2-1-1997

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PROBLEMS ARISING OUT OF THE USE OF “WWW.TRADEMARK.COM”: THE APPLICATION OF PRINCIPLES OF TRADEMARK LAW TO INTERNET DOMAIN NAME DISPUTES

Michael B. Landau

INTRODUCTION

In recent years, interest in and access to the Internet has exploded. Once only parts of the arcane worlds of the military and academia, the Internet is now a household word, and millions of people throughout the world “e-mail” each other and...

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1. The growth of the internet has been classified by one commentator as “explosive.”

Ten years ago, about 1000 host computers were connected to the Internet. Now there are approximately 4,000,000 hosts. The specification for the fastest growing portion of the Internet, known as the World Wide Web (WWW or the Web) was released in 1992. Graphical browsers for the World Wide Web were first released in approximately 1994, which was the event that allowed the tremendous growth of the Web. . . . The Wall Street Journal reported that the most popular site on the Web was visited by an estimated 3,000,000 unique visitors who downloaded 30,000,000 files during the one week period from May 1-7, 1995. . . . A consultant and columnist for Network World estimates that the Web doubles every 58 days (a 78-fold increase on an annualized basis).


2. See, e.g., Special Issue: Welcome to Cyberspace, TIME MAG. Spring, 1995; Can You Live in Cyberspace, INC., MAG., Nov. 14, 1995, at 57; Inside Microsoft: The Untold Story of How the Internet Forced Bill Gates to Reverse His Corporate Strategy, BUSINESS WEEK, July 15, 1996, at 56-68; Patrick F. McGowan, The Internet and Intellectual Property Issues, 455 PLI/PAT 303, 310-11 (Oct. 1996) (showing that the Internet has made the popular media, including even THE NATIONAL ENQUIRER, which ran an article on August 20, 1996, on page 11, Wartime Sweethearts Reunited After 51 Years on the Internet).

3. According to an article in “Wired” magazine, the sending and receiving of “e-mail” is the most popular on-line activity among women. The “Top 10” on-line activities among women are:
spend countless hours “surfing the Net” in search of information, excitement, fun, and dollars. The corporate world, too, has discovered the potential of the Internet. It is difficult to open a newspaper or magazine, or to view a television commercial or show, without some reference being made to the “World Wide Web.” Indeed, companies are flocking to the Internet and setting up “Websites,” as panners did for gold 150 years ago, seeking fortunes by way of this unbelievably cheap form of advertising. The race is on! Most companies use their trade names or trademarks in conjunction with “www” and “com” to identify their sites, as illustrated by “www.abc.com,” “www.mci.com,” “www.quakeroats.com,” “www.nationalgeographic.com,” and “www.mcdonalds.com.” The media have also created Web sites that include the names of programs or movies, such as “www.cartalk.com,” “www.adventuresofsinbad.com” and even “www.beavis-butt-head.com.”

(1) e-mail (29%); (2) Web surfing (24%); (3) Education/reference sources (13%); (4) News and information (9%); (5) Business related activity (excluding e-mail) (8%); (6) Real-time chats (5%); (7) Entertainment (4%); (8) Computer related activity (software downloads, tech info, etc.) (2%); (9) BBS and forums(sic) (2%); (10) Newsgroups (1%). WIRED Top 10, WIRED, Jan. 1997, at 76. Another article in the same issue of WIRED reports that “more than 186 countries are now reachable via e-mail.” The That Cost of Business, WIRED, Jan. 1997, at 46 (referring to a recent Internet World study); see also Gerry Fifer, E-Mail is a Cheap, Easy Way to Communicate Worldwide, N.Y.L.J., Sept. 6, 1994, at 5.

4. At present, the cost of registering and maintaining a domain name is only $100 for registration and the first two years of use, and $50 thereafter.

5. According to a Network Wizards study, the number of active domains has been growing exponentially. The results of their study, as of July 1996, follow:

<table>
<thead>
<tr>
<th>Date</th>
<th>Domains</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 96</td>
<td>488,000</td>
</tr>
<tr>
<td>Jan. 96</td>
<td>240,000</td>
</tr>
<tr>
<td>July 95</td>
<td>120,000</td>
</tr>
<tr>
<td>Jan. 95</td>
<td>71,000</td>
</tr>
<tr>
<td>July 94</td>
<td>46,000</td>
</tr>
<tr>
<td>Jan. 94</td>
<td>30,000</td>
</tr>
<tr>
<td>July 93</td>
<td>26,000</td>
</tr>
<tr>
<td>Jan. 93</td>
<td>21,000</td>
</tr>
</tbody>
</table>

The results are available on the World Wide Web at: http://www.nw.com/zone/WWW/report.html. The Website includes links to more detailed breakdowns and information about the study.
Companies, however, are not the only ones to realize the value of an easy to reach Website on the Internet. As with any "gold rush," also joining the frenzy are speculators, pranksters, and charlatans. Some individuals have attempted to speculate in the domain name market by analogizing a Website to real estate and purchasing a domain name that includes a company's trademark with the hopes of later selling it back to the company for a profit. Other individuals have used company names as their Website appellations either for fun or to prove a point. Commercial entities have used the names or trademarks of their competitors in order to divert potential customers away from the competitor. Other situations arise when one of several parties with legal rights to a name is the first to stake his or her claim to a domain name.

