abbott) (July 20, 2000); Direct Line Group Ltd. v. Purge I.T., WIPO D2000-0583 (William Cornish) (Aug. 13, 2000); Dixons Group plc v. Purge I.T., WIPO D2000-0584 (William Cornish) (Aug. 13, 2000); Freeserve plc v. Purge I.T., WIPO D2000-0585 (William Cornish) (Aug. 13, 2000); National Westminster Bank plc v. Purge I.T., WIPO D2000-0636 (William Cornish) (Aug. 13, 2000); Wal-Mart Stores, Inc. v. Richard MacLeod d/b/a For Sale, WIPO D2000-0662 (David H. Bernstein) (Sept. 19, 2000); Cabela’s Inc. v. Cupcake Patrol, NAF 95080 (Hon. Carolyn Johnson) (Aug. 29, 2000).

website connected to the domain name would not be sponsored by the complainant. The panel further found that even though the content of the website at issue dealt solely with Wal-Mart's efforts to control the use of its mark in web domain names, this was still sufficient to show that respondent had legitimate free speech rights. Accordingly, the elements of the UDRP were not met.

The panel did note that its decision could be considered at odds with Wal-Mart Stores, Inc. v. Walsucks and Walmart Puerto Rico,²⁶ which found that domain names including walmartcanadasucks.com violated the UDRP. The panelist in the more recent case stated his viewpoint that he did not see how any domain name in the form of "trademarksucks" ever can be confusingly similar to the trademark.²⁷ Nevertheless, he stated that he was not creating a per se privilege for the use of domain names in that form. Rather, the record in the case simply did not support a finding that the Policy had been violated.

In a later case dealing with lockheedsucks.com and lockheedmartinsucks.com, the UDRP panel attempted to create a per se exemption for such domain names, holding that "common sense and a reading of the plain language of the Policy supports the view that a domain name combining a trademark with a word 'sucks' or other language clearly indicating that the domain

²⁵ Wal-Mart Stores, Inc. v. walmartcanadasucks.com and Kenneth J. Harvey, WIPO D2000-1104 (Henry H. Perritt, Jr.) (Nov. 23, 2000).

²⁶ WIPO D2000-0477 (Frederick M. Abbott) (July 20, 2000).

²⁷ WIPO D2000-1104 at 11. Yet, in a case decided after walmartcanadasucks.com, a WIPO panel found that guinnessreallyreallysucks.com and variations on that theme were confusingly similar to the GUINNESS mark. The panel stated that because the word "sucks" is a slang word with which all English speakers may not be familiar, and because there might be circumstances where Internet users would not be aware of the connotations of the word, Internet users could associate the mark with the trademark owner. One of the deciding factors in holding that the domain name guinnessreallyreallysucks.com violates the UDRP could be that the domain name's registrant, John Zuccarini, is a known cybersquatter who did not bother responding to the complaint. See Diageo PLC v. John Zuccarini, WIPO D2000-0996 (James Bridgeman) (Oct. 22, 2000). In fact, a judgment was recently entered against Mr. Zuccarini for cybersquatting in the amount of \$500,000. See Electronics Boutique Holdings Corp. v. Zuccarini, 56 U.S.P.Q.2d 1705 (E.D. Pa. 2000).

name is not affiliated with the trademark owner cannot be considered confusingly similar to the trademark.”²⁸

While the UDRP cases have dealt with the issue on the basis of confusing similarity, federal courts have considered whether domain names, in and of themselves, may be protected as speech. In Lucent Technologies Inc. v. lucentsucks.com,²⁹ the district court, in dismissing an ACPA claim for failure to meet the requirements of an in rem proceeding, considered whether a domain name that on its face signals parody could ever violate another’s trademark rights. The court recognized that registering domain names consisting of a trademark or company name followed by “sucks” is not uncommon and that it might be possible to show that the domain name itself is an effective parody.³⁰ The court noted that if it were shown that lucentsucks.com were an effective parody, plaintiff would be unable to prove the elements of an ACPA claim and the claim might be dismissed on grounds that the domain name was an exercise of free speech rights protected by the first amendment.³¹ However, the Court never reached a decision on that issue.

While another district court faced with the same question on a motion to dismiss held that it was inappropriate to consider whether there should be a per se rule that a domain name ending in “sucks” is protected by the First Amendment,³² a newspaper reported that a district court judge in New Hampshire answered the question affirmatively in an unreported case by holding that domain names are not forums for public discussion and are not per se communicative.³³

²⁸ Lockheed Martin Corp. v. Dan Parisi, WIPO D2000-1015 (Dennis A. Foster and Prof. David E. Sorkin) (Jan. 26, 2001).

²⁹ 95 F. Supp. 2d 528 (E.D. Va. 2000),

³⁰ If the name were connected to a site for critical commentary there clearly would be no case for cybersquatting.

³¹ 95 F. Supp. 2d at 535-36.

³² Lucent Techs., Inc. v. Johnson, 56 U.S.P.Q.2d 1637 (C.D. Cal. 2000)

³³ The Deseret News, “No Free Speech in Web Addresses,” Dec. 13, 2000.

Only one circuit court has weighed in on the subject to date. In Name.Space, Inc. v. Network Solutions, Inc.,³⁴ the Second Circuit was asked to consider whether domain names constitute expressive speech. The district court had held that domain names are source identifiers, not communicative messages. While the Second Circuit agreed that gtlds such as .com, .net and .org do not constitute protected speech under the first amendment, the court made it clear that it was not precluding the possibility that certain domain names (and even new gtlds) could amount to protected speech and that a domain name can have a communicative message that is intended to influence the public’s decision to visit the website or to disseminate a particular point of view. The court stated that domain names and gtlds per se “are neither automatically entitled or excluded from the protections of the First Amendment, and the appropriate inquiry is one that fully addresses particular circumstances presented with respect to each domain name.”³⁵

Clearly, domain names communicate something. At a minimum, domain names may communicate source. Whether they communicate more, and whether that message is protected, will be determined by whether there is an active website and by examining the contents of that site.³⁶

C. New Developments Under the UDRP

The number of UDRP cases that have been decided and the number of opinions that have issued since January 2000 are staggering. According to statistics maintained by the Internet

³⁴ 202 F.3d 573 (2d Cir. 2000)

³⁵ Id. at 586. In Bridgestone-Firestone, Inc., et al v. Jack Myers, WIPO D2000-0190 (Dana Haviland) (July 6, 2000), the panel refused to adopt the holding that domain names in the form of trademarksucks.com would be protected as free speech because of their communicative content while domain names in the form trademark.com are unprotected and serve as mere source-identifiers. Instead, the panel referred to the Second Circuit decision in Name.space, noting that whether a domain name is protected as free speech is a fact-intensive analysis that is beyond the scope of the UDRP.

³⁶ The British Columbia Supreme Court also has weighed in on the issue. The question before it was whether a group of striking workers could use as part of its domain name the name of the company that was the target of the strike. The court found for the strikers, noting that because the domain name was not identical to the company’s

Corporation for Assigned Names and Numbers (“ICANN”), as of May 16, 2001, 3693 proceedings (which addressed a total of 6152 domain names) had been commenced. Of the proceedings commenced, 2823 were disposed of by decision, and of those, 2256 decisions ordered the domain names transferred and/or cancelled.³⁷ Many of the decisions follow a standard line of reasoning concerning what constitutes rights in a mark, legitimate interest in a domain name and bad faith use and registration of a domain name. Nevertheless, there have been a few cases that have raised or addressed some more esoteric or singular issues worth noting.

