

Breaking Through the Looking Glass: An Analysis of Trademark Rights in Domain Names Across Top Level Domains

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I. INTRODUCTION

Since its creation, the Internet has grown exponentially.^[1] Once a creation of interest to little more than a small group of researchers, it has developed into a resource that spans the globe.^[2] This resource has inherent value, as it is accessible to virtually everyone.^[3] The educational value of such a resource is immense, representing a clearinghouse for information and knowledge. Anyone with access to an Internet connection can post information on a web page – a piece of property in cyberspace.^[4] With every passing day, the number of web pages on the Internet is increasing.^[5] Individuals, businesses, and corporations are designing pages for various purposes, making the vast reaches of cyberspace ever more expansive.

The Internet is vast in nature, creating an international community with an unprecedented lack of traditional boundaries.^[6] In order for travelers on this sea of information to be able to navigate effectively, each site must have an address. Network Solutions Inc. (“NSI”) is the organization that has traditionally held managerial responsibility for the maintenance of Internet addresses.^[7] NSI manages Internet addresses through the domain name system (“DNS”), a system of electronic protocols which allows individuals to access web sites on the Internet.^[8]

Indeed, at its most general level, cyberspace is organized into “domains.”^[9] Analogizing

cyberspace to the real world, each domain constitutes a large region, for example a country. Domain names serve roughly the same function as a postal address.^[10] Therefore, in order to effectively locate a site in cyberspace, the use of domain names is indispensable.

Amidst this massively integrated network, the potential problems are perhaps not readily apparent. These problems spring from the tremendous potential for financial gain available through the Internet. Just as the discovery of the New World sparked a rush to claim new territory,^[11] so too has there been a rush to stake a claim to a piece of the Internet. The number of domain names registered through NSI reached two million in May of 1998.^[12] By the end of 1998, NSI had registered its three millionth web address.^[13] The total number of new domain names that NSI registered in 1998 was 1,911,000 – a figure nearly double that registered in 1997.^[14]

While the Internet is virtually limitless, it bears an inconvenient similarity to the real world. Internet “property,” just like real property, is unique. Unlike real property, web sites are indistinguishable in any tangible form, but are unique in terms of their domain names. Anyone who maintains a site, especially a business, naturally wants a domain name that Internet users can easily remember. An entity with a trademarked name, for example, would naturally want to use that trademark as a domain name. Conflicts can arise when an entity having a trademarked name attempts to use that name as a domain name, only to find that someone else has taken that domain name.^[15] As Internet usage becomes increasingly common, the occurrence of disputes is sure to rise.^[16]

This Note will analyze the nexus between trademarks and domain name reservation in light of the changes being effected in the structure of the Internet community. Section II will provide a general background of the Internet, domain names, and trademark rights in those names. Section III will describe the procedures of Network Solutions, Inc. and identify their inadequacies. Section IV will describe the policies and procedures involved with registration under the new general top level domains (“gTLDs”). Section V will analyze the relationship between the traditional and new gTLDs, identify potential problems with trademark interests in domain names across domains, and conclude by proposing possible legal and technological solutions to these problems. Any analysis of the rights in cyberspace would be limited without a threshold understanding of what cyberspace is. Therefore, a discussion of the Internet’s origins and its current state of development follows.

II. THE INTERNET

A. Background

The Internet as it exists today is the product of work conducted by the United States Department of Defense’s Advanced Research Projects Agency (“DARPA”) in the 1960s.^[17] The goal of that program, called “ARPANET,” was to develop a network through which the military could conduct communications through redundant channels, even if parts of the network should become damaged during a war.^[18] The ARPANET, though no longer in existence, served as a model for civilian networks that eventually joined to form the worldwide network that is the Internet.^[19]

The Internet is not a single, massive entity; an accurate description would be a “network of networks.”^[20] Individuals and businesses can conduct commerce over the Internet through

electronic mail (“e-mail”) as well as through the World Wide Web (“WWW”).^[21] WWW refers to the group of computers that collectively hosts this system, through which commercial activity can take place.^[22] The Internet, however, is extremely vast, and a means of navigation is necessary. Each site on the Internet has an “Internet Protocol” (“IP”) address that allows transmission of data bundles between computers on the Internet.^[23] An IP address consists of a string of numbers. Each number is between 0 and 255, and the numbers are separated by periods.^[24] For example, the numeric string “128.197.27.169” identifies the Boston University Home Page.^[25] Since, however, these random strings of numbers are hard for humans to remember, a protocol employing letters and words was developed.^[26]

This protocol, the DNS, is a “series of databases” that translates a unique textual address (the domain name) into its corresponding IP address.^[27] Under the DNS system, a web address consists of three parts.^[28] The first part of the web address is the host name.^[29] The last part of the address, the part following the final period, is the “top level domain” (“TLD” or “domain”) and is the most general level of organization.^[30] Top level domains include, for example, “.com”, “.edu”, and “.org”.^[31] The portion preceding the TLD is called the “second level domain” (“SLD”), and pinpoints the location of a web site within its TLD.^[32] Thus, “.edu”, the TLD reserved for educational institutions, together with the host name “www” and the second level domain “bu”^[33] forms the domain name^[34] for the Boston University Web Page.^[35]

There are numerous TLDs in cyberspace, generally of two different species. One of those species is the country code TLD (“ccTLD”), the territorial domain of a nation, which is comprised of a two-letter abbreviation.^[36] There are over 200 national TLDs in existence.^[37] The United States ccTLD indicator, for example, is “.us”.^[38] The U.S. Domain Registry at the Information Sciences Institute of the University of Southern California maintains the “.us” ccTLD.^[39] The second type of domain is the global or generic TLD (“gTLD”).^[40] Among these are the “.edu” and “.org” domains, as well as the well-known and highly coveted “.com” TLD, which is intended for commercial use.^[41] The gTLDs exist on the same level as the ccTLDs. For example, Boston University’s web page (which is maintained under the “.edu” domain) has no association with the “.us” domain, even though it is a U.S. educational institution. A network information center (“NIC”) maintains each TLD and a registrant must reserve a domain name through a NIC.^[42] NSI is the NIC that has traditionally had sole worldwide control of the “.com”, “.net”, “.edu”, and “.org” domains.^[43] NSI plays a significant role in the continuing development of trademark disputes in domain names because of the prominence its domains have gained in the eyes of businesses.^[44]

B. Commercial Use of Domain Names

Due to custom and common usage, the .com TLD has become the most highly coveted

among U.S. businesses.^[45] In light of this common usage, the commercial value of having a domain name in the “.com” TLD is readily evident. As web pages become more common, users expect to be able to intuitively locate a particular site. For example, a user wishing to find the Microsoft Home Page might assume, rightfully, that it would be found in the .com domain. That user, knowing that Microsoft sells products under the trademarked Microsoft name, would likely look for the web page under the address “microsoft.com.”^[46] It would be anomalous for that company to use a different domain name, as it would be a lost opportunity for Microsoft to capitalize on its trademark name.^[47] The expectation that consumers have in a domain name is important because there is no equivalent to a phone book or other directory for the Internet.^[48] Companies that are able to obtain a domain name identical to their trademark thus gain a substantial business advantage.

This situation is analogous to the use of a memorable vanity “800” phone number – that is, one that is easily remembered through an alphabetical equivalent such as 1-800-HOLIDAY for Holiday Inns.^[49] In addition to the marketing advantage that memorable domain names present, they become even more valuable when infused with trademark interests.^[50] As an illustration, a single trademark^[51] is worth a large amount to major corporations such as Coca-Cola or Marlboro – from \$30 billion to \$35 billion.^[52] Given the high value that such companies place in their trademarks, it is understandable that they would strongly oppose infringement or dilution in any form. This concern is equally present on the Internet, which presents another opportunity for a company to reap the fruits of its efforts to establish valuable trademark rights.

The fruits of a trademark owner’s labors, however, need not be financial; reputation and goodwill associated with a mark can also have significant value to its owner.^[53] Internet users seeking to visit a company’s web page could instead come across another company’s page. The harm in this misdirection is that they may fail to continue to search for the desired site because of “anger, frustration, or the [mistaken] belief that [the site] does not exist.”^[54] Also, while the Internet is a truly unique creation, it does not exist in isolation. Cyberspace and real space inevitably overlap, so the rights in one will have consequences in the other.^[55] Thus, owners are likely to zealously guard their marks, whether in the real world or in cyberspace.

C. Trademark Rights in Domain Names

1. Federal Protection of Trademarks^[56]

Under U.S. law, the registration and protection of trademarks is laid out in the federal Lanham Trademark Act of 1946.^[57] A trademark is a form of identification that a merchant or business uses to identify particular goods or services, and in particular to distinguish them from the goods and services of others. A trademark “includes any word, name, symbol, or device, or any combination thereof”^[58] The duration of trademark protection is ten years, with the option for subsequent renewal.^[59] To receive maximum protection, a trademark must be registered with the U.S. Patent and Trademark Office (“PTO”).^[60] In order to register a mark with the PTO, the owner must either have used the mark in commerce or have “a bona fide

intention” to use the mark in commerce.^[61]

The threshold requirement in a traditional trademark action involving domain name use is that the domain name be “use[d] in commerce.”^[62] One court has held that a plaintiff challenging a defendant’s use of a domain name must have proof that the defendant took part in a commercial use of plaintiff’s trademark to cause the entry of goods or services into commerce.^[63] The court rejected the plaintiff’s claim that registration of a domain name was sufficient to constitute a use “in commerce” and denied the plaintiff injunctive relief based on a dilution claim.^[64] For the same reason, it denied injunctive relief based on direct infringement.^[65] The court also rejected the plaintiff’s claim for contributory infringement, finding that the defendant, NSI, did not possess the knowledge or control required to establish liability.^[66]

2. Trademark Infringement

The Lanham Act provides two mechanisms for the protection of commercially used trademarks. Section 32 of the Lanham Act provides the first tool, imposing liability for infringement of a registered mark.^[67] Section 43 of the Act extends the same statutory protections to infringement of unregistered marks.^[68]

When an unauthorized person uses a trademark in commerce, a trademark infringement claim may be available against that person. Liability for infringement will be established if an unauthorized person makes commercial use of a mark in a way that is “likely to cause confusion, or to cause mistake, or to deceive.”^[69] There is no definitive formula for determining likelihood of confusion. The Ninth Circuit’s test employs six factors: “(1) the strength or weakness of the marks; (2) similarity in appearance, sound, and meaning; (3) the class of goods in question; (4) the marketing channels; (5) evidence of actual confusion; and (6) evidence of the intention of defendant in selecting and using the alleged infringing name.”^[70] The Third Circuit employs an expanded test to determine likelihood of confusion.^[71] The Third Circuit’s test includes the same general elements, but places additional emphasis on the defendant’s intent and on “the care and attention expected of consumers when making a purchase.”^[72] However, as one court explained, “[n]either actual confusion nor intent is necessary to a finding of likelihood of confusion.”^[73] The relevant confusion is that which “affects the purchasing decisions of actual or prospective purchasers of the products of [the defendant].”^[74]

There is a lack of uniformity among courts concerning which uses of a domain name will constitute relevant confusion. For example, in *Interstellar Starship Services, Ltd. v. Epix, Inc.*, the plaintiff was an Oregon corporation, which publicized a theater group’s “Rocky Horror Picture Show” through a web site with the domain name “epix.com.”^[75] The defendant, by contrast, was a Delaware corporation that manufactured and sold video imaging hardware and software.^[76] When the defendant learned of the plaintiff’s registration of the domain name, it instituted dispute procedures through NSI in order to gain ownership of the epix domain name.^[77] The plaintiff brought suit for a declaratory judgment establishing its right to use of the domain name “epix.com.”^[78] The court found that since the parties provided different goods and services, there was no likelihood of confusion and therefore the registered mark had not been

infringed.^[79] The court stated that if the goods or services provided on a web site are unrelated to those identified by the trademark, there is no likelihood of confusion.^[80] The district court accordingly granted summary judgment on the plaintiff's claim.^[81] The court in *Cardservice International v. McGee*, by contrast, imposed liability in a case where the parties to the dispute provided the same services and the defendant reserved a domain name identical to the plaintiff's registered mark.^[82] Plaintiffs and defendants, however, need not offer exactly identical services in order for a court to find likelihood of confusion;^[83] nor must actual purchases result from a consumer's confusion.^[84]

Similarly, in *Jews for Jesus v. Brodsky* the court found a likelihood that the defendant was infringing plaintiff's federally registered mark.^[85] The court reached this finding despite the fact that the domain name was not identical to its mark. The federally registered mark was "Jews f☆r Jesus" (with the symbol "☆" used as a stylized letter "o").^[86] The court noted that it was impossible to register either that mark or the plaintiff's common law mark "Jews for Jesus" as a domain name, since the DNS is unable to recognize either symbols or spaces in domain names.^[87] The court granted a preliminary injunction upon a showing that the plaintiff was likely to prevail on the merits, the use of the mark could be damaging to organization's reputation, and granting the injunction favored the public interest.^[88]

The court in *Toys "R" Us, Inc. v. Feinberg*, however, was more restrictive in its evaluation of the similarity between the defendant's domain name and plaintiff's trademark.^[89] The defendant in that case was the proprietor of a firearms store who had reserved "gunsareus" as a domain name.^[90] The plaintiff's stores, by contrast, sold a variety of products, including toys, clothing, lamps, computers, and sporting goods.^[91] The plaintiff also owned several federally registered trademarks containing the "'R' us" phrase.^[92] In addition to maintaining a web site at www.toysrus.com, the plaintiff owned various other domain names containing the rus.com phrase.^[93] The court held that defendant's "gunsareus.com" domain name was not similar to plaintiff's mark.^[94]

The court in *CD Solutions, Inc. v. Tooker* resolved a declaratory action in favor of the incumbent domain name user.^[95] In that case, the defendant had registered the trade symbol "CDS."^[96] The plaintiff had registered the domain name "cds.com" in reference to compact discs, or "CDs."^[97] Defendant had instituted actions to try to force plaintiff to divest ownership of the "cds.com" domain name.^[98] The plaintiff filed an action, seeking a declaratory judgment that its use of "cds.com" did not infringe the defendant's mark.^[99] The court held that the plaintiff's use of the domain name referred not to defendant's "CDS" mark, but to the generic term "CDs" (for compact discs).^[100] It also rejected the defendant's argument that its trademark rights should be expanded to preclude use of "CDs" to refer to compact disc products and services.^[101] The court reasoned that the defendant's attempt to expand its trademark rights to include the common usage of "CDs" rendered the mark generic and therefore granted

the plaintiff's motion for summary judgment.^[102]

Data Concepts, Inc. v. Digital Consulting, Inc. presented a similar situation.^[103] In that case, the plaintiff Data Concepts, Inc. ("Data") brought an action to enjoin NSI's reassignment of its domain name "dci.com" and for declaratory judgment that its use of the domain name did not infringe the defendant's mark.^[104] Data had used its stylized mark, consisting of the letters *d*, *c*, and *i* in lower case since 1982.^[105] Data registered the Internet address "dci.com" in 1993.