In this rapidly expanding frontier, there is a centralized system for "staking one's claim" (that is, registering a domain name) based on a first-come/first-served basis, without regard to whether one has actually used or registered the trademark portion of the domain name first. This system allows one to utilize another's trademark in a domain name without permission of the trademark owner. It is a system of registration and dispute resolution that, by not recognizing common law trademarks or federally unregistered trademarks in its dispute resolution policy, is at odds with the traditional notion of "priority of use" in trademark law. As a result, it is not

6. *See, e.g.*, Internatic, Inc. v. Toeppen, 40 U.S.P.Q.2d (BNA) 1412 (N.D. Ill. 1996) discussed *infra* notes 132-60, and accompanying text. This practice was also referred to as "arbitrage" in Internet addresses.


8. Princeton Review had registered the domain name "kaplan.com." The case was decided in Kaplan's favor by an arbitrator. *Id.* at 632.

9. Fidelity Investments could not use the domain name, "fidelity.com" because it was already taken. They are using the name "fidelityinv.com." The domain name of The Quaker Oats company is "quakeroats.com." The name "quaker.com" is already taken. See, *e.g.*, http://www.quakeroats.com and http://quaker.com for a comparison.

10. The registration and reservation of domain names is handled by Network Solutions, Inc. (NSI), a subsidiary of the Science Applications International Corporation. The U.S. Government has awarded NSI a five year, $5.9 million contract to register and maintain domain names. Barger, *supra* note 7, at 631; *see also* Kara Swisher, *The Frenzy Over the Internet's Fee Enterprise*, WASH. POST, Oct. 16, 1995, at F-10.
surprising that each day, as the number of “Web sites” increases, the number of disputes regarding domain names shows a parallel increase.\textsuperscript{11}

What complicates matters more is that the medium of Internet communication is relatively new and the rules are in flux. Is a “home page” communication or information, or is it advertising and therefore commercial speech? Do traditional doctrines of trademark law apply? Is a Website part of “commerce”? Should Website domain names be governed under a first-come/first-served basis or should the traditional trademark rule of “first use” apply? How can the “little guy,” with valid common law or unregistered trademark rights, be protected from the World Wide Web becoming an advertising vehicle solely for the Fortune 500? And, should principles of equity and fairness rule?

This Article will attempt to reconcile the explosive growth of the Internet and the resultant proliferation of Websites with settled principles of trademark law and the courts’ equitable powers in order to resolve domain name disputes.\textsuperscript{12} The article will also suggest “self-help” measures and changes in the policy for registration with the hope that the number of disputes in the future will be reduced.

Part I of this Article will provide some background of the Internet, the World Wide Web, and “domain names.” Part II sets forth basic principles of trademark law, both common law and federal, including standards for legal protection of a mark and standards for proving infringement or dilution of the mark. Part III examines the current policies of Network Solutions, Inc. (NSI), the organization that administers the assignment of domain names to applicants, and discusses some of the serious shortcomings and conflicts with long established principles of trademark law. Part IV illustrates the current types of domain name disputes and discusses some of the already litigated cases in this evolving area. Part V presents some proposed solutions to Internet domain name disputes that act either before domain name registration or before the court. Finally, Part VI criticizes,

\textsuperscript{11} An ongoing and frequently updated list of domain name disputes may be found at a Web site established by three students at Georgetown Law School, Jonathan Agmon, Stacey Halpern, and David Parker. The site may be found at: http://www.law.georgetown.edu/io/internic/recent/rec1.html.

\textsuperscript{12} See, e.g., Solitec Polymer Corp. v. Fortex Ind., Inc., 832 F.2d 1325 (2d Cir. 1987) (discussing the court’s equitable powers in trademark disputes).
using a Georgia statute as an example, the criminalization of unauthorized trademark use on the Internet as a viable legislative solution.

I. BACKGROUND OF THE INTERNET

A. The Internet

The Internet was established as an experimental project in 1969 by the Advanced Research Project Agency (ARPA) and was initially called ARPANET.\(^{13}\) ARPANET was initially created for defense purposes and connected computers and networks owned by the military, defense contractors, and universities.\(^{14}\) ARPANET enabled researchers to have access to computers situated at key laboratories and universities.\(^{15}\) As the network grew to encompass corporations, individuals, and schools around the world, the ARPANET came to be known as the DARPA Internet, and finally, just the “Internet.”