1. Personal Names and Geographic Terms

The UDRP was designed to address domain names that infringe trademarks or service marks. As part of the Second WIPO Internet Domain Name Process, WIPO is now looking at whether the UDRP should be extended to the bad faith, abusive, misleading, or unfair use of personal names and geographical terms and recommendations are expected some time later this year.³⁸ Nevertheless, the UDRP is being regularly employed to deal with the abusive registration of famous personal names³⁹ and also has been employed to address the registration of place names. Disputes have arisen concerning geographically oriented domain names such as *barcelona.com* and *travelmichigan.com*, to name just two.⁴⁰ The decisions reached thus far have not held uniformly that geographic terms are incapable of functioning as marks.⁴¹ However, in a

mark, confusion was unlikely. In addition, there was no competition. Rather, the union was seeking to communicate its message.

³⁷ Statistics on UDRP proceedings can be found at www.icann.org.

³⁸ The Report and timetable are available at <http://wipo2.wipo.int>.

³⁹ See pp. _____ *infra*.

⁴⁰ See *Excelentísimo Ayuntamiento de Barcelona v. Barcelona.com Inc.*, WIPO D2000-0505 (Marino Porzio) (Aug. 4, 2000); *Michigan Economic Development Corp. v. Paul W. Steinorth Construction, Inc.*, AF-0262 (Kevin Trock) (Aug. 10, 2000).

⁴¹ But see *Port of Helsenki v. Paragon Int’l Projects Ltd.*, WIPO D2001-0002 (no trademark rights in port of Helsinki) (Henry Olsson) (Feb. 12, 2001); *Brisbane City Council v. Warren Bolton Consulting Pty Ltd.*, WIPO D2001-0047 (Andrew Christie) (May 17, 2001) (Brisbane City held not to be a trademark for purposes of the UDRP).

case that was filed in New York federal court, one plaintiff sought just such a ruling. The plaintiff filed a declaratory judgment action to prevent the Republic of South Africa from taking action to acquire control of the domain name southafrica.com. The Republic of South Africa announced that it intended to initiate action under the UDRP to seek the transfer of this domain name. The gist of plaintiff's claim is that the Republic of South Africa does not have exclusive rights in the words "South Africa," especially when used in connection with a domain name that connects to a website offering goods and services relating to the country. The case was dismissed for lack of subject matter jurisdiction.⁴²

This position finds support in a UDRP case concerning the domain name stmoritz.com. The complainant, an official organization of St. Moritz, sought to obtain the domain name back from an entity in the United Arab Emirates that used the name in connection with a website that contains information about St. Moritz. The panel found that this was a legitimate use of the domain name. Moreover, in assessing the issue of bad faith, the panel took into account that St. Moritz is merely a geographical designation, suggesting that registration of a domain name that consists of a geographical term and is used to provide information concerning the geographic locale would not violate the UDRP.⁴³

2. Reverse Domain Name Hijacking

For the first time since the UDRP was instituted, a panel found that a complainant had engaged in reverse domain name hijacking.⁴⁴ In that case, the complainant, a German-based television and radio broadcasting company operating under the acronym "DW," was the owner

⁴² Virtual Countries Inc. v. Republic of South Africa, No. 00 Civ. 8448 (S.D.N.Y. filed Nov. 3, 2000) (motion to dismiss granted June 18, 2001)

⁴³ Kur-und Verkehrsverein St. Moritz v. StMoritz.com, WIPO D2000-0617 (Geert Glas) (Aug. 17, 2000). In Salinas v. Baughn, NAF 97076 (Nelson A. Diaz, James A. Crary and Ralph Yachnin) (June 4, 2001) a similar result was reached although the legal reasoning differed. The panelists refused to transfer the domain names cityofsalinas.com, cityofsalinas.net and cityofsalinas.org to the City of Salinas on the grounds that the city failed to establish protectible rights in CITY OF SALINAS as a mark.

⁴⁴ Deutsche Welle v. DiamondWare Ltd., WIPO D2000-1202 (Tony Willoughby, Torsten Bettinger and Diane Cabell) (Jan. 2, 2001).

of various trademark registrations for marks that included the letters “DW.” The complainant owned German registrations dating back to the early 1980s and trademark registrations in other countries dating back after 1995. The U.S.-based domain name registrant registered the domain name dw.com on December 7, 1994 and claimed that it had been trading under the acronym “DW” since 1994. The complainant sent a demand letter to the registrant asking that the domain name be transferred. In response, the respondent advised that the domain name was not for sale but that it would consider an offer above \$3 million from an accredited buyer. Based on that response, the complainant filed a UDRP proceeding citing the respondent’s willingness to consider a purchase as evidence of lack of legitimate interest in the domain name and bad faith use and registration.

Reviewing the evidence, the panel found that the complainant had failed to prove that the domain name registrant had no rights or legitimate interest in the domain name. Among the facts that led to this conclusion was that the respondent was offering goods and services under the domain name before complainant had protested. In addition, because the domain name corresponded to the initials of respondent’s trade name, the respondent had a reasonable and legitimate interest in using the domain name. The panel also found that there was no evidence of bad faith use and registration. The mere fact that the respondent offered to sell the domain name in response to a demand letter from the complainant was not by itself evidence of cybersquatting, since the respondent had an underlying business interest in the domain name.

The panel then examined whether the complainant had used the UDRP in bad faith to deprive a registered domain name holder of a domain name. Answering this question affirmatively, the panel pointed to the facts that the complainant knew that the domain name registrant was using the domain name with an active website and in relation to a bona fide offering of goods and services before it filed the complaint; the date of registration of the domain

name preceded the dates of all of the complainant's trademark registrations outside Germany; and there was no evidence that the domain name registrant had ever heard of or been aware of any of the complainant's rights. Putting the label of a reverse domain name hijacker on the complainant is little more than a slap on the wrist. Although the complainant was declared to have brought the UDRP complaint in bad faith and to have abused the administrative proceeding, the UDRP does not provide for any sanctions.

3. Procedural Errors

Two recent UDRP cases point out certain procedural errors that could result in an adverse decision for the complainant. The UDRP requires that the complaining party establish rights in a trademark that is confusingly similar to a domain name. In Media West-GSI, Inc. and Gannett Satellite Information Network v. Zuccarini, the complainants brought a claim against John Zuccarini, a known cybersquatter who had taken the domain names usatodayports.com and usatodayweather.com. Mr. Zuccarini not only has been the subject of numerous UDRP decisions but also of court decisions imposing fines in excess of \$500,000 for his abusive acts of registering domain names.⁴⁵ Given the nature of the registrant, this should have been an easy case for the complaining party. What made it even easier to win is the fact that the domain name registrant did not respond to the complaint. However, the complainant lost for the simple reason that the trademarks it relied upon were registered in the name of an entity that was not a party to the case. Moreover, the cease and desist letters relied upon by the complainant were sent by a third party, and the complaining party did not provide any evidence that it was using the trademarks at issue under license. As a result, the panel held that there was insufficient evidence

⁴⁵ See cases cited in footnote 53, 61, 63.

to establish that the complainant had rights in the trademarks claimed and dismissed the case for lack of proof.⁴⁶

In a similar case, NBA Properties, the exclusive licensing and merchandising agency for the National Basketball Association and its member teams, sought to get back the domain name knicks.com.⁴⁷ The complainant produced registrations for the mark KNICKS, alleged that it was the exclusive licensee of the marks, that it represented not only the owner of the marks but also the owner and operator of the New York Knicks, and argued that the domain name was registered and being used in bad faith. The domain name registrant did not respond. Nevertheless, the complainant lost because it failed to establish its rights in the mark by license or otherwise. The panel was concerned that the request for an order transferring the domain name would result in the domain name being owned by an entity other than the trademark owner without the consent of the trademark owner being of record.⁴⁸

4. Registering Misspellings as a Defense

The “right” of a domain name registrant to register a misspelling of a domain name in which it has an interest, even if the misspelling infringes on a complainant’s rights, was recently reaffirmed in a UDRP decision. In prior cases, UDRP panels had recognized that the owner of an established brand had a legitimate interest in registering misspellings of that brand as a domain name.⁴⁹ This ability to register misspellings as domain names was recently extended to a respondent who merely had an interest in a domain name. At issue was the domain name ishopchannel.com. Respondent claimed that he had plans to use ishopchannel.com, producing screen shots of a proposed website. He then argued that his legitimate interests in ishopchannel.com gave him legitimate rights to ishopchannel.com since this was a common

⁴⁶ WIPO D2000-1205. The panelist did indicate that the matter was dismissed without prejudice and that it could be recommenced provided that there was a showing that the complaining party did have rights in the marks at issue.