^[106] The defendant, Digital Consulting, Inc. ("Digital"), owned the trademark "DCI" for which it had obtained federal registration in 1987 and had filed a complaint with NSI concerning their registration of the domain name "dci.com" for Data.^[107] In the court action, Digital counterclaimed, alleging that Data's use of "dci.com" as a domain name was an infringement of its registered mark pursuant to Section 32 of the Lanham Act.^[108] The plaintiff claimed that its use of "dci.com" was an extension of its use of its unregistered mark.^[109] That is, it claimed that its prior use of the mark could be "tacked" onto its subsequent use of the domain name.

^[110] The court rejected Data's argument, holding that Data did not begin using the mark until it registered the domain name in 1993.^[111] The court also found that the lower court's determination of likelihood of confusion was inadequate.^[112] For example, the court criticized the lower court's finding that the marks were similar.^[113] Additionally, the court took issue with the lower court's determination that Data intentionally selected Digital's mark.^[114] The court found no direct evidence in the record indicating that Data intentionally selected Digital's mark.^[115] This determination weighed against finding intent, which in turn suggested no likelihood of confusion.^[116] The court's holding suggests that there is some leeway afforded to those who reserve domain names in good faith. Also, the concurrence suggested that more attention should be paid to determining whether use of a particular domain name constitutes "use" of a trademark.^[117] Taken together, the majority and concurring opinions suggest that more flexibility should be read into trademark cases involving domain names to allow for "fair use" of domain names.^[118]

Cyberspace presents unique problems from a trademark perspective. It differs from the real world in that concurrent use of domain names is not possible in cyberspace, whereas use of similar or even identical trademarks in the real world is common.^[119] For example, there may be numerous companies doing business under the hypothetical trademark "abc." However, even though each company may have equally legitimate interests in the trademark, only one of them could reserve "abc" as a domain name. Cyberspace seems to strip a degree of equity from trademark disputes. Domain name infringement cases may leave a party having legitimate trademark interests without remedy. The lack of unity among courts leaves trademark and domain name owners uncertain about their rights and potential liabilities.

3. Trademark Dilution

The second tool that protects trademarks is contained in Section 43(c) of the Lanham Act, the codification of the Federal Trademark Dilution Act of 1995.^[120] Section 43(c) provides an

additional layer of protection by imposing civil liability for “dilution.”^[121] Dilution is “the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception.”^[122] Like the sections of the Act pertaining to infringement,^[123] section 43(c) requires that a mark be used in commerce. Unlike the infringement prohibition in section 32, section 43(c)’s protections also extend to unregistered marks.^[124] The protections against dilution adhere to a mark that is “famous” within the meaning of the Lanham Act.^[125] The Act provides a number of factors for determining whether a mark will be considered famous.^[126] This list of factors is non-exclusive and open to judicial elaboration.^[127] In contrast to infringement, dilution is designed essentially to protect private property.^[128] It is not rooted in the two-fold public policy goals of trademark infringement: protection of a business’ goodwill on one hand and shielding the public from deception and confusion on the other.^[129] Until the “landmark upgrade” of trademark law the Dilution Act represented, many courts were reluctant to grant injunctive relief in the absence of a likelihood of confusion.^[130]

Generally, there are two types of dilution – blurring and tarnishment.^[131] Blurring involves “the whittling away of an established trademark’s selling power and value through its unauthorized use by others upon dissimilar products.”^[132] Thus, the senior user of the hypothetical “Widgets” mark for industrial machinery could potentially have a dilution claim against a junior user of the identical mark in connection with baked goods. Tarnishment involves the use of a famous trademark in connection with shoddy goods or in unwholesome or unsavory contexts such that consumers might associate negative connotations with the famous mark’s owner or the owner’s products.^[133] Use of famous marks in sexually explicit or pornographic contexts are prime examples of tarnishment.^[134] The federal court cases involving trademark disputes over domain names provide a skeletal framework for the governance of dilution disputes. A survey of these cases follows.

The court in *Jews for Jesus* also liberally applied trademark principles to resolve a domain name dispute on dilution grounds.^[135] The court applied a broad interpretive analysis to the infringing domain name registrant’s actions.^[136] The defendant’s unauthorized use of the plaintiff’s mark caused the plaintiff to lose control over its own name and resulted in the dissemination of views directly contrary to the plaintiff’s.^[137] The court held that since the defendant used the disputed domain name to lure viewers to his site and disparage the plaintiff, the activity amounted to both blurring and tarnishment.^[138] Although the defendant’s site located at jewsforjesus.org was not in itself a commercial use, the site did contain a hyperlink^[139] to another site on which the defendant carried on the sale of certain merchandise.^[140] The court found that, considering the hyperlink in conjunction with the limited nature of the jewsforjesus.org site, the defendant’s site was merely a conduit to the commercial site.^[141] The court also held that a trademark violation need not actually cause goods or services to enter the

stream of commerce and need only “be ‘in connection’ with any goods or services.”^[142]

Other courts have adopted liberal standards as well. The court in *Avery Dennison Corp. v. Sumpton*, for example, construed the phrase “in the ordinary course of trade”^[143] broadly.

^[144] The defendants in that case reserved a number of domain names, many of which were trademark names.^[145] Two of these domain names were trademarks that the plaintiff owned.

^[146] The court rejected the defendants’ contention that a domain name can only constitute commercial use sufficient to trigger the Lanham Act’s protections when it is used to connote secondary meaning as a source identifier.^[147] It instead set forth its own test for determining whether a mark was “use[d] in the ordinary course of trade.”^[148] The court defined such a use as a registration of “a domain name by a registrant who is not otherwise identified by or associated with any of the commonly accepted meanings of the domain name, and . . . [use of the domain name] by the registrant for sale or license to others.”^[149] The court nevertheless refused to order a transfer of the right to a domain name from the defendants without proof that the defendants’ reservation of the plaintiff’s registered trademark was part of a sham business operation.^[150] Although the court considered the defendants to be “cybersquatters,”^[151] it required plaintiffs to compensate the defendants for the divestiture of two of its domain names.^[152]

The court in *Intermatic, Inc. v. Toebben*, by contrast, interpreted the Lanham Act strictly against the actions of cybersquatters.^[153] That court held that merely using the Internet was enough to meet the “in commerce” requirement of Section 43(c) of the Act.^[154] Although there was insufficient evidence on the summary judgment record to justify an award of attorney’s fees to the plaintiff, the court required the defendant to divest any and all interest in the disputed domain name without compensation.^[155]

The court in *Minnesota Mining & Manufacturing Co. v. Taylor* also liberally construed the dilution doctrine.^[156] The plaintiff, Minnesota Mining and Manufacturing (“3M”) owned the trademark “Post-it”®.^[157] 3M sought an injunction against the defendant’s use of three domain names: “post-it.com,” “post- its.com,” and “ipost-it.com.”^[158] Finding that 3M’s mark was famous and that defendant’s use of the domain names would dilute that mark, the court granted a preliminary injunction.^[159]

The court in *Toys “R” Us, Inc. v. Feinberg*, however, declined to acknowledge an action for dilution under either blurring or tarnishment.^[160] It held that use of “gunsareus” as a domain name did “not, as a matter law, blur the distinctiveness of plaintiffs’ ‘R’ Us family of marks.”^[161] The court reasoned that since the defendant’s domain name was in all lowercase letters, did not use the single letter “R,” and lacked spaces between the letters, there was no blurring of plaintiff’s mark.^[162] Applying this rationale to tarnishment, it further held that it was “unlikely that defendants’ website will be associated with plaintiffs’ stores and products at all.”^[163] The court also noted that “the differing product areas, absence of the single letter ‘R’ in the name, and peculiarities of an [I]nternet domain name” decreased any likelihood of

association between plaintiff and defendant. [164]

4. Domain Name Disputes Under Federal Trademark Principles

Whether the source of trademark protections stems from Section 32 or Section 43, one commonality persists. Specifically, the goal of both forms of protection is to safeguard the work product of individuals and companies. [165] It would be unfair to allow a free rider to profit from another's name and reputation. Moreover, the subsequent disincentive to develop a quality line of products and services would harm the public interest. When a domain name is infused with trademark interests, the equation becomes more problematic, because only one person can hold the domain name rights. Since the ".com" domain names are the most valuable ones, the most conflicts are likely to arise over these names. There would, after all, be no advantage to expending time and money to dispute a domain name assignment if there were no financial incentive.

Those who sue in order to force divestment of another's use of a domain name will draw on the basic rationales mentioned above. The cases on this issue, while providing some insight, still leave some questions unresolved. For example, exactly what sort of activity will constitute a commercial use sufficient to trigger trademark protection is not firmly resolved. In infringement cases, where likelihood of confusion is essential to a successful claim, there is uncertainty as to how such confusion will be established in cyberspace. In dilution claims, the cases fail to resolve many open questions regarding the breadth of a trademark owner's rights. With such vagueness in the dilution doctrine, it is unclear where the boundaries of trademark fair use [166] lie. Given the more difficult standard of likelihood of confusion in infringement cases, dilution is likely to be more useful for trademark plaintiffs. It seems likely, though, that these types of plaintiffs will continue to raise multiple claims in their suit.

Whether the claims will be successful, however, is another matter. Anticipating that such disputes might arise, NSI developed policies governing not only registration of domain names, but also resolution of domain name disputes. [167] This dispute policy serves primarily to protect NSI from liability, not to safeguard the interests of intellectual property owners. [168] Given the commercial value that a domain name can represent, it is foreseeable that intellectual property owners might take issue with NSI's policies. A description of NSI procedures and the attendant problems follows.

III. NETWORK SOLUTIONS, INC.

A. Domain Name Registration

Four of the most common TLDs, ".com", ".org", ".net", and ".edu", have all been maintained exclusively by a single NIC. That NIC is Network Solutions, Inc. ("NSI"), which has operated under government contract. [169] However, this arrangement is coming to an end. [170] The U.S. Department of Commerce has undertaken steps to transfer administration of the DNS to an independent, private corporation. [171] This corporation is called the Internet Corporation for Assigned Names and Numbers ("ICANN"). [172] This new corporation will work to develop both technical parameters and policies related to the assignment of the gTLDs. [173] Under the new administration, NSI will open up administration of its gTLDs to competing registrars, phasing out its monopoly. [174] This "ramp-down" period was to begin

March 31, 1999, with full implementation to have been achieved by October 1, 1999.^[175] NSI will retain its status as an accredited registrar and will continue to operate the “.com”, “.net”, and “.org” registry for at least four years.^[176]

Anyone wanting to reserve a domain name prior to the transfer, just as those who had previously done so, had to do so through NSI. They had to complete and submit NSI’s Domain Name Registration Agreement. Assuming that the requested name is not already reserved, NSI will grant use of the name to the registrant.^[177] This reservation of the domain name vests no special protections in the domain name holder. In contrast to trademark registration, which vests certain protections in the trademark registrant, the domain name registrant gains no absolute right to use of the domain name and may be liable for infringement if the domain name is a registered trademark.^[178]

B. Paradigmatic Cases and NSI Dispute Resolution Procedures

Unlike trademark law, under which more than one person can hold the same trademark, the strictly first-come, first-served system of domain name assignment is likely to breed disputes along three main lines. These paradigmatic situations are: (1) “misappropriation” of another’s trademark to increase the traffic to one’s own web page; (2) two individuals with legitimate trademark interests desiring to use it as a domain name; and (3) cybersquatters.

Trademarked names are an attractive choice for domain names. Advertising revenues at least partly fund hosts of web pages. The amount of revenues that a sponsor receives is based on the number of viewers who see the advertisement.^[179] This number is determined from the number of “hits”^[180] that a site receives. Since Internet “surfers” are likely to search for a particular trademark, reserving a trademark as a domain name can significantly increase traffic to a site. A web host has an incentive to reserve a trademark as a domain name, in the hope of attracting (or perhaps luring) surfers to their sites and increasing revenues.

Another situation involves two individuals with trademark interests in the same name, each desiring to reserve it as a domain name. Each has a valid right to the trademark name (perhaps registered in different classes), having legitimately used the name in connection with their products. For these individuals, the incentive is not only the generation of commercial revenues, but also to increase sales and to foster the name and reputation of their products.

A third scenario involves the action of cybersquatters. A cybersquatter is an individual who reserves a domain name that is identical to a registered trademark, with the intent to profit from that ownership by selling the right to the domain name to the trademark registrant.^[181]

Unlike the two aforementioned cases, a cybersquatter does not seek to profit directly from reservation and use of a domain name. Rather, the cybersquatter will stake a claim to one or more trademarks as domain names with the intent to sell the right to those names to the trademark owner.^[182] Cybersquatting can be profitable for the squatter and effective in fomenting disputes because under the current system, only one person can register a single domain name under any given TLD.^[183] Under federal trademark law, by contrast, the concurrent registration of trademarks is expressly permitted, provided there would be no risk of confusion.^[184] A NIC will invariably become involved in the resolution of any dispute, since it has technical control over registrations. A brief survey of NSI’s old and revised dispute policies follows.

1. NSI's Old Dispute Policy

Under its old dispute policy, NSI handled domain name disputes by allowing a third party complainant to present a certified copy of a trademark registration and proof of written notice to the domain name holder.^[185] Upon compliance with these requirements, NSI would institute its dispute procedures.^[186] If the domain name was registered prior to the date of the complainant's trademark registration then NSI would not take any further action with regard to the complain.^[187]

Upon a showing that the complainant's trademark preceded the date of the domain name's reservation, and the domain name holder's inability to show a registered trademark ownership, NSI would have initiated different procedures. NSI would have given the domain name holder the opportunity to present proof of its trademark registration.^[188] If the domain name holder failed to do so, NSI would relinquish the registration.^[189] NSI would then place the disputed domain on "Hold" status, during which time neither party would be able to use the domain name.^[190] NSI would not, however, suspend the domain name upon receiving one of the following: (1) "a properly authenticated temporary or final order by a court of competent jurisdiction, or arbitration award, stating which party to the dispute is entitled to the domain name,"^[191] (2) "other satisfactory evidence from the parties of the resolution of the dispute,"^[192] or (3) a request from the complainant "that the domain name not be placed on 'Hold.'"^[193]

Further, NSI would stay suspension of the domain name upon receiving a copy of a file-stamped complaint in a civil action which either registrant or complainant had instituted.^[194] "Network Solutions [would] maintain the status quo ante of the domain name record pending a temporary or final decision of the court."^[195] The incumbent domain name registrant must have been a named party to the action, however, and NSI must not have been named as a party to the action. If NSI was named as a party to the action, it no longer would have considered itself to be bound by any provisions of its policy.^[196] Even in cases where NSI was made party to an action, courts have routinely found no liability on the part of NSI.^[197] These decisions were grounded on a finding that registration of a domain name does not constitute a commercial use of a trademark.^[198] There is support for insulating NSI, as well as other NICs, from infringement liability.^[199] Without such protections, it would be impractical for NICs to function effectively, as they would be faced with crippling liability. This would in turn significantly limit the viability of the Internet. Extending privileges similar to those extended to common carriers would insure the continued robustness of the Internet.^[200]

There are certain laudable aspects to NSI's old policy. For example, this policy seems to acknowledge its own inability to effectively act as a tribunal for settling such disputes. It compels parties to resolve their disputes in a manner that is presumably civilized. Indeed, some have advocated that NSI should not get involved in the dispute process at all and that courts are the proper venue for civilized people to resolve their problems.^[201]

However, it also seems that civilized people should be able to settle their disputes without resorting to the courts. Perhaps the greatest deficiency in NSI's old dispute resolution policy was its foreclosure of the possibility of resolution out of court. It suggested that litigation is preferable to alternative dispute resolution. By granting third parties the power to suspend use of a domain name, NSI vested in those parties immense extortive leverage over existing domain name users. The very right to use a domain name was at stake, so a domain name user had every incentive to file a court action.

Another criticism of the old dispute policy revolved around the constitutionality of NSI's suspension of domain names. NSI administers its four TLDs under a contract with the National Science Foundation ("NSF"), a quasi-governmental agency.^[202] This association with the government infuses NSI with a quasi-governmental interest.^[203] If NSI were to place an account on hold during a dispute, this procedure could signify a taking of property without due process, and thus trigger Fifth Amendment prohibitions.^[204]

Further, NSI's procedures advocate a race to the courthouse to file an action as soon as possible. A registrant of an SLD, legitimate or otherwise, would almost certainly want to maintain use of the domain name. In order to maintain use of an SLD, the most prudent course of action for a current domain name user would be to file an action in court. The end-result of this procedure is an increase in the adversarial nature of the dispute process. This promotion of a race to the courthouse serves to tax judicial resources, which are already burdened. While the old dispute policy did not foreclose on alternative means of resolution, litigation was made the preferred form of resolution.

Another weakness of NSI's old policy was its failure to allow for a non-commercial fair use of domain names.^[205] In cases where an individual uses a domain name in a non-commercial sense, any harm that the trademark owner might suffer is less than irreparable^[206] and could not result in a preliminary injunction from a court. For trademark owners, any harm could be offset through advertising. A company that had to reserve an alternate domain name could easily include its web address in both printed and web advertisements. These efforts would be adequate to compensate for any resulting loss in Internet business. This is especially true since web advertising is much more effective, from a merchant's point of view, than conventional advertising.^[207] An advertisement on the World Wide Web will allow surfers to automatically link^[208] to the sponsor's web page. Moreover, Web advertising is likely to become an increasingly viable option, as new software will allow online merchants to examine their advertising expenses more effectively, thus allowing them to bargain with advertising companies more effectively.^[209] Only when a domain name owner uses another's trademarked name in commerce would divestiture be appropriate.

NSI's old dispute policies raised other problems. NSI instituted proceedings only if a disputed domain name is identical to a trademark. Thus, NSI would block the use of a name that was identical, yet permit an infringer to use a confusingly similar mark as a domain name. This policy is at odds with the standards enunciated in the Lanham Act.^[210] Under that Act, a junior user's mark need not be identical to a senior's for a finding of infringement. The standard is a risk of confusing similarity,^[211] not the narrow standard of identity reflected in NSI's old policy. Thus, a senior trademark owner would be at the mercy of a junior user. "The only

recourse in such situation . . . would be to . . . obtain a court order enjoining the domain name holder from continued use of the confusingly similar mark as an Internet domain name.”^[212] These shortcomings are thus troublesome not only because of their incompatibility with trademark principles, but also because of more fundamental constitutional issues. It was perhaps in response to these criticisms that NSI adopted new policies.

2. NSI’s New Dispute Policy

NSI abandoned its old dispute policy following an agreement between it, the Department of Commerce, and ICANN.^[213] Pursuant to this agreement, NSI officially recognized ICANN and agreed to operate its domain name registry pursuant to its agreement with ICANN.^[214] Accordingly, NSI has adopted a new dispute policy.^[215] This new policy is the Uniform Domain Name Dispute Resolution Policy^[216] (“ICANN Policy”). Under the ICANN Policy, NSI will no longer place domain names on hold.^[217] Also, the ICANN Policy takes into consideration common law trademarks as well as registered ones.^[218] Further, the policy is no longer limited to disputes concerning domain names that are identical to a trademark; it now also applies to domain names that are confusingly similar to a trademark.^[219] Under the ICANN Policy, NSI will take no action until it receives instruction from the domain name registrant or an appropriate order from “a court, arbitrator, or other neutral decision maker deciding the parties’ dispute.”^[220] The policy provides for an exception to this procedure when cybersquatting is involved.^[221] Where alleged cybersquatting is involved, the ICANN Policy provides for an expedited administrative procedure to resolve the dispute.^[222] These expedited proceedings are to be administered by one of a number of organizations that ICANN has authorized to resolve disputes.^[223] Although parties cannot appeal these administrative decisions, they may suspend implementation of the decision by filing “a civil action in a court of competent jurisdiction against the other party”^[224]

C. The Strengths and Weaknesses of NSI’s Dispute Resolution Procedures

NSI’s procedures under the ICANN Policy represent a vast improvement over its old policy. The new procedures at least allow for alternative means of resolution.^[225] In addition, the ICANN Policy extends actionable disputes to domain names that are confusingly similar, not just ones that are identical to a trademark.^[226] The expansion to include confusingly similar domain names expands the protections available to trademark owners. Simultaneously, the ICANN Policy protects potentially good faith domain name registrants by eliminating NSI’s previous practice of placing domain names on hold status.^[227] The ICANN Policy also suggests a safe harbor for non-commercial use.^[228]

The ICANN Policy still retains certain shortcomings though. The Policy primarily targets cybersquatters while providing little certainty with regard to those parties with legitimate trademark interests in a domain name.^[229] Also, NSI’s current practices inefficiently “back-load” procedures. For example, requiring domain name registrants to conduct trademark searches and to provide supporting documentation along with their applications could

significantly deter cybersquatters. A cybersquatter will typically reserve only profitable trademarks as a domain name; there would otherwise be no profit. An attempt to reserve a profitable trademark that a potential squatter had no legitimate commercial interest in would be readily apparent. NSI could easily block such attempts at little cost. Also, NSI could easily check its databases for the number of domain names that a particular applicant has already registered. Those applicants with a large number of pre-existing domain names registered could be required to submit supporting documentation to ensure that they are not squatters. [230] If NSI, according to this easily administrable framework, finds a registrant to be a squatter, it should refuse to register any additional domain names.

In most cases, then, NSI could easily take preventative measures to avoid any conflicts without having to address any complex trademark issues. Also, the judiciary has shown reluctance to take definitive action where new technologies are involved. [231] This reluctance indicates an admittedly limited competence to decide technological issues. In this regard, NSI is in the better position to resolve disputes, not the courts. It would be much more efficient for NSI to conduct simple investigations, as it has direct access to any relevant information as well as the requisite understanding of technological issues. By essentially punting its responsibilities to the courts, NSI creates a number of problems, such as a lack of predictability. Scattered decisions from the federal courts establish a scheme that is less than definitive. [232]

In response to some of the problems that NSI's old policies raised, there have been movements toward bridging these inadequacies. Given the extra-territorial nature of the Internet, it is not surprising that efforts would arise on an international level. An agreement known as the Generic Top Level Domain Memorandum of Understanding ("gTLD-MoU") represents such an international effort to remedy the inadequacies of the governance structure that NSI embodies.

[233] The agreement focuses on the creation of additional TLDs (and a corresponding governance structure) to remedy the current trademark dilemma. The strengths and weaknesses of this approach follow.

IV. GENERIC TOP LEVEL DOMAIN MEMORANDUM OF UNDERSTANDING

A. The New gTLDs and Governance Under the Memorandum of Understanding

An international development that has occurred in the area of domain names is the proposed creation of seven new gTLDs in an effort to remedy the growing conflict between domain name registrants and trademark owners. This system would have allowed for concurrent use of domain names in a manner mirroring trademark registration. Thus, each new gTLD would be analogous in function to the distinct product markets in trademark law. Also, registration under, and maintenance of, the new gTLDs were to be governed by a uniform system of policies, to be determined by a body known as the Policy Oversight Committee ("POC").

[234]

The attempted establishment of these new gTLDs, and the creation of the POC, was the result of work that the now dissolved International Ad Hoc Committee ("IAHC") began. [235]

The IAHC began developing a DNS administration plan to meet the growing needs of the

Internet. [236] The POC now continues the IAHC's developmental goals for the domain name

system. [237] The IAHC, in its final report, recommended the selection of the seven additional

gTLDs to be administered by private domain name registrars known as the Council of Registrars

("CORE"). [238] The POC then requested public comments on those proposed gTLDs. [239]

The final approved gTLDs, and the corresponding categories by which they are reserved, were as follows:

- .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 entities emphasizing cultural and entertainment activities
- .rec for entities emphasizing recreation/entertainment activities
- .info for entities providing information services
- .nom for those wishing individual or personal nomenclature, i.e., a personal nom de plume. ^[240]

The Internet Assigned Numbers Authority (“IANA”), formerly headed by one of the founding fathers of the Internet, Dr. Jon Postel, ^[241] and the Internet Society (“ISOC”), chartered the IAHC. ^[242] The IANA’s function is to administer the root of the DNS “to promote stability and robustness.” ^[243] The result of the IANA’s continued work on the subject is the Generic Top Level Domain Memorandum of Understanding (“gTLD-MoU”). This agreement provides an international framework to develop and implement the policies for the administration and enhancement of the global DNS. These policies include the addition of the seven new gTLDs and selection of registrars to administer them, as well as the establishment of dispute resolution procedures through which parties can resolve their conflicts over use of domain names. ^[244]

The gTLD-MoU’s policies are formed through the functioning of three bodies: the Policy Advisory Body (“PAB”), POC, and CORE. ^[245] POC requests public comments on the formation of gTLD-MoU policies. ^[246] POC then compiles the comments and consults with the PAB and CORE in order to frame these policies. ^[247] In addition to these three bodies, the gTLD Depository is charged with informing the Internet community of gTLD-MoU policies. ^[248] In addition to public comment, interested parties are able to participate as signatories to the MoU. ^[249] These signatories are companies representing such interests as the telecommunications industry and domain name registrars. ^[250] Each of the signatories shares a common ground – a rough consensus over the essential principles set forth in the gTLD-MoU. ^[251] Each desires to have a part in shaping the DNS policies of the MoU. ^[252] Signatories also have the benefit of being eligible to join the PAB. ^[253] As of January 12, 1999, there were 223 signatories representing numerous countries around the globe. ^[254] A major concern with the expansion beyond the “.com” domain to other unconventional domains is the risk of confusion, devaluation, or unfair advantage gained at the expense of a company name’s brand-name value. ^[255] For example, in the hypothetical “.store” gTLD, anyone would be able to register the address “www.ibm.store”. ^[256] For this reason, IAHC decided to proceed cautiously and implement only the seven planned gTLDs. ^[257]

Reservation of domain names in one of the new gTLDs would proceed only through a registrar who has joined as a member of CORE.^[258] Initially, the gTLD-MoU would have provided indirect routes through which registration would have been possible, such as through third party groups who queue applications and route them through a CORE registrar.^[259] However, ultimately registration would have had to occur through a CORE member.^[260] A noteworthy aspect of CORE is that any member of that group will be able to register SLDs in any of the seven gTLDs.^[261] Each registrar, however, would have the option to refuse to register SLDs in any particular gTLD.^[262] While this possibility is relatively unlikely now, it may not be so in the future. For example, there have been proposals for the addition of a “.xxx” gTLD for adult material.^[263] If such gTLDs should become available in the future, then a registrar might very well refuse to register a SLD in those gTLDs for public policy reasons.