⁴⁷ NBA Properties, Inc. v. Adirondack Software Corp., WIPO D2000-1211 (William Mathis) (Dec. 8, 2000).

⁴⁸ In addition, the panel found the lack of any evidence of registration and use in bad faith.

misspelling of his chosen domain name. In finding that respondent had the right to register ishopchanel.com, notwithstanding that it incorporated the registered trademark CHANEL, the panelist held that registration of common misspellings of a domain name in which the registrant had a demonstrable interest “is legitimate and not an abusive use of a domain name.”⁵⁰

D. Recent Case Law under the ACPA

1. Findings of Bad Faith

A growing body of case law under the ACPA has had an opportunity to percolate through the federal court system.⁵¹ Three circuit courts of appeal, the First, Third, and Fourth, have now joined the Second Circuit Court of Appeals in analyzing the ACPA. In Northern Light Technology Inc. v. Northern Lights Club, the First Circuit affirmed a finding by the district court that the defendant’s registration and use of the domain name northernlights.com in connection with a vanity e-mail service was likely to violate the ACPA.⁵² The defendant adopted the domain name approximately one month after plaintiff registered the domain name northernlight.com and approximately one month after plaintiff applied to register NORTHERN LIGHT as a service mark. After approximately three years of coexistence, plaintiff sent the defendant a demand letter and then ultimately sued. In affirming the district court’s finding that the plaintiff was likely to succeed in showing that defendant had a bad faith intent to profit from plaintiff’s mark, the First Circuit seemed swayed by defendant’s pattern of registering multiple domain names containing famous marks and defendant’s frequent changes in its explanation for why it registered northernlights.com. While the Court noted that defendant had used northernlights.com in connection with an e-mail service for several years before its dispute with

⁴⁹ Pearson v. Byers Choice, NAF 92015 (Louis Candon) (Mar. 9, 2000).

⁵⁰ Chanel, Inc. v. Sandy Goldman, WIPO D2000-1837 (Mark V.B. Partridge) (Feb. 13, 2001).

⁵¹ Still, the UDRP is used far more than the ACPA. A LEXIS search revealed that as of June 28, 2001 there were 34 reported cases in which the ACPA was substantively raised. By contrast, as of June 28, 2001, 3132 UDRP cases had been decided.

⁵² 236 F.3d 57 (1st Cir. 2001).

plaintiff, this was not enough to trump a finding of bad faith. Thus, despite very little hard evidence of bad faith use and registration, the Court found that the plaintiff was likely to show a violation of the ACPA.

In Shields v. Zuccarini, the Third Circuit affirmed a holding by a district court that the known cybersquatter John Zuccarini's registration of joescartoon.com, joecarton.com, joescartons.com, joescartoons.com and cartoonjoe.com – intentional misspellings of the distinctive trademark JOE CARTOON – constitutes unlawful conduct under the ACPA.⁵³ The Third Circuit held that the ACPA addresses the registration of both “identical” and “confusingly similar” domain names. The Court, noting that “[a] reasonable interpretation of conduct covered by the phrase ‘confusingly similar’ is the intentional registration of domain names that are misspellings of distinctive or famous names, causing an Internet user who makes a slight spelling or typing error to reach an unintended site”⁵⁴ held that Zuccarini's domain names were confusingly similar to Shields' marks.

Even though Zuccarini had never used the infringing domain names as trademarks or service marks and had never used the marks in connection with the offering of goods or services, the Third Circuit found that Zuccarini had acted with a bad faith intent to profit when he registered the five domain names at issue. The Court noted: “He does not use these domain names for a non-commercial or ‘fair use’ purpose. He deliberately maintains these domain names to divert consumers from Shield's website. In so doing, he harms the goodwill associated with the mark.”⁵⁵ Zuccarini's attempt to cloak himself in the first amendment by establishing a protest website failed because such use was made only after Shields brought its action alleging a violation of the ACPA.

⁵³ Shields v. Zuccarini, No. 00-2236, 2001 U.S. App. LEXIS 13288 (3d Cir. June 15, 2001).

⁵⁴ Id. at *14.

⁵⁵ Id. at *18.

The Third Circuit affirmed the district court's award of \$10,000 in statutory damages for each of the offending domain names together with an award of attorney's fees, holding that Zuccarini's conduct was "particularly flagrant" making this an "exceptional" case under the ACPA.

The Fourth Circuit also was quick to find bad faith. In Virtual Works Inc. v. Volkswagen of America, the Court found on a summary judgment motion that the domain name vw.net violated the ACPA.⁵⁶ Virtual Works registered vw.net domain name and used it for approximately two years before being contacted by various Volkswagen dealerships expressing an interest in the name. Virtual Works turned around, called Volkswagen and offered to sell the name. In a voicemail message left for a woman in Volkswagen's trademark department, one of defendant's principals stated that unless Volkswagen bought the domain name, defendant would sell it to the highest bidder.

Considering the issue of bad faith, the Court looked at both circumstantial and direct evidence. Among the circumstantial evidence of bad faith was the fame of Volkswagen's VW mark, the similarity of vw.net to the VW mark, the fact that Virtual Works did not identify itself as VW or do business under that name (despite the fact that VW are the initials of Virtual Works' name), and the availability of other domain names that could have been registered by Virtual Works. The Court recognized that such circumstantial factors alone would not necessarily be sufficient to prove bad faith. However, the domain name registrants had stated that they recognized that vw.net might be confused with Volkswagen, and had discussed at the time they registered vw.net the possibility of one day selling the site to Volkswagen. The fact that Virtual Works had the foresight to recognize that Volkswagen might want the vw.net

⁵⁶ 238 F.3d 264 (4th Cir. 2001).

domain name was interpreted by the Court as evidencing a bad faith intent to profit.⁵⁷ Thus, on somewhat flimsy evidence, the Court of Appeals made a finding of bad faith.

2. Basic ACPA Principles

Recent district court decisions under the ACPA confirm some basic principles. First, if a domain name is taken by a defendant and is connected to pornographic or adult entertainment site, courts will generally find that the defendant has acted in bad faith and will find for the plaintiff.⁵⁸

Second, although the list of bad faith factors in the ACPA can lead to a finding of a bad faith intent to register, use or traffic in a domain name, a court is free to look at other elements of bad faith that are brought to its attention.⁵⁹

Third, in most cases, ACPA claims are not brought as stand-alone claims but are brought in connection with Lanham Act claims for trademark infringement, unfair competition and dilution. Indeed, if there is use of the domain name in connection with an active website, then all three claims should be brought together. One should only consider bringing an ACPA claim by itself if there is no such use of the domain name.⁶⁰

Fourth, money is a real remedy under the ACPA. In a recent case, a court awarded plaintiff a total of \$500,000 against a defaulting defendant -- \$100,000 for each of five infringing domain names.⁶¹ The amount assessed per domain name was the highest amount that could be

⁵⁷ Id. at 269-70.

⁵⁸ Ford Motor Co. v. Lapertosa, 126 F. Supp. 2d 463 (E.D. Mich. 2001); Mattel, Inc. v. Internet Dimensions Inc., 55 U.S.P.Q.2d 1620 (S.D.N.Y. 2000).