B. Dispute Resolution Procedures

Perhaps the most crucial matter involving the CORE gTLDs^[264] is the dispute resolution process. The POC has promulgated guidelines for the resolution of domain name disputes involving CORE gTLD’s (“CORE Guidelines”).^[265] The third revision of the CORE guidelines names the World Intellectual Property Organization (“WIPO”) as the administrative body to resolve disputes in the new gTLD-MoU system.^[266] WIPO is an intergovernmental organization headquartered in Geneva, Switzerland and one of sixteen specialized agencies of the United Nations.^[267] WIPO’s duties include the promotion of cooperation among member states to ensure the protection of intellectual property rights throughout the world.^[268] The organization also administers the legal and administrative aspects of various multilateral intellectual property treaties.^[269]

The IAHC, prior to its dissolution, stated that it intended local name registrars to have minimal involvement in trademark disputes.^[270] The dispute resolution procedures call for WIPO-administered mediation and arbitration. An auxiliary system is also in place, which proposes a novel on-line challenge procedure that Administrative Domain Name Challenge Panels (“ACPs”) would conduct.^[271] The ACPs would operate under the procedural and substantive rules of POC, and would be able to decide trademark disputes in a more sophisticated manner than NSI’s old policies allow.^[272] The ACPs will adjudicate disputes arising under the CORE gTLDs. The disputes, however, are not intended to have the effect of precedent in other disputes. The gTLD-MoU specifically states that it is neither an international treaty nor an attempt to create a body of international law.^[273] However, despite the intentions that the drafters had for the role of the MoU, any such line of decisions is likely to create a sort of “precedent” that will be followed.

The CORE gTLD system presents several advantages over the somewhat primitive standards of the old NSI dispute procedures. The gTLD-MoU would protect intellectual property rights of “a second-level domain name in any of the CORE gTLDs which is identical *or closely similar* to an alphanumeric string Appropriate consideration shall be given to possible use of such a second level domain by a third party that, for the purposes of this policy, is

deemed to have sufficient rights.”^[274] Thus, the WIPO procedures are sensitive to the equitable resolution of disputes. The CORE standards broaden the protections afforded to a trademark owner by avoiding the unnecessary stricture that a challenged domain name must be identical to a trademark. At the same time, it affords protection to a junior user who might have a legitimate interest in a trademark.

WIPO affords protection to marks under the general category of “Industrial Property.”^[275] A mark is defined as “a sign, or a combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings.”^[276] The mark must generally be registered with a government office, and protection of a mark is generally not limited in time, so long as registration is periodically renewed.^[277] Also, the system by which CORE allows registration of the same domain name in different gTLDs mimics the concurrent registration of trademarks allowed under trademark law.^[278] Thus, the CORE rules are concordant with basic U.S. trademark principles. Although NSI’s new procedures under the ICANN Policy are an improvement over its old policy, they are still deficient.^[279] The new policy, for example, leaves considerable uncertainty with regard to situations where both parties have at least colorable trademark rights. The ICANN Policy also lacks a more universal view like the one reflected in the gTLD-MoU.

V. DOMAIN NAME RIGHTS ACROSS TLDS

A. Continued Tension between Disparate Approaches

There are, however, still problems that the additional gTLDs leave unresolved. These problems primarily involve the underlying tension between the efforts of the MoU and those of the United States Government. The first of these tensions became manifest in February of 1998, when the U.S. released its “Green Paper” statement of policy.^[280] The Green Paper was problematic, since it ignored the efforts of the IAHC and proposed procedures that the worldwide organization was already on its way to implementing. The proposal suggested the establishment of up to five new generic TLDS, each to be maintained by a separate registry.^[281] The Green Paper recommended that the addition of new TLDS should proceed in “a deliberate and controlled pace to allow for evaluation of the impact of the new gTLDs and well reasoned evolution of the domain space.”^[282] This statement seemed to imply that the gTLD-MoU’s efforts were haphazard.^[283] However, the Green Paper’s suggestion to add, in no specific terms, new TLDS seemed less than well-reasoned. The gTLD-MoU, by contrast, was the result of a rulemaking proceeding incorporating numerous comments that its drafters received from the Internet community.^[284] Also, the Green Paper simply noted the existence of a trademark problem involving domain names, without specifically addressing it or proposing a definite solution. It merely suggested that each registry establish minimum procedures, including those for dispute resolution.^[285] The Green Paper also drew criticism as attempting to sculpt a process to serve the interests of the U.S. and NSI.^[286]

The U.S. followed its highly criticized Green Paper with its final “White Paper” policy statement in June, 1998.^[287] In the White Paper, the U.S. announced its plans to end the worldwide monopoly over the “.com” TLD that NSI held. The White Paper announced the

transfer of management from NSI to a private, non-profit corporation headquartered in the U.S., but staffed and run by members representative of the worldwide Internet community.

[288] Rather than an instant transition, the government announced its plan for a “ramp down” procedure which would transfer control of the “.com” domain to the new corporation gradually.

[289] The proposed timetable announced in the White Paper provided for completion by no later than September 30, 2000. [290] Though remedying some of the concerns of the Green Paper, the White Paper nevertheless failed to bridge the rift in the Internet community. It specifically

rejected the gTLD-MoU as a model for the new DNS. [291] The White Paper further cuts against the gTLD-MoU by stating that any dispute resolution procedures adopted should be restricted to

instances of cybersquatting. [292] According to the White Paper, disputes between parties with

competing, legitimate interests in a certain mark should be resolved in a court of law. [293] In effect, it denounces the efforts of the international community and WIPO in particular.

Given the continuing lack of consensus, reaching a proper solution presents a challenge that is all the more difficult, if not insurmountable. The persistent popularity, and thus inherent

commercial value, of the “.com” domain exacerbates the situation. [294] So long as this condition continues, any curative effects that the introduction of new gTLDs might have is substantially limited. In order to maximize the remedial effects of new gTLDs, the new domains would have to be placed on separate but equal footing as “.com” domains. The best way to accomplish this goal would be to eliminate the boundaries between domains. The Internet, in its current state, amounts to a fragmentation of what is inherently a seamless continuum. Other TLDs currently occupy positions that are inferior to the premium “.com” TLD. The solution to the current problem lies in establishing a system of management that reflects the natural continuity of the Internet. Such a system would allow all domains to enjoy equal status and no single domain would have a competitive advantage as the “.com” domain currently does.

The competitive advantage of the “.com” domain could be displaced through a system of promoting the commercial appeal of the other domains. For example, providing businesses with financial or other incentives to register domain names in the other domains would help to counter the “.com” domain’s competitive advantage. Establishing a high profile presence in the other domains would help create a level playing field in terms of commercial appeal. Advertising and promoting the other domains in the .com space would be another method of displacing .com’s dominance. The “.com” domain would no longer constitute its own market, and other domains would become viable substitutes.

However inventive and laudable an effort the gTLD-MoU represented, lack of cooperation has effectively nullified those efforts. Perhaps the strongest national presence in the Internet governance structure game is the United States. As a result of the U.S. government’s intervention in the management of domain names and Internet addresses, U.S. entities have assumed the gTLD-MoU’s activities regarding Internet governance. [295]

B. Reconciliation of Disparate Approaches

Under the state of the Internet as it exists today, any group’s efforts are bound to have limited results. One of the main groups that continues to feed this conflict are governmental entities. The National Telecommunications and Information Administration (“NTIA”) is among those governmental interests. The NTIA, an administrative agency under the Department of Commerce, issued the Green Paper and the White Paper. [296] The U.S. Department of

Commerce has played a key role in the development of the Internet, and it is understandable that the U.S. government would want to maintain a role in shaping Internet policy.

Corporate entities which hold valuable trademark interests constitute another group that feeds the conflict over domain names. Corporations who have invested the most in their trademarks are the ones who will be the most likely to litigate domain name disputes to prevent dilution of their trademarks. The average user or small company, for example, would not be overly concerned if the domain name of choice were already taken. While these smaller players would certainly want to have their first choice of domain names, they would likely find that the costs of challenging a domain name registration outweighed the potential benefits.^[297] These conflicting interests must be reconciled in order to achieve a solution to the trademark-domain name dilemma. The possible solutions to bridge these conflicting interests are of two general types: legal and technological.

The possible legal remedies affect not the Internet itself, but rather those who use it. One possible solution would be to follow an approach similar to that which WIPO and the gTLD-MoU attempted. That is, an attempt could be made to create an official tribunal for resolving domain name conflicts.^[298] Whereas the gTLD-MoU is by design not in the nature of an international law or treaty,^[299] one possibility would be to actually take steps towards the creation of a body where all parties in domain name conflicts would have to go in order to achieve resolution. This approach would offer the benefit of consistency in results and would effectively reflect the truly boundless nature of the Internet. The obvious problem with this solution, though, is the fact that its creation would necessarily require each nation to relinquish a portion of its authority to adjudicate disputes. The practical requirement of such a solution would be nothing less than the accord of all the players in the Internet game. Such unanimity is a practical impossibility.

However, a limited degree of Internet territoriality could be maintained through the ccTLDs. Each nation could remain free to manage its own national TLD as it saw fit. In this way, national interests would be able to maintain a presence in cyberspace. This solution could be a viable one, especially if the ccTLDs became more marketable. The U.S., for example, has already announced efforts to increase the commercial appeal of its ccTLD, the “.us” domain.

^[300] Further, a number of nations have urged ICANN^[301] to adopt a governance plan that would provide each of them sovereignty over their respective ccTLDs.^[302] Despite the apparent large-scale acceptance of the “sovereign ccTLD” model, some remain fearful that granting nations full authority over their ccTLDs would create tremendous potential for abuse.^[303] In the United States, at least, this concern seems unlikely, since the Constitution would safeguard unjust deprivation of property, including domain names.^[304]

Another legal solution addresses a specific concern addressed in the U.S. Government’s White Paper – namely cybersquatters.^[305] Cybersquatters could be dealt with effectively by imposing additional deterrents to such “underhanded” dealings in domain name reservation. One method of broadening the protections afforded against cybersquatters would be to adopt an approach that the British High Court took.^[306] That Court granted an injunction against a cybersquatter who reserved domain names in both the “.com” and “.uk” TLDs.^[307] The

plaintiff alleged both passing off^[308] and trademark infringement, although the Court awarded relief only on the infringement counts.^[309] The Court rejected the argument that a TLD could distinguish an otherwise identical domain name.^[310] In this way, the Court broadened the ways in which cybersquatters may face liability.^[311] By increasing the risk of penalties that a would-be squatter could incur, the speculative gains from squatting would become highly costly. Measures such as these would increase the deterrent pressure against cybersquatting.

In large part, the only existing deterrents to cybersquatters are protections against trademark infringement and dilution within the same domain.^[312] Although courts are authorized, for example, to award reasonable attorneys fees in “exceptional cases,”^[313] such fees are rarely awarded.^[314] The predominant penalty that liability on those grounds seems to carry is divestment of the domain name. This of course signifies the loss of the squatter’s investment (in the amount of NSI registration and other fees),^[315] but the amount is small in light of the large price tag that a domain name can demand.^[316]

Another possible legal solution aims not at cybersquatters, but rather at those who have at least a colorable right to a trademark, but seek to over-extend that right. Such individuals may, for example, stake a claim to an absolute proprietary right in a trademark. Such broad property rights would be inconsistent with trademark law, which is designed to safeguard competition.

^[317] Even dilution, which is more akin to “pure” property law, does not extend protection in an unqualified or absolute manner.^[318] Parties such as these burden the judicial system, as well as threaten the divestment of domain names from those who have legitimate claims to them. The actions of such individuals could amount to a sort of reverse piracy that rises to the same level of culpability as cybersquatting. These actions amount to “reverse squatting.” That is, while a regular cybersquatter does not really want a domain name at all, a “reverse squatter” actually wants ownership of a domain name. While their motives may differ, their actions are equally culpable. Thus, while the protections against cybersquatters should be broadened, equal measures should be taken to prevent abuse of these protections by reverse squatters.

Such safeguards could be provided through the introduction of tort remedies specifically tailored for the domain name context. One approach would be through the introduction of a new tort of unfair competition – “trademark misuse.”^[319] This cause of action would involve the unlawful extension of trademark rights beyond those limited rights granted to the trademark owner. Such unlawful extension could include threatening infringement action against a domain name registrant whom the trademark owner knew had a legitimate right to use the name.^[320] Although the court in *Juno Online Services v. Juno Lighting, Inc.* declined to recognize such a claim, it did not foreclose the future possibility of such a tort.^[321] In that case, the defendant (Juno Lighting, Inc.) had registered the domain name “juno-online” after the plaintiff (Juno Online Services) instituted dispute proceedings. The court noted that the misuse doctrine had been applied to the patent field^[322] and, to a more limited extent, the copyright field.^[323] However, it noted that the misuse doctrine had been applied in the area of trademarks only as an

affirmative defense, and declined to recognize it as an affirmative claim.^[324] The court did cite a factually similar English case in which the English High Court of Justice acknowledged an affirmative claim for trademark misuse.^[325] It pointed out, however, that the English court drew on a statute as support, whereas there was no equivalent U.S. statute or common law right.^[326] In light of this limitation, it would be prudent for the legislature to bridge the gap in U.S. law.

The trademark misuse doctrine is especially needed in light of the Anticybersquatting Consumer Protection Act (“ACPA”).^[327] The ACPA became effective on November 11, 1999, and amends section 43 of the Lanham Act by adding new subsection (d).^[328] The ACPA targets cybersquatters by imposing civil liability when a person registers a domain with “a bad faith intent to profit from that mark”^[329] Unlike the plaintiff in a traditional trademark-domain name case, a trademark owner alleging infringement or dilution no longer needs to prove that a defendant made commercial use of the domain name, nor are the parties’ product lines important.^[330] This new provision appears to strengthen the rights of trademark owners. However, by lowering the bar to litigation, the ACPA also heightens the risk of reverse squatting.

The ACPA is a formidable federal weapon, the use of which can lead to results as coercive as cybersquatting itself. Under the new provisions, it is easier for a trademark owner to overextend trademark rights. The cost of litigation normally serves as a disincentive to litigate unless the odds of success are sufficiently high.^[331] Because costs are lower from the perspective of large companies, and since the ACPA makes liability easier to attain, large companies are the chief beneficiaries of the ACPA.

The ACPA, while strengthening large companies’ already superior positions, weakens smaller companies’ positions. Since the parties’ product lines, relevant in traditional trademark analysis, is no longer an issue in the cybersquatting context,^[332] defendants will be more vulnerable in domain name suits.^[333] Since larger companies whose trademarks represent extensive investments are more likely to bring actions to guard their marks,^[334] smaller or younger companies in unrelated markets may find that their trademark rights are contracting.

^[335] The trademark misuse doctrine would help remedy this imbalance. While codification of the trademark misuse doctrine with general applicability could be troublesome, a narrowly tailored version to be applied specifically to domain names could effectively be drafted in accordance with established standards of U.S. trademark law. The scope of such a doctrine under trademark law could easily be limited, as the ACPA already carves out such a limitation in the body of trademark law. Just as increased risk deters cybersquatting, a misuse doctrine in trademark law would deter reverse squatting.

Any legal remedies, however, should be regarded as imperfect solutions. These solutions should be instituted to remedy the existing trademark problems in domain names. Another species of remedy seeks not to regulate the users of the Internet, but rather to effect changes in the management of the Internet itself. These are technological solutions. As some commentators have suggested, creating “link pages,”^[336] “directories,” or “gateways” would help alleviate the

problems with domain names.^[337] These terms, used synonymously, refer to a mechanism through which more than one user could hold the same domain name. The hypothetical Widget Corporation wanting to establish a commercial web site would want to register “widgets.com” as a domain name. However, another hypothetical company manufacturing Widgets stuffed animals would also want that domain name. Both parties could hold that domain using a link page. A customer of either firm, intuitively entering “widgets.com” as the desired address would be referred to a link page, on which would be displayed information on both firms. The user would then just click on the desired site. This solution could be a viable one and is in line with the gTLD-MoU’s stated goal of insulating local registrars from the dispute process.

The White Paper expresses a similar goal, proposing to place the burden of researching a desired domain name onto each domain name registrant.^[338] Thus, link pages could help bridge the gap between the self-governance faction (whose views are embodied in the gTLD-MoU) and the regulatory faction (whose views are reflected in the White Paper). This unity would be of the sort that has been called for in order to establish a necessary self-governing system on the Internet.^[339] Indeed, some proponents of a self-governing Internet believe that if left to its own devices, the Internet will evolve its own social order whereby Internet users will develop their own contractual agreements.^[340]

Technological solutions offer several benefits. First, the same people who develop and manage the Internet, the so-called “netizens,” will be the ones who implement them. These netizens, including registrars and policy-setting bodies such as ICANN, would act as a Self-Regulating Organization (“SRO”), guided by market forces. The Internet represents a unique market – one in which there is an equalizing force. The large corporation would no longer be able to silence the smaller interest in this new SRO. Everyone would be given the simple choice of either abiding by the rules of the Internet community, or not joining the community at all. Netizens could effectively serve the managerial role, as they possess the most know-how and are more in tune with the specific needs of the Internet. Moreover, technological innovations are perhaps best suited to address the Internet – in itself a technological innovation. These solutions will be able to most efficiently remedy the current and future issues arising from the Internet. A final advantage, and perhaps the most important one, is that they are the most far removed from slow-moving government bureaucracies. Under the political machinery of paternalism, the Internet’s natural evolution would grind to a halt.

However, technological solutions must also be tempered by the injection of prudent organizational considerations. While technical minds have the requisite know-how, that expertise is for naught without a solid organizational framework. As has been suggested, knowledge in how to structurally order an organization is often sorely lacking in the technical realm.^[341] The Internet’s development and its evolution thus far are the result of “Cybercitizens” such as Professor David Farber and Jonathon Postel, founding fathers of the Internet.^[342] There are still significant hurdles to surpass, not the least of which is the tragic and untimely death of Jonathon Postel in 1998.^[343]

Notwithstanding the current and potential barriers to resolution of the domain name conflict, such a resolution is far from impossible. The best chances for such a resolution lies in the laissez-faire approach of the self-governance advocates. This is not to say that all regulation should cease or that governments should sit idly by. However, any such governmental presence

should be limited to a bare minimum, and any regulations should be the natural outgrowth of the natural structure of the Internet. It would be foolish to propose to leash the Internet as it has evolved – as a mammoth extra-territorial global presence.

VI. CONCLUSION

The Internet is a truly singular creation, providing an unprecedented pooling of information. However, this diversity of thought serves as both boon and bane. Individuals of virtually every description are on the web – from recreational user to small businessperson to large corporation. Each group has its own agenda for use of its piece of the Internet. Technical limitations and the wrinkled, blurred contours of trademark law, coupled with the disparate interests of Internet users have caused problems in the reservation of domain names. The lack of uniformity in cyberspace mirrors the schism between real-world entities. Businesses, national governments, and international bodies all seem to be at odds with one another as to how to resolve the problem. Technological solutions will provide a definitive and lasting resolution of this problem. The introduction of linking technology has the potential to provide a remedy by further opening up the vastness of cyberspace. This technology would allow many users to use a domain name concurrently, much as many parties can own the same or a similar trademark in the real world. These link pages will serve as electronic yellow pages and settle the conflicts between members of the Internet community. However, this technology is not yet available, while trademark-domain name disputes are abundant now. Thus, legal remedies should be crafted now to help establish a satisfactory resolution of current disputes. New legal barriers should be erected to increase the deterrent pressures on extortive cybersquatters. These legal barriers would increase the damages available to successful plaintiffs, and thereby increase the risk involved in cybersquatting. However, since such legal measures can have the adverse effect of creating a flood of litigation, simultaneous action should be taken to deter equally extortive action on the part of trademark owners. One such remedy would be the creation of a new tort action for trademark misuse, which would deter trademark owners from unlawfully extending their trademark rights to wrongfully force divestment of domain names. Trying to effect changes to cyberspace as if it existed in a vacuum are bound to have limited effects. Since cyberspace has permanent ties to the real world, only bilateral efforts will be effective. Legal and technological remedies, working in conjunction, would bring the needed unity between the real world and cyberspace.

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[1] See, e.g., *Reno v. ACLU*, 521 U.S. 844, 850 (1997) (“The number of ‘host’ computers—those that store information and relay communications—increased from about 300 in 1981 to approximately 9,400,000 by . . . 1996.”).

[2] See *id.* (“The internet is ‘a unique and wholly new medium of worldwide human communication.’”) (quoting *Reno v. ACLU*, 929 F. Supp. 824, 844 (E.D. Pa. 1996)).

[3] See generally *id.* (noting numerous sources of free or inexpensive Internet access).

[4] See generally *id.* at 853 (“The Web is thus comparable . . . to both a vast library . . . and a sprawling mall Any person or organization with a computer connected to the Internet can ‘publish’ information.”). This note will use the terms “web page” and “web site” interchangeably.

[5] See *infra* notes 12-14 and accompanying text.

[6] See Dan L. Burk, *Trademark Doctrines for Global Electronic Commerce*, 49 S.C. L. REV. 695, 716 (1998) (“[T]he current technological structure of the Internet . . . ignores customary political and geographical boundaries on which much of our legal system is based.”).

[7] See Management of Internet Names and Addresses, 63 Fed. Reg. 31,741, 31,742 (1998) [hereinafter White Paper].

[8] See *infra* text accompanying notes 20-35.

[9] See *infra* Part II(A) (providing a more detailed discussion on the organizational structure of cyberspace).

[10] See, e.g., Joshua Quittner, *Life in Cyberspace: You Deserve a Break Today*, NEWSDAY, Oct. 7, 1994, at A5, available in 1994 WL 7444048 (“Domain names are to the Internet what addresses are to the Postal Service.”).

[11] See, e.g., KENT L. STECKMESSER, *THE WESTWARD MOVEMENT: A SHORT HISTORY* 14 (1969) (noting that “France and Spain were competing with England for control of [North America].”).

[12] See *Network Solutions Registers 2 Millionth Domain Name* (visited Jan. 21, 2000) <http://www.netsol.com/news/1998/apr_19980518.html>.

[13] See *Network Solutions Tops 3 Million Web Addresses* (visited Jan. 21, 2000) <http://www.netsol.com/news/1998/pr_19981117.html>.

[14] See *Network Solutions Registers Record Number of Web Addresses in 1998* (visited Jan. 21, 2000) <http://www.netsol.com/news/1999/pr_19990112b.html>.

[15] See *infra* Part II(C)(2) (giving examples of cases arising from such conflicts).

[16] See *Establishment of a Memorandum of Understanding On the Generic Top Level Domain Name Space of the Internet Domain Name System (gTLD-MoU)* (last modified Aug. 15, 1997) <<http://www.gtld-mou.org/gTLD-MoU.html>> [hereinafter *Establishment of gTLD-MoU*] (recognizing that “the growth of the Internet has produced a requirement for enhanced DNS assignment and management procedures. . .”).

[17] See White Paper, *supra* note 7, at 31,741.

[18] See *Reno v. ACLU*, 521 U.S. 844, 850 (1997).

[19] See *id.*

[20] White Paper, *supra* note 7, at 31,741.

[21] See 4 J. THOMAS MCCARTHY, *MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* § 25:72, at 25-142 (4th ed. 1999).

[22] See *id.*

[23] See *id.* § 25:72, at 25-143; see also White Paper, *supra* note 7, at 31,741.

[24] See 4 MCCARTHY, *supra* note 21, § 25:72, at 25-143.

[25] Boston University (last modified Mar. 8, 2000) <<http://www.bu.edu>>.

[26] See 4 MCCARTHY, *supra* note 21, § 25:72, at 25-143.

[27] *Id.*; see also PAUL ALBITZ & CRICKET LIU, DNS AND BIND IN A NUTSHELL 4 (1992).

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

[29] See *id.* at 1231.

[30] See 4 MCCARTHY, *supra* note 21, § 25:72, at 25-143.

[31] Pronounced “dot-com,” “dot-e-d-u,” and “dot-org.”

[32] See 4 MCCARTHY, *supra* note 21, § 25:72, at 25-143.

[33] Often, when entering a web address, the “www” prefix can be omitted. Many Internet browsers (software which allows users to view sites on the Internet) will automatically search for pages on the World Wide Web without having typed the “www” prefix.

[34] Although the entire address collectively forms the domain name, this Note will hereafter use the term “domain name” to refer to the second level domain.

[35] See *Boston University*, *supra* note 25. Other host names include web, www2, news, home and zeus. See *Internet Domain* (visited Jan. 24, 2000) <<http://www.isc.org/ds/WWW-9907/firstnames.html>>.

[36] See 4 MCCARTHY, *supra* note 21, § 25:72, at 25-143.

[37] See *id.*; White Paper, *supra* note 7, at 31,742.

[38] Typically, branches of state and local governments have used the .us domain, although some commercial names have been assigned to the domain as well. See White Paper, *supra* note 7, at 31,748.

[39] See *The US Domain Registration Services* (last modified Oct. 28, 1999) <<http://www.isi.edu/in-notes/usdnr>>.