⁵⁹ See Advance Magazine Publishers Inc. v. Vogue Int'l, 123 F. Supp. 2d 790 (D.N.J. 2000) (finding additional elements of bad faith where the registrant was aware of the prominence of the VOGUE mark when registering teenvogue.com, that people believed teenvogue.com was an offshoot of Vogue Magazine, and the registrant thought the domain name teenvogue.com was powerful because of the prominence of VOGUE.)

⁶⁰ In fact, in BroadBridge Media L.L.C. v. HyperCD.com, 106 F. Supp. 2d 505 (S.D.N.Y. 2000), the Court noted that one of the reasons for bringing an ACPA is to avoid an expensive trademark action that might result if the domain name registrant actually begins to use the domain name.

⁶¹ Electronic Boutique Holdings Corp. v. Zuccarini, 56 U.S.Q.P.2d 1705 (E.D. Pa. 2000). In Shields v. Zuccarini, 2001 U.S. App. LEXIS 13288 at *24-25, an award of \$500,000 was upheld. See Kidman v. John Zuccarini, WIPO D2000-1415 for a listing of all of the cases in which Mr. Zuccarini was held to be a cybersquatter.

awarded under the ACPA's provision allowing recovery of statutory damages.⁶² In determining the amount of statutory damages, the court considered the defendant's conduct not only against the plaintiff in the lawsuit but also against third parties. The court noted that numerous cases had been brought against the same defendant, prior injunctions had been issued against the same defendant, and claim letters had been sent to the defendant. As the court noted, the defendant "boldly thumbs his nose at the rulings of this court and the laws of our country."⁶³

In another recent case awarding statutory damages, the court held that even though the domain name was registered before the enactment of the ACPA, monetary relief was available because the domain name was used after the enactment of the Act.⁶⁴ The domain name at issue, ernestandjulio Gallo.com, was originally obtained to sell for a profit. After the suit was filed, it was used in connection with a website that discussed the litigation, the risks of alcohol use and corporate misrepresentations. Based on such uses, the court found that there was a risk that Gallo might lose business and have its business reputation tarnished, and Gallo was awarded statutory damages of \$25,000.⁶⁵

IV. Expanding Protection Beyond Traditional Marks

The first wave of domain name litigation generally concerned registered trademarks. However, the UDRP and ACPA can be used to protect other forms of intellectual property. Indeed, the UDRP has proven particularly effective in protecting personal names. While there was initially some speculation as to whether the UDRP would cover domain name registrations that essentially violate rights of publicity, this procedure has been successfully employed by Julia

⁶² 15 U.S.C. §1117(d).

⁶³ Mr. Zuccarini did move to set aside the order claiming he was never served in the lawsuit. The Court rejected the motion finding that Mr. Zuccarini willfully evaded process and ordered him to pay opposing counsel's fees of \$24,000. Electronics Boutique Holding Corp. v. Zuccarini, 56 U.S.P.Q. 2d 1705.

⁶⁴ E & J Gallo Winery v. Spider Webs Ltd., 129 F. Supp. 2d 1033 (S.D. Tex. 2001)

⁶⁵ Id. at 1048.

Roberts,⁶⁶ Mick Jagger,⁶⁷ Isabelle Adjani,⁶⁸ Emeril Lagasse,⁶⁹ WWF Champion Stone Cold Steve Austin,⁷⁰ football great Dan Marino,⁷¹ the author Jeanette Winterson,⁷² the equestrian Monty Roberts,⁷³ the chairman of Lazard Freres, Steven Rattner,⁷⁴ and the band Jethro Tull⁷⁵ to name just a few.⁷⁶

Being famous does not mean that you are guaranteed to win under the UDRP. One performer who lost is Sting, who objected to the domain name sting.com. The panel noted that although Sting is a stage name for Gordon Sumner, the word “sting” is also a common word in the English language with different meanings that have no relationship to the performer. As such, that term could not be exclusively appropriated by the performer.⁷⁷ Imagine how Sting must have felt when a different panel found in favor of Madonna.⁷⁸ The panel acknowledged that the term “Madonna” has a meaning not associated with the singer. Yet the panel ignored this fact, saying that nothing suggested that the term was adopted for its alternative ordinary meaning.⁷⁹

Sting has company in the loss column. The guitarist Eddie Van Halen brought a UDRP proceeding against a woman who registered edwardvanhalen.com. The domain name registrant acknowledged that Mr. Van Halen had rights in his name, but argued that by virtue of being a fan

⁶⁶ Julia Fiona Roberts v. Russell Boyd, WIPO D2000-0210 (Richard W. Page, Sally M. Abel and James Bridgeman) (May 29, 2000).

⁶⁷ Mick Jagger v. Denny Hammerton, NAF 95261 (Hon. Glen Ayres, Hon. Daniel Banks, Hon. James A. Crary) (Sept. 11, 2000).

⁶⁸ Isabelle Adjani v. Second Orbit Comm. Inc., WIPO D2000-0867 (David Perkins) (Oct. 4, 2000).

⁶⁹ Emeril Lagasse v. VPop Technologies, NAF 94373 (James A. Crary) (May 8, 2000).

⁷⁰ World Wrestling Fed'n Entm't, Inc. v. Matthew Bessette, WIPO D2000-0256 (David M. Kelly) (June 7, 2000).

⁷¹ Daniel C. Marino v. Video Images Productions, WIPO D2000-0598 (Richard W. Page) (Aug. 2, 2000).

⁷² Jeannette Winterson v. Mark Hogarth, WIPO D2000-0235 (David Perkins) (May 22, 2000).

⁷³ Monty and Pat Roberts, Inc. v. Bill Keith, WIPO D2000-0299 (Frederick M. Abbott) (June 9, 2000).

⁷⁴ Steven Rattner v. BuyThisDomainName, WIPO D2000-0402 (Hugues G. Richard) (July 3, 2000).

⁷⁵ The Ian Anderson Group of Companies Ltd. v. Denny Hammerton, WIPO D2000-0475 (John Terry) (July 12, 2000).

⁷⁶ All of the cases referenced can all be found at the WIPO web site, www.wipo.int or at the ICANN web site, www.icann.org/udrp/proceedings.

⁷⁷ Gordon Sumner a/k/a Sting v. Urvan, WIPO D2000-0596 (Andrew J. Christie) (July 19, 2000).

⁷⁸ Madonna Ciccone v. Dan Parisi, WIPO D2000-0847 (Mark V. Partridge, James W. Dabney, David E. Sorkin) (Oct. 12, 2000).

with the intent to put up a fan site, she had rights or legitimate interests in the domain name. The panelist acknowledged that Mr. Van Halen had rights in his name sufficient to invoke the policy. The panelist also found that respondent had no rights or legitimate interest in the domain name at issue, especially since the respondent had not developed any website prior to the receipt of Mr. Van Halen's objection. However, the panelist held that Mr. Van Halen did not establish bad faith registration and use of the domain name because there was no evidence of abusive cybersquatting and no actual use of the domain name.⁸⁰ The fact that the activities of the respondent might have constituted trademark infringement was not sufficient to warrant relief under the Policy.

Another singer who lost a UDRP proceeding is Bruce Springsteen.⁸¹ In his case, the registrant obtained the domain name bruce.springsteen.com. He argued that there was no evidence of common law rights in the name Bruce Springsteen; that his domain name is not confusingly similar to the name Bruce Springsteen; the use of a disclaimer on his site makes it clear that it is not an official Bruce Springsteen site; his use of a domain name is analogous to the use of the name of a celebrity on the front page of a magazine and indicates only that the website, like a magazine, may feature an article or information about the individual in question. The registrant also noted that the domain name is not being used for profit or gain and that he has not attempted to create confusion or to divert consumers.