[40] “gTLD” is pronounced “gee-tee-el-dee.” See *gTLD-MoU Frequently Asked Questions* (last modified June 1, 1998) <<http://www.gtld-mou.org/docs/faq.html>>.

[41] See White Paper, *supra* note 7, at 31,742.

[42] See *id.*

[43] See 4 MCCARTHY, *supra* note 21, § 25:73, at 25-152.

[44] See *id.* § 25:73, at 25-148.

[45] See *id.*

[46] See, e.g., *Cardservice Int'l, Inc. v. McGee*, 950 F. Supp. 737, 741 (E.D. Va. 1997) (“A customer who is unsure about a company’s domain name will often guess that the domain name is also the company’s name.”); see also Carl Oppedahl, *Analysis and Suggestions Regarding NSI Domain Name Trademark Dispute Policy*, 7 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 73, 96 (1996) (“[N]obody would have expected *xerox.com* to map anything but the Xerox Corporation.”).

[47] See *MTV Networks, Inc. v. Curry*, 867 F. Supp. 202, 203-04 n.2 (S.D.N.Y. 1994) (“A domain name mirroring a corporate name may be a valuable corporate asset, as it facilitates communication with a customer base.”).

[48] See *Cardservice Int'l*, 950 F. Supp. at 741. Although there are various search services available, the disadvantage of these services is in their inaccuracy. See *Panavision Int'l v. Toeppen*, 141 F.3d 1316, 1319 (9th Cir. 1998). A search can return hundreds of matches, making it difficult to identify a particular site. See *id.*

[49] See *Panavision Int'l*, 141 F.3d at 1325.

[50] See Quittner, *supra* note 10 (“Domain names are kind of like postal addresses, vanity license plates and billboards, all rolled into one digital enchilada.”).

[51] See *infra* Part II(C) (explaining federal trademark protection).

[52] See Joan Meadows, *Trademark Protection for Trademarks Used as Internet Domain Names*, 65 U. CIN. L. REV. 1323, 1324 (1997).

[53] See *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 304 (D.N.J. 1998) (finding that defendant was “leach[ing] off” plaintiff organization’s efforts “to give currency to its name and to disseminate its teachings.”).

[54] *Panavision Int'l*, 141 F.3d 1316, 1327 (9th Cir. 1998) (citing *Jews for Jesus*, 993 F. Supp. at 306-07 (citation omitted)).

[55] See Burk, *supra* note 6, at 717 (“Internet markets will overlap with ‘realspace’ markets because people are common to both.”).

[56] Although this paper will only address the federal trademark laws, state legislatures may establish (and many have) their own trademark laws. Compare, e.g., CAL. BUS. & PROF. CODE § 14330 (West 1999) (authorizing injunctive relief as infringement remedy), with GA. CODE ANN. § 16-9-93.1 (1999) (establishing knowing transmittal of false trademark through computer network as a misdemeanor).

[57] 15 U.S.C. § 1051 *et seq.* (1994 & Supp. IV 1998).

[58] *Id.* § 1127.

[59] See *id.* §§ 1058-1059.

[60] *See id.* Federal registration confers a number of advantages on trademark owners:

- (1) Federal jurisdiction for infringement without the necessity of any required amount in controversy. . . .
- (2) In federal court, profits, damages and costs are recoverable and treble damages and attorney fees are available.
- (3) [P]rima facie evidence of the validity of the registered mark . . . that the mark is not confusingly similar to other registered marks and that the mark has acquired secondary meaning . . .
- (4) A Principal Register registration may become “incontestable” as conclusive evidence of the registrant’s exclusive right to use of the mark, subject to certain statutory defenses.
- (5) [C]onstructive notice of a claim of ownership so as to eliminate any defense of good faith adoption and use made after the date of registration.
- (6) For registrations resulting from applications filed after November 16, 1989, the registrant is entitled to a “constructive use date,” nationwide in effect, as of the filing date of the application, except as to a defined class of persons.
- (7) A Principal Register registration may be used to stop the importation into the United States of articles bearing an infringing mark.

3 MCCARTHY, *supra* note 21, § 19:10, at 19-21.

[61] 15 U.S.C. § 1051(a)-(b).

[62] *Id.* § 1127. Commercial use is a requirement for traditional trademark jurisdiction (grounded in the Commerce Clause) which, in contrast to patents and copyrights, lacks direct Constitutional authority. *See* U.S. CONST., art. I, § 8, cl. 8 (providing Congress with the power “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries”). Although this Section will concentrate on traditional trademark analysis of domain names, the scope of the Lanham Act was expanded in 1999 to create a civil cause of action for bad faith *registration* of a distinctive or famous domain name. *See infra* notes 307-10.

[63] *See* Academy of Motion Picture Arts & Sciences v. Network Solutions, Inc., 989 F. Supp. 1276, 1279 (C.D. Cal. 1997).

[64] *See id.*; *see also infra* Part II(C)(2) (explaining federal trademark dilution).

[65] *See id.* at 1280.

[66] *See id.* (“Network Solutions could not possibly have actual knowledge that the registered owners of the domain names at issue are involved in infringing activities.”).

[67] 15 U.S.C. § 1114 (1994 & Supp. IV 1998).

[68] *See id.* § 1125.

[69] *Id.* § 1114(1)(a).

[70] Century 21 Real Estate Corp. v. Sandlin, 846 F.2d 1175, 1179 (9th Cir. 1988).

[71] *See* Scott Paper Co. v. Scott’s Liquid Gold, Inc., 589 F.2d 1225, 1229 (3d Cir. 1978).

[72] *Id.*

[73] *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 983 F. Supp. 1331, 1334 (D. Or. 1997) (applying 9th circuit test for likelihood of confusion as set forth in *Century 21*, 846 F.2d at 1178), *rev'd*, 184 F.3d 1107, 1111 (9th Cir. 1999) (reversing due to existence of material facts regarding actual confusion thus rendering summary judgment inappropriate).

[74] *Id.* (citing *W.W.W. Pharm. Co. v. The Gillette Co.*, 808 F. Supp. 1013, 1020 (2d Cir. 1992)).

[75] *See id.* at 1332.

[76] *See id.*

[77] *See id.* at 1332-33.

[78] *See id.*

[79] *See id.* at 1336-37 (“While the court concludes that Epix, Inc. is the owner of the valid Registered Trademark No. 1,618,449, under the facts of this case the court finds no infringement by Interstellar Starship.”).

[80] *See id.* at 1336 (“If Interstellar Starship provided the same goods or services as Epix, Inc., Epix, Inc. would be entitled to prevail under applicable trademark law. However, in this case, Interstellar Starship makes a compelling argument that an actual or potential customer of Epix, Inc. could not be seriously confused by the “epix.com” Internet site . . .”).

[81] *See id.* at 1337.

[82] 950 F. Supp. 737, 741 (E.D. Va. 1997). The *Cardservice* court also found that the defendant had acted in bad faith and awarded attorneys fees. *See id.* at 743.

[83] *See Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 184 F.3d 1107, 1110-11 (9th Cir. 1999) *rev'g* 983 F. Supp. 1331, 1334 (D. Or. 1997). Two business entities, while not in the same line of business at the time of trial, may eventually overlap due to expansion of product lines. *See id.* at 1111.

[84] *See id.* at 1110 (“We recognize a brand of confusion called ‘initial interest’ confusion, which permits a finding of a likelihood of confusion although the consumer quickly becomes aware of the source’s actual identity and no purchase is made as a result of the confusion.”).

[85] 993 F. Supp. 282, 305 (D.N.J. 1998); *see also infra* notes 135-142 and accompanying text (discussing the dilution claim in *Jews for Jesus*).

[86] *Id.* at 291.

[87] *Id.* at 296.

[88] *See id.* at 312-13.

[89] 26 F. Supp. 2d 639, 643 (S.D.N.Y. 1998) (“The Court finds that . . . the marks are not similar. The absence of the use of plaintiffs’ trademark ‘R’ makes any association with plaintiffs’ business implausible.”).

[90] *See id.* at 641.

[91] *See id.* at 640.

[92] *See id.* at 641.

[93] *See id.* These domain names included toysrus.com, poolsrus.com, kidsrus.com, and toysrusregistry.com. *See id.*

[94] *See id.* at 643.

[95] 15 F. Supp. 2d 986, 987, 990 (D. Or. 1998).

[96] *See id.* at 987. The defendant had used the trade symbol since April 1988, and the defendant advised the plaintiff of its trademark rights in early 1997 after the plaintiff had registered the “cde.com” domain name. *See id.*

[97] *See id.* at 987-88.

[98] *See id.*

[99] *See id.* at 988.

[100] *See id.* at 990.

[101] *See id.* (“The court concludes that defendants cannot now expand their trademark rights to generic descriptions existing in our everyday language.”).

[102] *See id.* (“[A] holder of a trademark must be denied protection if the mark becomes generic and is an expression that does not relate exclusively to a trademark owner’s property.”) (citing *New Kids on the Block v. News Am. Publ’g, Inc.*, 971 F.2d 302, 306 (9th Cir. 1992)).

[103] 150 F.3d 620 (6th Cir. 1998).

[104] *See id.* at 622.

[105] *See id.*

[106] *See id.*

[107] *See id.* at 623.

[108] *See id.* at 622.

[109] *See id.* at 623. The plaintiff’s intention was to establish itself as the senior user of the mark, and therefore entitled to superior trademark rights. *See id.*

[110] *See id.* (“The use of an earlier mark can be tacked onto the use of a subsequent mark only if the previously

used mark is ‘the legal equivalent of the mark in question or indistinguishable therefrom’ such that consumers ‘consider both as the same mark.’”) (quoting *Van Dyne-Crotty, Inc. v. Wear-Guard Corp.*, 926 F.2d 1156, 1159 (Fed. Cir. 1991)).

[111] *See id.* at 624.

[112] *See id.* at 627. The lower court should have applied the following eight-factor test, but only applied factors (1), (3), (5), and (7): “(1) the strength of the plaintiff’s mark; (2) the relatedness of the goods or services; (3) the similarity of the marks; (4) evidence of actual confusion; (5) the marketing channels used; (6) the likely degree of purchaser care; (7) the defendant’s intent in selecting the mark; and (8) the likelihood of expansion of the product lines.” *Id.* at 624 (citing *Frisch’s Restaurants, Inc. v. Elby’s Big Boy*, 670 F.2d 642, 648 (6th Cir. 1982)).

[113] *See id.* at 626 (holding that the lower court’s magistrate judge erroneously conducted a side-by-side comparison, rather than considering whether the mark, presented by itself in the marketplace, would confuse consumers).

[114] *See id.*

[115] *See id.* The lower court may have accepted Digital’s assertion that Data’s failure to investigate the existence of registered marks constituted circumstantial evidence of Data’s intent. *See id.*

[116] *See id.* at 627.

[117] *See id.* at 628 (Merritt, C.J., concurring).

[118] Trademark fair use “provides a statutory defense to a trademark infringement claim when ‘the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, . . . of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin.’” *U.S. Shoe Corp. v. Brown Group, Inc.*, 740 F. Supp. 196 (S.D.N.Y. 1990), *aff’d*, 923 F.2d 844 (2d Cir. 1990) (quoting 15 U.S.C. § 1115(b)(4)).

[119] *See* 15 U.S.C. § 1052(d) (1994) (“[I]f the Commissioner determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued . . .”).

[120] 15 U.S.C. § 1125(c) (Supp. IV 1998).

[121] *See id.*

[122] *Id.* § 1127.

[123] *See id.* §§ 1114, 1125(a).

[124] *See id.* § 1125(a)(1)(A).

[125] *See id.* § 1125(c)(1) (Supp. 1998).

[126] *See id.* The statutory factors are: “(A) the degree of inherent or acquired distinctiveness of the mark; (B) the

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

[127] *See id.*

[128] *See, e.g.,* JEROME GILSON, TRADEMARK DILUTION NOW A FEDERAL WRONG: AN ANALYSIS OF THE FEDERAL TRADEMARK DILUTION ACT OF 1995, 19 (1996).

[129] *See id.*

[130] *Id.* at 1.

[131] *See* 4 MCCARTHY, *supra* note 21, § 25:76, at 25-179. One author has identified "diminishment" as another type. *See* GILSON, *supra* note 128, at 10; *see also* Deere & Co. v. MTD Products, Inc., 41 F.3d 39, 44 (2d Cir. 1994) (holding that although the defendant's modification of the plaintiff's logo did not fit within either blurring or tarnishment, the conduct was nevertheless actionable as a dilution claim). The *Deere* court indicated that such an action would lie where a defendant spoofed plaintiff's mark for commercial gain only, not for purposes of expression. *See id.* at 44-45. However, that application was grounded in state law and involved modification of a trademarked logo. *See id.* at 41-42. Diminishment seems unlikely to have any application to domain names, since domain names consist of words and numbers. Diminishment therefore is ill-suited to be applied in trademark disputes over domain names. As such, this article will concentrate only on blurring and tarnishment.

[132] Mead Data Centr., Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1031 (2d Cir. 1989).

[133] *See* GILSON, *supra* note 128, at 10.

[134] *See, e.g.,* Hasbro, Inc. v. Internet Entertainment Group, Ltd., 40 U.S.P.Q.2d (BNA) 1479, 1480 (W.D. Wash. 1996) (enjoining use of "candyland.com" for web site containing sexually explicit pictures since it was irreparably injuring plaintiff's reputation as manufacturer of a children's board game).

[135] Jews for Jesus v. Brodsky, 993 F. Supp. 282, 305-08 (D.N.J. 1998).