Two of the panelists who heard the case were persuaded by at least some of the respondent's arguments. The panelists hedged a bit as to whether they believed that the UDRP procedure was intended to protect personal names. However, because they rejected Bruce Springsteen's claims on other grounds, they proceeded on the assumption that the Bruce

⁷⁹ WIPO D2000-0847 at p. 3.

⁸⁰ Edward Van Halen v. Deborah Morgan, WIPO D2000-1313 (David H. Bernstein) (Dec. 20, 2000).

⁸¹ Bruce Springsteen v. Jeff Burgar and Bruce Springsteen Club, WIPO D2000-1532 (Gordon D. Harris, A. Michael Froomkin) (Jan. 25, 2001).

Springsteen name is protected and that the domain name at issue was identical to the name Bruce Springsteen. Bruce Springsteen's case failed because he was unable to establish that the respondent lacked legitimate rights or interest in the domain name. The panelists held that the use was legitimate because the use was noncommercial or fair use and that there was no intent to derive commercial gain by diverting consumers or to tarnish Mr. Springsteen's name. In support of this position, the panelists noted that an Internet search using the words "Bruce Springsteen" gave rise to thousands of hits. Internet users would know that not all of these hits are authorized sites. As such, the registrant's use of brucespringsteen.com to divert consumers to the website www.celebrity1000.com was not held misleading. In addition, the panelists were persuaded that there was a legitimate right or interest in the domain name by virtue of the fact that the domain name was not connected to sites containing "pornographic or other regrettable material."

The panelists also found that Mr. Springsteen had not proven that the domain name was registered and was being used in bad faith. Among the factors that led to this conclusion were that: (a) the respondent also did not register the domain names brucespringsteen.net and brucespringsteen.org; and (b) if anybody went to the site brucespringsteen.com they would realize that the site was not an official site, thus resulting in a finding of no likelihood of confusion. The panelists summed up the basis for their decision by stating, without benefit of evidence, that "the users of the internet do not expect all sites bearing the name of celebrities . . . to be authorized or in some way connected with the figure themselves. . . . Users fully expect domain names incorporating the names of well known figures in any walk of life to exist independently of any connection with the figure themselves, but having been placed there by admirers or critics as the case may be."⁸²

⁸² WIPO D2000-1532 at p. 7. The case Celine Dion et al v. Jeff Burger, WIPO D2000-1838 (William R. Cornish) (Feb. 13, 2001), highlights the inconsistencies of UDRP decisions. Celine Dion brought a complaint against the same respondent who had registered Bruce Springsteen's name as a domain name. However, Celine Dion fared better. The panel noted that because the respondent had registered a number of celebrity.com domain names, this

The decision of the panel that refused to transfer the domain names tupac.net and tupac.com to the Estate of Tupac Shakur is in the same vein. The refusal to transfer the domain names was based on the fact that the respondent was using the domain names for a fan site, and that the respondent's site was not operated for commercial gain or to mislead or divert consumers or to tarnish the claimant's name. Although the complainant had argued that the domain names should be transferred because they were being used in connection with a website not associated with or sponsored by Tupac Shakur or his Estate, the panel rejected this contention, stating that if that argument were accepted it "would effectively prohibit any fan club from being established on the Internet if it mentioned in the site name an artist's name. . . . It would also permit persons in the position of this Claimant to unjustly enrich themselves by confiscating the work of fans and admirers in establishing a website supporting their favorite artists without any opportunity for compensation."⁸³

Taken together, the Van Halen, Springsteen and Tupac Shakur cases may evidence a chipping away of the protection afforded celebrities where their names are taken as domain names and are being used in connection with non-commercial fan sites. It will be interesting to see whether courts confronted with similar issues under the ACPA will make similar findings. This is quite possible, since the factors to establish bad faith under the ACPA are identical to the factors under the UDRP for determining whether the respondent has legitimate rights and whether there is bad faith use and registration of a domain name.

If the UDRP is not available or effective, the ACPA can be used to protect unregistered marks. A specific provision in the ACPA prohibits the registration of a domain name that consists of a personal name even where the personal name does not function as a trademark or a

showed a pattern of conduct demonstrating bad faith. The fact that Ms. Dion, like Mr. Springsteen, could have taken a domain name that ended in .net or .org, while viewed as material in the Bruce Springsteen decision, was deemed irrelevant by the panelist in the Celine Dion case.

service mark. The act specifically provides that “any person who registers a domain name that consists of the name of another living person, or a name substantially and confusingly similar thereto, without that person’s consent, with the specific intent to profit from such name by selling the domain name for financial gain to that person or any third party, shall be liable in a civil action by such person.”⁸⁴ Remedies under this section of the ACPA include injunctive relief; the forfeiture, cancellation or transfer of the domain name; and attorneys’ fees and costs to the prevailing party. The language of this section is sufficiently broad that it could cover a stage name such as Sting. However, it does not cover domain names that consist of the names of deceased celebrities.

The ACPA also provides that a person is liable in a civil action by the owner of a mark, *including a personal name which is protected as a mark*, if the domain name registrant has a bad faith intent to profit from that mark. Personal names will be protected under the ACPA if they are distinctive at the time that the domain name is registered and if the domain name is identical or confusingly similar to the personal name.⁸⁵ United States courts have recognized that a celebrity’s name can be afforded protection under trademark law.⁸⁶ Unlike the section of the ACPA specific to personal names (see footnote 75, *supra*), this section of the ACPA does not require that the domain name registrant try to sell the domain name to the complaining party in order for it to apply. Rather, any number of factors can indicate bad faith and lead to a finding of

⁸³ Estate of Tupac Shakur v. R.J. Barranco, AF 0348A; 0348B (Hon. Richard D. Faulkner) (Oct. 23, 2000).

⁸⁴ 15 U.S.C. §1129.

⁸⁵ See 15 U.S.C. §1125(d). California has recently adopted a hybrid of these two ACPA sections. In new legislation, effective January 1, 2001, the California Business and Professions Code was amended to specifically make unlawful a bad faith intent to register, traffic in, or use a domain name that is identical or confusingly similar to the name of another person, whether living or dead. The factors to determine whether or not there is a bad faith intent to register, traffic in, or use a domain name are identical to those factors set forth in the ACPA.

⁸⁶ See, e.g., In re Carson, 197 U.S.P.Q. 554 (T.T.A.B. 1977) (the U.S. Patent and Trademark Office recognized that Johnny Carson is a well-known television and show business personality and held that his name functions both to identify him and to identify his entertainment services); Cher v. Forum Int’l, Ltd., 213 U.S.P.Q. 96 (C.D. Cal.), aff’d in part, 692 F.2d 634 (9th Cir. 1982), cert. denied, 462 U.S. 1120 (1983) (Court found that the “name and likeness of Cher and the single name “Cher” have come to be known and associated with Cher and are readily identifiable with

liability, including: the domain name registrant has no intellectual property rights in the domain name; the domain name does not consist of a name that the registrant generally uses to identify himself; the domain name registrant is not using the domain name in connection with the bona fide offering of any goods or services; or the purpose of registering the domain name was to divert consumers to the domain name registrant's web site or to otherwise cause confusion. Of course, an offer to sell the domain name is generally conclusive evidence of bad faith. Despite this protection, the ACPA is not frequently used in the personal name or title context and no cases yet have been reported.⁸⁷

V. Personal Jurisdiction in Domain Name Litigation

One of the benefits of the UDRP over a claim under the ACPA is that the complaining party need not worry about personal jurisdiction. Anyone who has registered a domain name with an accredited ICANN registrar is subject to the UDRP proceeding. It does not matter if the domain name registrant is located in the same state or country as the complaining party. Accordingly, it is not uncommon for there to be UDRP cases between a United States complaining party and a foreign respondent.⁸⁸ However, the UDRP is not the only means by which a United States complainant can take action against a domain name registrant located outside the United States. The Lanham Act, including the newly enacted ACPA, can be asserted

Cher and with her services as an entertainment personality and thus found she had protectable rights under the Lanham Act).

⁸⁷ On January 25, 2001 the Department of Commerce issued a report to Congress advising that further legislation to protect personal names is unwarranted. Congress may consider the matter after WIPO issues its ongoing study on bad faith domain name registration which is due by July, 2001.

⁸⁸ It should be noted that if a United States entity brings a UDRP proceeding, the entity must consent to jurisdiction either in the location where the domain name registrant is located or where the domain name registrar is located for purposes of a lawsuit concerning the results of the UDRP. Thus, there could be situations arising out of the UDRP where a United States entity agrees to subject itself to litigation outside the United States. However, the jurisdiction that is created by the UDRP is limited. First, the jurisdiction is only as to claims brought by the losing participant in the UDRP, not anyone else. And the claims that are covered by the consent are limited to those that address the UDRP decision, not claims for damages or for common law or state claims. Virtuality L.L.C. v. Bata Ltd., Civil No. H-00-3054 (D. Md. Apr. 2, 2001).

against a domain name registrant who is outside the United States, provided that the court has personal jurisdiction over the domain name registrant.⁸⁹

Whether a non-United States-based domain name registrant is subject to personal jurisdiction in the United States depends on whether the exercise of jurisdiction is authorized by the long-arm statute of the state in which the district court sits and whether it comports with due process under the United States Constitution. Some states, such as California, allow courts sitting in the State of California to exercise jurisdiction over any defendant provided that the exercise of jurisdiction comports with the constitutional guarantee of due process. Other states, such as New York, provide only a limited basis for exercising jurisdiction over a non-New York domiciliary. Thus, whether the ACPA can be applied to a non-United States registrant depends on the particular facts of the case, the particular conduct of the registrant, the specific contacts with the United States, and the nature of the particular state's long-arm statute. Rarely, if ever, will there be jurisdiction over a foreign entity simply because that foreign entity has registered a domain name with a United States-based registrar. There must be additional acts showing that the registrant has taken advantage of the forum.

In analyzing whether personal jurisdiction can be asserted based on Internet activity, the courts look to the nature and quality of the commercial activity that an entity is conducting over the Internet. Cases have categorized Internet use into three types. In the first category, where a defendant merely establishes a passive website that does nothing more than advertise, the exercise of personal jurisdiction generally is not appropriate.⁹⁰ In contrast, in the second category, where a defendant does business over the Internet by entering into contracts with residents of the forum state, personal jurisdiction would not violate traditional notions of fair

⁸⁹ The ACPA also makes available an in rem proceeding against the domain name itself where the domain name was registered in the United States and the defendant is not subject to personal jurisdiction in the United States. A company cannot proceed with both an in rem case against the domain name and an ACPA case against the registrant. Alitalia-Linee Aeree Italiane S.p.A. v. Casinoalitalia.com, 128 F. Supp. 2d 340 (E.D. Va. 2001).

play and substantial justice guaranteed by the due process clause and thus the exercise of personal jurisdiction may be appropriate.⁹¹ In the third category are cases in which a defendant's website allows users to exchange information with the host computer. In those cases, the courts look to the level of interactivity and the commercial nature of the exchange of information occurring on the site.⁹²

Notwithstanding the creation of these three general categories, the application of the law varies from circuit to circuit and from district court to district court. The Fifth Circuit held that the mere presence of electronic mail access, a printable order form, and a toll-free number on a website is insufficient to establish personal jurisdiction that would satisfy the due process requirement.⁹³ Had the website allowed consumers to order and purchase products and services online, this may have led to the exercise of personal jurisdiction over the defendant. In a case in the Southern District of New York, the court refused to exercise personal jurisdiction over a defendant who had established an informational website that was available in New York but was not necessarily purposely directed towards New York residents.⁹⁴

The attitudes of the New York federal courts may be changing. Recently, the Southern District of New York ruled that a single sale into the forum initiated by plaintiff and consummated over the Internet was sufficient to create a basis for personal jurisdiction in New York.⁹⁵ In April of this year, another court in the Southern District of New York went even

⁹⁰ See CitiGroup, Inc. v. City Holding Co., 97 F. Supp 2d 549 (S.D.N.Y. 2000).

⁹¹ CompuServe, Inc v. Patterson, 89 F. 3d 1257 (6th Cir. 1996).

⁹² Student Advantage, Inc. v. International Student Exchange Cards, Inc., 2000 U.S. Dist. LEXIS 13138 (S.D.N.Y. 2000); Zippo Mfg. Co. v. Zippodotcom, 952 F. Supp. 1119 (W.D. Pa. 1997). For a detailed discussion of cases relating to personal jurisdiction based on the existence of these different types of websites, see Millennium Enters., Inc. v. Millennium Music, Inc., 33 F. Supp. 2d 907 (D. Or. 1999).

⁹³ Mink v. AAAA Development LLC, 190 F.3d 333 (5th Cir. 1999).

⁹⁴ Bensusan Restaurant Corp. v. King, 937 F. Supp. 295 (S.D.N.Y. 1996), aff'd, 126 F.3d 25 (2d Cir. 1997) A Missouri court found the opposite, holding that the defendant had sufficient contacts with Missouri by having a website accessible to all Internet users, including those in Missouri. Maritz, Inc. v. Cybergold, Inc., 947 F. Supp. 1328 (E.D. Mo. 1996)

⁹⁵ Mattel Inc. v. Adventure Apparel, 2001 U.S. Dist. LEXIS 3179 (S.D.N.Y. 2001). Accord Ty, Inc. v. Baby Me, Inc., 00 C 6016 (N.D. Ill.).

farther, finding personal jurisdiction in New York over a Washington State company that made no sales into New York. The judge found that the exercise of jurisdiction was appropriate because the defendant knew of plaintiff's domain name before taking a similar name and thus should have been expected to have been brought into court in New York where the plaintiff had established rights in the domain name. In addition, the court noted that the defendant could potentially have New York contacts.⁹⁶

A similar result had previously been reached by a district court in the Western District of Washington. Defendant, a Minnesota corporation having a principal place of business in Minnesota, set up a website under the domain name amazongift.com. Amazon.com brought a lawsuit in the state of Washington where it has its headquarters. The court recognized that because the defendant's contacts with the state of Washington were not substantial, not continuous, and not systematic, the court did not have general jurisdiction over the defendant. However, because defendant did not dispute that it knew of Amazon.com when it posted the amazongifts.com site and did not dispute that it knew that Amazon.com's principal place of business was in Washington, the court held that this was sufficient to show that the defendant purposely availed itself of the privilege to conduct activities in the forum state.⁹⁷ This test, if applied by other courts, could give a huge procedural advantage to the owners of famous trademarks.

Finally, some courts have taken the position that if a defendant uses modern technology such as the Internet in order to transmit information to all Internet users, then perhaps the permissible scope of jurisdiction should be broadened.⁹⁸ While courts are hesitant to declare that any court in the United States may assert personal jurisdiction over any information provider on

⁹⁶ Starmedia Network, Inc. v. Star Media Inc., 00 Civ. 4677 (DLC) (S.D.N.Y. Apr. 23, 2001)

⁹⁷ See Amazon.com, Inc. v. Webovation, Inc., Case No. C00-1173C (W.D. Wash. filed July 12, 2000).

⁹⁸ California Software Inc. v. Reliability Research Inc., 631 F. Supp. 1356 (C.D. Cal. 1986)

the world wide web, anyone who establishes a website on the Internet should be aware that he may be sued in a court far from where his computers or website resides.