[136] *See id.* at 306-08.

[137] *See id.* at 307. The court held that, based on these findings, the plaintiff suffered irreparable harm. *See id.*

[138] *See id.*

[139] A "hyperlink" is a space on a web page designated by highlighted text, image, or other means that allows surfers to automatically travel to a particular web page by simply "clicking" on the link. *See* Intermatic, Inc. v. Toeppen, 947 F. Supp. 1227, 1232 (N.D. Ill. 1996).

[140] *See* *Jews for Jesus*, 993 F. Supp. at 308.

[141] *See id.* ("[I]t is apparent the Defendant Internet site is a conduit to the Outreach Judaism Organization Internet

site, notwithstanding the . . . [d]isclaimer that “[t]his website . . . is in no way affiliated with the Jewish organization Outreach Judaism”).

[142] *Id.* at 309 (citing *Juno Online Servs., L.P. v. Juno Lighting, Inc.*, 979 F. Supp. 684, 691 (N.D. Ill. 1997)).

[143] 15 U.S.C. § 1127 (1994) (“[U]se in commerce’ means the bona fide use of a mark *in the ordinary course of trade*, and not made merely to reserve a right in a mark.”) (emphasis added).

[144] 999 F. Supp. 1337, 1339-40 (C.D. Cal. 1998).

[145] *See id.* at 1338.

[146] *See id.* The plaintiff owned the marks “Avery” and “Dennison,” and the defendant had registered the domain names “Avery.net” and “Dennison.net.” *See id.*

[147] *See id.* at 1339.

[148] *Id.*

[149] *Id.* at 1339-40.

[150] *See id.* at 1342.

[151] A cybersquatter is a person who reserves a domain name not for personal use, but to prevent others from using it. *See id.* at 1338. A cybersquatter will relinquish the rights to the domain name after charging a fee to make a financial return. *See id.*

[152] *See id.* at 1342.

[153] *See Intermatic, Inc. v. Toeppen*, 947 F. Supp. 1227, 1239-40 (N.D. Ill. 1996). Plaintiff Intermatic had used the mark “INTERMATIC” on its electrical products since the 1940’s. *See id.* at 1230. Defendant Toeppen was an Internet service provider. *See id.* He had registered about 240 well-known domain names believing that permission was unnecessary. *See id.* These names included: “deltaairlines.com, britishairways.com, crateandbarrel.com, ramadainn.com, eddiebauer.com, greatamerica.com, neiman-marcus.com, northwest airlines.com, ussteel.com, [and] unionpacific.com.” *Id.*

[154] *See id.* at 1239.

[155] *See id.* at 1241.

[156] 21 F. Supp. 2d 1003, 1005 (D. Minn. 1998).

[157] *See id.* at 1004.

[158] *See id.*

[159] *See id.* at 1005.

[160] 26 F. Supp. 2d 639, 644 (S.D.N.Y. 1998).

[161] *Id.*

[162] *See id.* (“The Court finds that the use of such an [I]nternet domain name, without naming the website itself ‘Guns ‘R’ Us’ or ‘Guns Are Us,’ will not, as a matter of law, blur the distinctiveness of plaintiffs’ ‘R’ Us family of marks.”).

[163] *Id.*

[164] *Id.*

[165] *See* GILSON, *supra* note 128, at 19 (discussing the public policy goals of trademark protection).

[166] *See supra* note 118 (discussing the defense of trademark fair use).

[167] *See* 4 MCCARTHY, *supra* note 21, § 25:74 (describing the old NSI domain name dispute resolution procedures).

[168] *See* Panavision Int’l v. Toeppen, 945 F. Supp. 1296, 1305 (C.D. Cal. 1996), *aff’d*, 141 F.3d 1316 (9th Cir. 1998).

[169] *See, e.g.,* White Paper, *supra* note 7, at 31,742.

[170] *See id.* at 31,744 (noting that “[t]he U.S. government is committed to a transition that will allow the private sector to take leadership for DNS management.”).

[171] *See Commerce, Private Sector Making Progress Structuring New DNS Management Scheme*, 3 Electronic Com. & L. Rep. (BNA), at 1208 (Oct. 14, 1998).

[172] *See id.*

[173] *See id.*

[174] *See id.*

[175] *See id.*

[176] *See Network Solutions, Department of Commerce and ICANN Reach Long-Term Agreements for Internet’s Domain Name System* (visited Mar. 16, 2000) <http://www.netsol.com/news/1999/pr_19990928.html>.

[177] *See* 4 MCCARTHY, *supra* note 21, § 25:74, at 25-163 to 25-164; *see also* *Frequently Asked Questions about General Information* (last modified Mar. 1, 2000) <<http://www.networksolutions.com/help/general.html>>.

[178] *See* 4 MCCARTHY, *supra* note 21, § 25:73.3, at 25-158; *see also* Panavision Int’l v. Toeppen, 141 F.3d 1316, 1327 (9th Cir. 1998). This fact is true under both past and current policies. *See Frequently Asked Questions about Legal Information*, ¶ 4 (last modified Mar. 1, 2000) <<http://www.networksolutions.com/help/legal.html>> (“Registering or reserving a Web Address through Network Solutions will not protect you from a trademark

conflict.”).

[179] See, e.g., *Drill-Down on Web Ads: Startups’ Analysis Tools Gauge the Impact of Online Banners*, PC WK., Nov. 9, 1998, at 10 [hereinafter *Drill-Down*].

[180] A “hit” is commonly used to refer to the number of times that an individual visits a particular site. See *CNET Resources-Info Source-Glossary-Hit* (last modified Jan. 26, 2000) <<http://coverage.cnet.com/Resources/Info/Glossary/Terms/hit.html>>. The number overstates the number of visitors to a site, however, since a hit is really a request to a web server, so that “if you look at a Web page that contains ten GIF files, one person visiting one page will make 11 hits on the server; one for the page, and ten for the graphics on the page.” *Id.*

[181] See 4 MCCARTHY, *supra* note 21, § 25:77, at 25-184.

[182] See *id.*

[183] See, e.g., *Intermatic, Inc. v. Toepfen*, 947 F. Supp. 1227, 1232 (N.D. Ill. 1996) (“A given domain name, the exact alphanumeric combination in the same network and using the same suffix, can only be registered to one entity.”).

[184] See 15 U.S.C. § 1052(d) (1994).

[185] See 4 MCCARTHY, *supra* note 21, § 25:74, at 25-160.

[186] See *id.*

[187] See *id.* at 25-162 to 25-163.

[188] See *id.* at 25-163.

[189] See *id.*

[190] See *id.*

[191] 4 MCCARTHY, *supra* note 21, § 25:75, at 25-169 (quoting NSI domain name dispute policy, ¶ 9(f)).

[192] *Id.*

[193] *Id.*

[194] See *id.* (quoting NSI domain name dispute policy, ¶ 10(a)-(b)).

[195] *Id.*

[196] See *id.* at 25-170 (quoting NSI domain name dispute policy, ¶ 10(c))

[197] See, e.g., *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 967 (C.D. Cal. 1997); see also *Academy of Motion Picture Arts & Sciences v. Network Solutions, Inc.*, 989 F. Supp. 1276, 1281 (C.D. Cal. 1997).

[198] See *Lockheed Martin*, 985 F. Supp. at 967 (“The Court finds that NSI’s use of domain names is connected with their technical function to designate computers on the Internet, not with their trademark function to identify the source of goods and services.”); *Academy of Motion Picture Arts & Sciences*, 989 F. Supp. at 1281 (“If a company uses a domain name to falsely represent [its identity and sell trademarked merchandise, plaintiff] may have a cause of action against that company . . . [but] [t]here appears . . . to be no ground for bringing such a cause of action against [NSI] . . . which is not involved in the commercial use of any of the domain names it registers.”).

[199] See *Academy of Motion Picture Arts & Sciences*, 989 F. Supp. at 1281 (“There is no allegation that Network Solutions has any knowledge of how a registrant will use a domain name . . . no ground for bringing such a cause of action against Network Solutions-an entity which is not involved in the commercial use of any of the domain names it registers.”).

[200] See 47 U.S.C. § 153(h) (1994) (defining “common carrier” as “any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, . . . but a person engaged in radio broadcasting shall not, insofar as such person is so engaged, be deemed a common carrier.”).

[201] See White Paper, *supra* note 7, at 31,747.

[202] See White Paper, *supra* note 7, at 31,742.

[203] See Steven A. McAuley, Comment, *The Federal Government Giveth and Taketh Away: How NSI’s Domain Name Dispute Policy (Revision 02) Usurps a Domain Name Owner’s Fifth Amendment Procedural Due Process*, 15 J. MARSHALL J. COMPUTER & INFO. L. 547, 560 (1997).

[204] See *id.* at 569.

[205] Although the “.com” domain is short for “commercial,” it is available for both commercial and private use. See *Intermatic, Inc. v. Toeppen*, 947 F. Supp. 1227, 1239 (N.D. Ill. 1996).

[206] See generally *Lockheed Martin*, 985 F. Supp. at 967 (granting summary judgment for NSI because “NSI’s acceptance of domain name registration is not a commercial use. . .”).

[207] See generally John Teague, *Marketing on the World Wide Web*, TECHNICAL COMMUN., May 1995, at 236, available in LEXIS, News Library, Combined Magazine Stories File (indicating the advantages, such as textual, graphical, and multimedia capabilities, of web advertising).

[208] The term “link” is short for “hyperlink.” See *supra* note 139 (providing a definition of “hyperlink”).

[209] See *Drill-Down*, *supra* note 179.

[210] See 15 U.S.C. § 1051 *et seq.* (1994 & Supp. IV 1998).

[211] See *id.* § 1125(a).

[212] Richard Zaitlen & David Victor, *The New Internet Domain Name Guidelines: Still Winner-Take-All*, COMPUTER LAW., May 1996, at 12, 16.

[213] See *Network Solutions, Department of Commerce and ICANN Reach Long-Term Agreements for Internet's Domain Name System*, *supra* note 176.

[214] See *id.*

[215] See *Frequently Asked Questions about Legal Information*, *supra* note 178, ¶ 1.

[216] *Domain Magistrate from Network Solutions(R): Uniform Domain Name Dispute Resolution Policy* (last modified Dec. 29, 1999) <<http://www.domainmagistrate.com/dispute-policy.html>> [hereinafter ICANN Dispute Resolution Policy].

[217] See *Domain Magistrate from Network Solutions(R): Frequently Asked Questions* (last modified Jan. 6, 2000) <<http://www.domainmagistrate.com/faqs.html>>.

[218] See *id.*

[219] See *id.*

[220] *Id.*

[221] See *id.* ¶ 3.

[222] See *id.*

[223] See *id.* ¶¶ 4-5.

[224] *Id.* ¶ 6.

[225] See ICANN Dispute Resolution Policy, *supra* note 216, ¶ 4.

[226] See *id.* ¶ 4(a)(i).

[227] See *id.* ¶ 3.

[228] See ICANN Dispute Resolution Policy, *supra* note 216, ¶ 4(b).

[229] This topic will be discussed in detail *infra* Part V(B).

[230] Currently, NSI procedures provide for only limited protection against cybersquatters attempting to warehouse domain names. See *Frequently Asked Questions about Legal Information*, *supra* note 178. NSI will not refuse registration, but will terminate for non-payment of fees only. See *id.* Thus, only the cybersquatter that NSI identifies as a “credit risk” will be deterred. See *id.*

[231] See *Denver Area Educ. Telecomms. Consortium, Inc. v. FCC*, 518 U.S. 727, 776-77 (1996) (Souter, J., concurring) (“[A]s broadcast, cable, and the cybertechnology of the Internet and the World Wide Web approach the day of using a common receiver, we can hardly assume that standards for judging the regulation of one of them will not have immense, but now unknown and unknowable, effects on the others.”).

[232] See *supra* notes 75-118, 135-164 and accompanying text.

[233] See *Memorandum of Understanding On the Generic Top Level Domain Name Space of the Internet Domain Name System (gTLD-MoU)* (last modified Feb. 28, 1997) <<http://www.gtld-mou.org/gTLD-MoU.html>> [hereinafter *gTLD-MoU Text*].

[234] *Id.* § 6.

[235] See *gTLD-MoU Frequently Asked Questions*, *supra* note 40, § 1.1.

[236] See *id.*

[237] See *id.* § 1.5.

[238] See *White Paper*, *supra* note 7, at 31,743.

[239] See *gTLD-MoU Frequently Asked Questions*, *supra* note 40, § 2.2.

[240] *Id.* § 2.1. The IAHC had recommended the use of “.store” instead of “.shop.” See *id.*

[241] See *White Paper*, *supra* note 7, at 31,741.

[242] See *gTLD-MoU Frequently Asked Questions*, *supra* note 40, § 1.5.

[243] *gTLD-MoU Frequently Asked Questions*, *supra* note 40, § 1.1. The “root server system” is a set of thirteen file servers, which together contain authoritative databases listing all TLDs. See *White Paper*, *supra* note 7, at 31,742.

[244] See *gTLD-MoU Frequently Asked Questions*, *supra* note 40, §§ 1.1, 2.1.

[245] See *id.* § 1.2. The PAB is a voluntary organization which makes recommendations to the POC. See *gTLD-MoU Text*, *supra* note 233, § 5. The POC consists of twelve members appointed by the following groups: Internet Architecture Board (“IAB”), International Trademark Association (“INTA”), World Intellectual Property Organization (“WIPO”), International Telecommunication Union (“ITU”), IANA, ISOC, and CORE. See *id.* § 6.