In fact, the federal district court in the Eastern District of Virginia recently found that a company based in the Dominican Republic was subject to jurisdiction in Virginia.⁹⁹ The court found that defendant, by using plaintiff's mark in connection with an Internet casino, had caused an injury in Virginia and that the defendant did business in Virginia through its maintenance of an interactive website accessible to Virginia consumers. Because the site was fully interactive, required members to enter contracts to play, and had hosted Virginia residents, the court determined that exercising jurisdiction met both the state long arm requirement and the constitutional requirement of due process.

VI. Transborder Issues Raised By Domain Name Litigation

The global reach of the Internet provides both the Internet's appeal and many of the legal problems being encountered. Activity on the web that may be permissible where initiated may violate the law in the locale where the website is accessed. Until recently there was no easy way to confine modifications to a website or domain name to a particular geographic area. Thus, any changes that were made or imposed by a court became global in effect even when made in response to local laws or requirements.

For example, if a court in the State of Mississippi issued an injunction prohibiting certain content or certain domain names from being used on the Internet, the true effect of such an order, given the available software, could be to bar the use of such content or domain name wherever the website is accessible, even in jurisdictions where the name or content may not violate any law. This result is at odds with the decision of the United States Supreme Court in BMW of

⁹⁹ Alitalia-Linee Aeree Italiane S.p.A. v. Casinoalitalia.com, 128 F. Supp. 2d 340 (E.D. Va. 2001)

North America, Inc. v. Gore,¹⁰⁰ which held that no state may impose its own policy on a neighboring state, and no state may impose burdens on other states. If a court in a state that recognizes certain rights issues an injunction barring certain content on a website, and as a result of that injunction, material is taken off a website that is permissible in a separate state, have the principles of state sovereignty and comity, reaffirmed in BMW, been upheld? In effect, doesn't an injunction that affects all states allow the issuing state to impinge on the policies of other states? To avoid this result a court would have to limit the injunction and require that materials be blocked only in certain jurisdictions.

This issue is implicated very much when dealing with the right of publicity. There is no federal right of publicity. The existing state right of publicity statutes provide varying levels of protection. Certain published material that might violate the right of publicity statute in California, which recognizes a post-mortem right of publicity, would not be objectionable in New York, which does not have a post-mortem right. Yet an injunction on Internet content that gives effect to the California right of publicity could affect New York residents and infringe on the policy choices made by New York not to recognize a post-mortem right of publicity.

Transborder concerns have been used successfully to strike down legislation relating to the Internet. For example, in American Libraries Ass'n v. Pataki,¹⁰¹ the plaintiff sought to challenge an amendment to a New York penal statute that made it a crime for an individual to use the Internet to engage in communication that is "harmful to minors." While the statute was intended to be limited geographically to New York, as the court pointed out, geography "is a virtually meaningless construct on the Internet."¹⁰² Therefore, any state statute that attempts to regulate content on the Internet necessarily will implicate interstate communications and would thus serve to regulate conduct occurring outside the borders of New York. This is precisely what

¹⁰⁰ 517 U.S. 559 (1996)

the Supreme Court's decision in BMW prohibits. As the court in Pataki noted, the nature of the Internet makes it impossible to restrict the effects of a New York statute to conduct occurring only within New York. Conduct that might be legal in some state in which the user acts might subject the user to prosecution in New York or vice versa.¹⁰³

Courts are struggling with how to deal with the unlimited geographical reach of the Internet. In Playboy Enterprises v. Chuckleberry Publishing,¹⁰⁴ Playboy claimed that defendant's use of the domain name playmen.it ("it" designating the country code top level domain for Italy) infringed Playboy's rights. While the plaintiff's rights to the PLAYBOY mark in the United States were infringed by the PLAYMEN mark in the United States, its rights did not extend globally and, in fact, defendant had rights to use PLAYMEN in Italy and outside the United States. An injunction would have taken down defendant's site even where the site was lawful. Since at the time software was not available to allow websites to be made available only in certain geographic areas, the court did not feel it would be appropriate to grant an injunction that would have taken down defendant's web site. Instead, the court required the defendant to refrain from accepting subscriptions from United States customers and to post appropriate notices to make it clear that the website was not intended for or available to United States residents.

The Southern District of New York addressed this issue again in Jeri-Jo Knitwear Inc. v. Club Italia, Inc.¹⁰⁵ In that case, the defendant was enjoined in the United States from advertising or promoting apparel bearing the mark ENERGIE. However, the defendant maintained a website under the domain name energie.it. The defendant's non-infringing .com and .net domain names provided a hyperlink to the energie.it domain name and website. The court noted that because the defendant had worldwide rights in the ENERGIE mark outside the United States, it

¹⁰¹ 969 F. Supp. 160 (S.D.N.Y. 1997)

¹⁰² Id. at 169.

¹⁰³ Id. at 177.

¹⁰⁴ 939 F. Supp. 1032 (S.D.N.Y. 1996)

would not hold the defendant in contempt. While the court directed the defendant to de-link its energie.it site from its other sites, the court did not require that the defendant de-list its www.energie.it site from search engines since the defendant could legitimately advertise its mark throughout much of the world. The court seemed to rely heavily on plaintiff's concession that 100 percent perfection is not possible, the Internet being what it is.

More recently, Yahoo!, the website portal and auction site, was faced with transborder issues. A French court ruled that Yahoo! violated French law by selling and displaying Nazi artifacts. The French court gave Yahoo! three months to come up with a way to block French residents from viewing auctions of Nazi memorabilia. A panel of experts determined that because seventy to eighty percent of French web users could be identified through their address, Yahoo! could create an appropriate filtering system that would bar most French-based users from accessing certain auctions.

Although Yahoo! has filed a complaint in California asking for a declaratory judgment that the French government has no jurisdiction over Yahoo!'s operations, nevertheless Yahoo! subsequently announced that it would ban auctions of Nazi artifacts and other hate items.¹⁰⁶ The ban would be accomplished by using a filter to screen auction listings.¹⁰⁷ The Yahoo! case was the first time that a foreign court ordered a United States-based company to block residents of another country from a website. However, it is not the first time that one country has imposed its

¹⁰⁵ 94 F. Supp. 2d 457 (S.D.N.Y. 2000)

¹⁰⁶ With respect to the pending suit, the French organizations that obtained the orders against Yahoo! and were named as defendants in the declaratory judgment action moved to dismiss the case for lack of personal jurisdiction. The court denied the motion on the grounds that by suing Yahoo! in France, defendants could be expected to be brought into a California court to defend the order they obtained. Yahoo! Inc. v. La Ligue Contre le Racisme et l'Antisemitisme, Case No. 00-21275 (N.D. Cal., June 7, 2001).

¹⁰⁷ The filters are not foolproof. While Yahoo! constructed filters to keep out goods where "Nazi" was used in the description, goods described as "Iron Cross" and "Third Reich" stayed in.

will upon another. For instance, Saudi Arabia ordered that the site clubs.yahoo.com be shut down because the content was deemed to be offensive.¹⁰⁸

The New York Times recently reported on the problems of having one jurisdiction in effect decide what the world can access on the Internet.¹⁰⁹ While civil rights groups object to the restriction of content, others argue that the laws of each country must be upheld, even on the Internet. The ability to impose geographic borders on the Internet is now possible with the introduction of software programs that are supposed to be able to locate users. The software can then be used to block access to content that is not lawful in particular geographic regions. Now that blocking software may be available it will be interesting to see if any court is asked to revisit its orders.

VIII. Almost But Not Quite Domain Names

Domain names are not used in a vacuum. Often, when there is an active website, there are also issues concerning metatags and banner advertising, both of which can affect a trademark owner's rights. While the law has caught up to the issue of domain names by the enactment of the ACPA and the institution of the UDRP, actions against the misuse of trademarks in source codes (or metatags) of websites or in advertising for websites still rely on the application of traditional theories of trademark infringement and unfair competition.