[246] See *gTLD-MoU Frequently Asked Questions*, *supra* note 40, § 1.2.

[247] See *id.* § 1.2.

[248] See *gTLD-MoU Text*, *supra* note 233, § 4.

[249] See *gTLD-MoU Frequently Asked Questions*, *supra* note 40, § 1.3.

[250] See *Signatories to the gTLD-MoU* (last modified Feb. 15, 1999) <<http://www.itu.int/net-itu/gtld-mou/simple.htm>> (showing that the signatories include MCI Communications and France Telecom).

[251] *gTLD-MoU Frequently Asked Questions*, *supra* note 40, § 1.3.

[252] *See id.*

[253] *See gTLD-MoU Text, supra* note 233, § 5.

[254] *See Signatories to the gTLD-MoU, supra* note 250.

[255] *See* Gina Fraone, *A Web Page by Any Other Name... Won't Smell Too Sweet for Big Stakeholders in E-commerce*, ELECTRONIC BUS., Sept. 1998, at 25, 34 (statement of Tamar Frankel, chair of the workshop for the International Forum on the White Paper); *see also gTLD-MoU Frequently Asked Questions, supra* note 40.

[256] *See* Fraone, *supra* note 255.

[257] *See gTLD-MoU Frequently Asked Questions, supra* note 40, § 2.2.

[258] *See id.* § 2.3.

[259] *See id.* § 2.4.

[260] *See id.*

[261] *See id.* § 2.3.

[262] *See id.* § 2.12.

[263] *See id.* § 2.11.

[264] A “CORE gTLD” is any gTLD “subject to the provisions of [the gTLD-MoU].” *gTLD-MoU Text, supra* note 233, § 1.

[265] *See* Policy Oversight Committee, *Substantive Guidelines Concerning Administrative Domain Name Challenge Panels* (Third Revised Draft) (last modified Apr. 8, 1998) <<http://www.gtld-mou.org/docs/tracps.htm>>.

[266] *See id.* ¶ 2.

[267] *See* World Intellectual Property Organization (last modified Sept. 7, 1998) <<http://www.wipo.int/dgtext.htm>>.

[268] *See id.*

[269] *See id.*

[270] *See* International Ad Hoc Committee, *Final Report of the International Ad Hoc Committee: Recommendations for Administration and Management of gTLDs*, § 7.2.1 (last modified Feb. 6, 1997) <www.iahc.org/draft-iahc-recommend-00.html>.

[271] *See gTLD-MoU Text, supra* note 233, § 8; *see also* Arbitration and Mediation Center (last modified Jan. 14, 2000) <<http://arbiter.wipo.int/domains/access/index.html>>.

[272] *See supra* notes 185-96 and accompanying text.

[273] *See* E. Fingerhut & P.L. Singleton, *We're Entering a New Domain*, LEGAL TIMES IP SUPPLEMENT, Oct. 6, 1997, at 6 (“Although the gTLD-MoU specifically states that it is not an international law or treaty, nor is it attempting to create international law, interpretation of this policy is bound to create essentially an international body of administrative ‘law’ relating to the right to register trademarks as second-level domain names.”).

[274] *gTLD-MoU Text*, *supra* note 233, § 2 (emphasis added).

[275] *International Protection of Industrial Property Introduction* (last modified Aug. 10, 1998) <<http://www.wipo.int/eng/general/ipip/intro.htm>>.

[276] *Id.*

[277] *See id.*

[278] *See, e.g.*, 15 U.S.C. § 1052(d)(3) (1994).

[279] *See supra* notes 229-30 and accompanying text.

[280] *See* Improvement of Technical Management of Internet Names and Addresses, 63 Fed. Reg. 8826 (1998) [hereinafter Green Paper].

[281] *See id.* at 8829.

[282] *Id.*

[283] *See id.* (“The number of new top-level domains should . . . not be so large as to destabilize the Internet.”).

[284] *See supra* note 250 and accompanying text.

[285] *See* Green Paper, *supra* note 280, at 8830.

[286] *See* *FOR IMMEDIATE RELEASE* (last modified Feb. 4, 1998) <<http://www.gtld-mou.org/press/core-4.html>>.

[287] *See* White Paper, *supra* note 7.

[288] *See id.* at 31,744-45.

[289] *See id.* at 31,747-48.

[290] *See id.* at 31,744.

[291] *See id.* at 31,743 (“[While the gTLD-MoU demonstrated] a commendable degree of flexibility, the proposal was not able to overcome initial criticism of both the plan and the process by which the plan was developed.”).

[292] *See id.* at 31,747 (“Further, it should be clear that whatever dispute resolution mechanism is put in place by the new corporation, that mechanism should be directed toward disputes about cybersquatting and cyberpiracy and not to settling the disputes between two parties with legitimate competing interests in a particular mark.”).

[293] *See id.*

[294] NSI continues to feed this inequity of domains. NSI answers a frequently asked question regarding domain name registration:

I’ve noticed a lot of business Web Addresses end in .COM. Should I secure my Web Addresses in .COM too?

Absolutely. .COM is the Web Address associated with business. From Fortune 500 companies and large corporations to home-based and small operations, over 3 million users worldwide are currently enjoying the benefits of a .COM address.

Frequently Asked Questions about General Information, supra note 177.

[295] *See gTLD-MoU: Generic Top Level Domain Memorandum of Understanding* (last modified Aug. 12, 1999) <<http://www.gtld-mou.org>>.

[296] *See White Paper, supra note 7, at 31,741; Green Paper, supra note 280, at 8826.*

[297] *See generally* A. MITCHELL POLINSKY, AN INTRODUCTION TO LAW AND ECONOMICS 107-13 (2d ed. 1989) (discussing cost-benefit analysis from litigants’ perspectives).

[298] *See supra* notes 253-255 and accompanying text (discussing the use of administrative challenge panels).

[299] *See gTLD-MoU Text, supra note 233, at § 8(c)* (providing that the ACP decisions have no effect over the power of national and regional courts).

[300] *See White Paper, supra note 7, at 31,748.*

[301] *See supra* note 172 and accompanying text.

[302] *See Vying for control of country-specific domains* (visited March 13, 2000) <<http://news.cnet.com/news/0-1005-202-346462.html>>.

[303] *See id.*

[304] *See* U.S. CONST. amend. V (“No person shall . . . be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.”).

[305] *See White Paper, supra note 7, at 285.*

[306] *See Marks & Spencer P.L.C. v. One in a Million Ltd.*, [1998] 25 F.S.R. 265, 265-66 (Ch. 1997).

[307] *See id.* at 265, 268.

[308] “[P]assing off as a tort consists of one passing off his goods as the goods of another.” 1 MCCARTHY, *supra* note 21, § 5.2, at 5-3.

[309] See Marks & Spencer P.L.C., 25 F.S.R. at 274.

[310] See *id.* at 273 (“The defendants also say that in some cases the [TLD] . . . serves to differentiate them from the trade marks. The defendants make much of this point, but I am not impressed by it for the simple reason that although the words are probably capable of an innocent use, that is not the use that these defendants intend.”).

[311] See *id.*

[312] Although the court in *Jews for Jesus v. Brodsky* took notice of web sites in the .com and .org domains, it only did so to establish that the defendant was engaged in a commercial use of its registered domain name, and did not consider infringement or dilution across domains. 993 F. Supp. 282, 308-09 (D.N.J. 1998). Additional deterrents may also be available through the doctrine of spoliation of evidence. For example, in the case of a cybersquatter who might easily alter a web site once the threat of litigation appears, the spoliation inference would allow a court to make the adverse inference that the cybersquatter was guilty. See Lawrence Solum & Stephen Marzen, *Truth and Uncertainty: Legal Control of the Destruction of Evidence*, 36 EMORY L.J. 1085, 1088 (1987). The spoliation inference would be useful against cybersquatters where the lack of evidence forecloses against a party’s claim. See, e.g., *Temple Community Hosp. v. Superior Court*, 84 Cal. Rptr. 2d 852, 859 (Cal. 1999) (“[T]he absence of evidence that has been suppressed . . . sometimes may foreclose a claim altogether.”). Additionally, some courts have sustained actions for an independent spoliation tort. See Jay E. Rivlin, Note, *Recognizing an Independent Tort Action Will Spoil a Spoliator’s Splendor*, 26 HOFSTRA L. REV. 1003, 1005-06 (1998). However, recent case law casts serious doubts as to the continued viability of a spoliation tort. See *Temple Comm. Hospital*, 84 Cal. Rptr. 2d at 859, 862.

[313] 15 U.S.C. § 1117(a) (1994).

[314] Of the cases surveyed, the court in *Cardservice International, Inc. v. McGee*, 950 F. Supp. 737, 743 (E.D. Va. 1997), was the only one that awarded attorneys fees. See cases cited *supra* notes 75-118, 135-64.

[315] See *Fee for Registration of Domain Names* (last modified Feb. 1, 1999) <http://www.idg.net/crd_nsi_73640.html>. The initial NSI registration fee is \$70 and the renewal fee is \$35; there is no fee to register a domain name in the “.edu” or “.gov” domains. See *id.*

[316] See David Futrelle, *What's in a Number? The Net's Upscale 2000 Domain*, NEWSDAY, Jan. 10, 1999, at B15, available in 1999 WL 8150545 (“So some savvy web entrepreneurs have leapt into the breach – registering domain names they think will be valuable to others, then trying to sell them for as much as they possibly can. It’s what the folks on Wall Street call ‘arbitrage,’ and what a lot of others call ‘ripping people off.’”).

[317] See *supra* Part II(B).

[318] See *supra* Part II(B).

[319] *Juno Online Servs. v. Juno Lighting, Inc.*, 979 F. Supp. 684, 687-691 (N.D. Ill. 1997) (discussing the possibility of an affirmative claim of trademark misuse).

[320] Cf., e.g., *Prince PLC v. Prince Sports Group, Inc.*, [1998] 25 F.S.R. 21, 34, 42 (Ch. 1997) (recognizing cause of action based on defendant’s threats of infringement action, but denying plaintiff relief because of lack of damages).

[321] 979 F. Supp. at 687 (“[I]f, as plaintiff claims, in light of new technology and novel issues surrounding the Internet, an affirmative claim for trademark misuse should be recognized, this is not the proper case in which to do

so.”).

[322] *See id.* (citing *Morton Salt Co. v. G.S. Suppiger Co.*, 314 U.S. 488, 491 (1942) (finding that plaintiff’s infringement claim was patent misuse, designed to abuse patent protections to gain an illegal monopoly in contravention of antitrust laws)).

[323] *See id.* at 688 (citing *Lasercomb Am., Inc. v. Reynolds*, 911 F.2d 970, 976 (4th Cir. 1990)) (reasoning that misuse should apply to copyrights, since both copyrights and patents have “similar origins and purposes,” and the Supreme Court had recognized patent misuse).

[324] *See id.* at 689 (citing *Prince PLC v. Prince Sports Group, Inc.*, 25 F.S.R. at 21).

[325] *See id.*

[326] *See id.* at 690.

[327] Pub. L. No. 106-113, § 3001(a), 113 Stat. 1501, 1537 (1999) (to be codified at 15 U.S.C. § 1125).

[328] *See id.* § 3002(a).

[329] 15 U.S.C. § 1125(d)(1)(A) (1999); *see also* Anticybersquatting Consumer Protection Act § 3002(a), 113 Stat. at 1537.

[330] *See* 15 U.S.C. § 1125(d)(1)(A).

[331] *See supra* note 297.

[332] *See* 15 U.S.C. § 1125(d)(1)(A).

[333] *See supra* notes 75-84 and accompanying text (illustrating the relevance of product line analysis in domain name cases).

[334] *See supra* Part II(B).

[335] While large companies may rely on the distinctiveness or fame of their marks in domain name disputes, having invested substantial time and money, smaller or younger companies without the benefit of time or resources are stripped of a defense. *See* 15 U.S.C. § 1125(d)(1)(B)(i)(IX) (indicating that the distinctiveness or fame of a defendant’s mark incorporated into a domain name is a factor in establishing the requisite bad faith).

[336] “Link pages” should not be confused with “hyperlinks.”

[337] *See* Jennifer R. Dupre, *A Solution to the Problem? Trademark Infringement and Dilution by Domain Names: Bringing the Cyberworld in Line with the “Real” World*, 87 TRADEMARK REP. 613, 630 (1997).

[338] *See* White Paper, *supra* note 7.

[339] *See* Amy Harmon, *We, the People of the Internet*, N.Y. TIMES, June 29, 1998, at D1 (statement of David Farber).

[340] *See id.* (statement of David R. Johnson).

[341] *See id.* (statement of Tamar Frankel) (“What I find is that people who are tremendously sophisticated in the technical workings of the Internet are not necessarily knowledgeable in how to create an organization – especially one that has no clear model.”).

[342] *See* White Paper, *supra* note 7, at 31,741; *see also* Professor Farber on Cyberspace’s Wild Frontiers (last modified Aug. 9, 1994) <<http://snazzy.anu.edu.au/Matilda/9408/farber.htm>> (reprinted from THE AUSTRALIAN, COMPUTERS AND HIGH TECHNOLOGY SECTION, Aug. 9, 1994).

[343] *See* Katie Hafner, *Jonathan B. Postel, Who Helped to Create and Administer the Internet, Is Dead at 55*, N.Y. TIMES, Oct. 18, 1998, at 46.