A. Metatags

Metatags are invisible to the user, but are integral to the way certain search engines retrieve relevant sites. Web crawler search engines search the Internet by looking in the source code for the particular word or phrase that a user has typed into a search query. Some

¹⁰⁸ *E-Commerce Times*, "Yahoo! Ordered to Ban French Nazi Auctions," November 20, 2000. On June 15, 2001 a French anti-racism group filed suit in a Paris court against 13 ISPs, including at least one in the United States, who refused to block access to a United States-based portal site, Front 14, that is an on-line host to hate groups. Action Internationale pour la Justice v. Société General Communications, Inc. The complaint is available in French at www.jaccuse-aipj.org.

¹⁰⁹ Lisa Guernsey, "Welcome to the Web. Passport, Please," N.Y. TIMES, Mar. 15, 2001, at G1.

webmasters, looking for ways to have their websites appear on searches, will use metatags consisting of famous marks, celebrity names or other catch phrases even though they may be wholly unrelated to the content of the site. Using a famous name or mark in the source code will divert consumers to the website. As a result, litigation has sprouted over the use of metatags. Courts have not hesitated to apply traditional theories of trademark infringement to metatags and to hold that putting names or marks into source code can constitute infringement or unfair competition.¹¹⁰ However, not all use of a mark in a metatag will be barred. In Playboy Enterprises, Inc. v. Terri Welles,¹¹¹ Playboy objected to the use of the PLAYBOY and PLAYMATE trademarks in Ms. Welles' metatags. Ms. Welles was Playboy's PLAYMATE OF THE YEAR in 1981. The Court granted summary judgment to Ms. Welles on the grounds that the metatag accurately and fairly described the content of the web page.

The fact that a mark cannot be used in a domain name does not mean that it cannot be used in a metatag. In Bihari v. Gross,¹¹² Mr. Gross and his interior decorator Ms. Bihari, went to war. As part of the war, Mr. Gross created websites criticizing Ms. Bihari and her interior design services.¹¹³ "Bihari Interiors" was used as a metatag. In addition, there were references to Marianne Bihari in metatags used to describe the content of the site. As an initial matter, the court made it clear that metatag use is not covered by the ACPA. As to whether the use of metatags runs afoul of Section 43(a) of the Lanham Act, only the commercial use of another's mark is actionable. Had the website simply been a place to criticize Ms. Bihari and her design services, the court might not have needed to engage in an entire analysis of trademark infringement and unfair competition because the use was non-commercial. However, because the website contained hyperlinks that promoted the services of other interior designers, the court

¹¹⁰ Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036 (9th Cir. 1999).

¹¹¹ 78 F. Supp. 2d 1066 (S.D. Cal. 1999).

¹¹² 119 F. Supp. 2d 309 (S.D.N.Y. 2000).

determined that they acted as a conduit, thereby making commercial use of what otherwise may be protected speech. Nevertheless, the court found that the use of the BIHARI INTERIORS mark in the metatag was protected fair use, since it described the content of the website.¹¹⁴

Similarly, in Trans Union LLC v. Credit Research, Inc.,¹¹⁵ the court found that the use of plaintiff's trade name in defendant's website's metatags fell within the fair use doctrine since the defendant was using the name to describe the content of its website. Defendant had a relationship with plaintiff in which it supplied Trans Union with credit information in exchange for the ability to access nationwide credit data stored on Trans Union's network. The defendant created a website which offered for sale of credit reports derived from information maintained by the plaintiff as well as information maintained by other credit bureaus. The court found nothing inaccurate about including plaintiff's trade name in the metatag since it accurately described the fact that defendant was affiliated with Trans Union and that defendant's website offers products derived from Trans Union's database.¹¹⁶

One court has created a slight twist on the idea of being able to use a trademark in a metatag on the ground of fair use.¹¹⁷ In determining whether a re-seller of genuine goods could use the manufacturer's trademark in a metatag, the court held that if the re-seller's website itself was not confusing, then the use of the marks in metatags would be permitted because it "merely directs customers to the location where they may purchase genuine branded goods"¹¹⁸ However, if the reseller's website is misleading consumers into believing the reseller is affiliated

¹¹³ The content was originally at the domain name bihariinteriors.com and bihari.com. However, before suit, these domain names were relinquished by the defendant.

¹¹⁴ 119 F. Supp. 2d at 322.

¹¹⁵ 2001 U.S. Dist. LEXIS 3526 (N.D. Ill. 2001).

¹¹⁶ 2001 U.S. Dist. LEXIS 3526, *13.

¹¹⁷ Bernina of America, Inc. v. Fashion Fabrics Int'l, Inc., 57 U.S.P.Q.2d 1881 (N.D. Ill. 2001)

¹¹⁸ Id. at 1883.

with the trademark owner, use of the trademark owner's mark in metatags also would be misleading.¹¹⁹

B. Banner Advertisements and Key Words

Another means of diverting people to a website is through the use of banner advertisements. Search engines often will sell the right to have a particular banner advertisement appear when a particular search term is entered. For example, if someone wants to conduct a search for a specific clothing brand, a banner advertisement for a company that sells inexpensive or knock-off clothing may appear whenever a keyword is entered. As with metatags, the question of whether the use of banner advertising keyed to certain well-known marks or names is a violation of law has been decided based on traditional concepts of trademark infringement and unfair competition. There is no statutory protection in the Lanham Act or under state law solely addressing the use of banner ads.

The only reported decision on the issue of banner ads is Playboy Enterprises Inc. v. Netscape Communications Corp.¹²⁰ In that case, whenever an Internet user typed the word PLAYBOY into the Netscape search engine, a banner ad would pop up advertising of competing adult entertainment websites. Ruling against Playboy, the court found that the defendants were not using plaintiff's PLAYBOY trademark in commerce.¹²¹ While the use of banners pegged to someone's trademark may not constitute commercial use of that trademark, if the banner otherwise infringed on the plaintiff's marks or trade dress, relief could be available under the laws of trademark infringement, unfair competition or dilution. The district court further found that the term PLAYBOY is a common English word in its own right, separate and apart from being a trademark of the plaintiff. Because the term PLAYBOY could be used without

¹¹⁹ Id. at 1883.

¹²⁰ 55 F. Supp. 2d 1070 (C.D. Cal.), aff'd, 202 F.3d 278 (9th Cir. 1999).

¹²¹ Id. at 1073-1074, 1082.

referencing the plaintiff, the court found that the use in connection with banner advertisements would not suggest sponsorship or endorsement by Playboy of any of the websites that appeared in the banner ad. Thus, the court rejected plaintiff's claims on the grounds that a trademark holder "may not bar all use on the Internet of words in the English language."¹²²

CONCLUSION

The legal developments concerning the Internet are occurring faster than they can be chronicled. With the introduction of new generic top-level domain names, transborder issues, fair use concerns and free speech concerns, it is clear that this area of the law will continue to present a challenge for businesses and practitioners.

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¹²² Id. at 1081. The Hamburg District Court in Germany had the opportunity to consider whether banner advertisements constituted a violation of a trademark owner's rights. The German court found that banner advertisements that were keyed to the marks CLINIQUE, ESTEE LAUDER and ORIGINS constituted unfair competition under German law. The conduct constituted the "conscious exploiting" of the reputation of the brands. The defendant, Fragrance Counter Inc., was ordered to cease making advertising references to its commercial activities on the Excite search engine where this was accomplished by entering search terms consisting of plaintiffs' marks. In re Estee Lauder et al v. Fragrance Center Inc. et al, Case Ref. 3150 O 25/99, Hamburg District Court, Feb 16, 2000. A companion case brought by Estee Lauder in the United States District Court for the Southern District of New York was settled without decision.