From its inception, the network was designed to be a decentralized, self-maintaining series of redundant links between computers and computer networks, capable of rapidly transmitting communications without direct human involvement or control, and with the automatic ability to re-route communications if one or more individual links were damaged or otherwise unavailable. Among other goals, this redundant system of linked computers was designed to allow vital research and communications to continue even if portions of the network were damaged, say, in a war.\(^{16}\)

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14. Id.; see also Arne, supra note 1, at 14.
15. Arne, supra note 1, at 14.
16. ACLU, 929 F. Supp. at 831. The mechanism of the transfer of data and information through the Internet is further described in ACLU v. Reno as follows:

To achieve this resilient nationwide (and ultimately global) communications medium, the ARPANET encouraged the creation of multiple links to and from each computer (or computer network) on the network. Thus, a computer located in Washington, D.C., might be linked (usually using dedicated telephone lines) to other computers in neighboring states or on the Eastern seaboard. Each of those computers could in turn be linked to other computers, which themselves would be linked to other computers.

A communication sent over this redundant series of linked computers could travel any of a number of routes to its destination.... If the message could not travel along [one] path (because of military attack, simple technical malfunction, or other reason), the message would automatically (without human intervention or even knowledge) be re-
The interconnectivity and the lack of reliance on a single computer allows people or companies from all over the world to have access to or send information from all over the world. This is the key to the popularity of the Internet. Parties large or small, rich or poor, famous or unknown can communicate with others easily and inexpensively. The restrictions of geography, time, and access to capital are almost meaningless. The Internet incorporates features of different forms of media and allows access to and dissemination of information in ways not imagined before. It is both the world’s largest library and the world’s largest billboard at the same time.

In addition, the Internet is very democratic and egalitarian. If one wants to get one’s message across in a highly stylized graphic form, it is no longer necessary for one to have to purchase expensive space or time from the more traditional media, such as newspapers, magazines, or television. The start-up company with a novel product can reach millions at almost no cost. By not being priced out of access to media advertising, the small entrepreneur, via the Internet, can be on a “level-playing-field” with a multinational corporation.

B. The World Wide Web and Domain Names

The advent of Graphic User Interfaces (GUI) and Hypertext Markup Language has added to the popularity of the Internet as a resource for information and as a vehicle for communications and advertising. The World Wide Web (Web) is an Internet Graphical User Interface that links related text, files, and programs through a universal Internet Protocol. Hypertext transfer protocol (http) allows for the use of documents that are in Hypertext Markup Language (HTML). Through the use of HTML, a party viewing information on one site on the Web may be connected or “linked” to other sites through the mere click of a mouse.

1. "A Swedish software engineer named Tim Berners-Le created the HTML protocol in 1992, which the Internet community has accepted with worldwide use." Barger, supra note 7, at 629 n.16.

2. A “hyperlink” is “highlighted text or images that, when selected by the user, permit him to view another, related Web document.” See Bensusan Restaurant Corp. v. King, 937 F. Supp. 295, 298 n.2 (S.D.N.Y. 1996) (quoting Shea v. Reno, 930 F.
In order for the Internet to be easily used, the users and information has to be easily found. Internet addresses and domain names have similar roles to those of postal addresses or street addresses, “in that it is through this domain address that Internet Users find one other.” Each computer that is on the Internet has an assigned Internet Protocol (IP), which acts as an Internet address. Each IP address takes the form of “a sequence of thirty-two bit numbers broken into four groups” separated by periods or “dots.” The numbers are read by the computer from right to left, with clusters of numbers separated by the “dots” corresponding to the network, subnetwork, and local address. For example, for the Internet address 131.96.1.18, “131” would be the network, “96” and “1” refer to the subnetworks, and “18” refers to the local computer.

While it is easy for computers to read numbers, people prefer, in general, to work with letters or names. This is one of the reasons for the popularity of “vanity telephone numbers” such as 1-800-HOLIDAY, 1-800-MATTRES, 1-800-GO-U-HAUL, 1-800-SEND FTD, or INJURY-1. With conventional telephone numbers, the number bears no relation to the party to whom it belongs. On the Internet, to accommodate the human preference for names and words, “a system was developed which utilizes a Domain Name Service (DNS) database to link these numerical addresses with mnemonic alphanumeric equivalents called Internet domain names.”

Each specific location is defined by a Uniform Resource Locator (URL) consisting of a protocol portion and a scheme-specific portion that is separated from a protocol portion by a colon and

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Supp. 916, 929 (S.D.N.Y. 1996). With these links “a user can move seamlessly between documents, regardless of their location; when a user viewing the document located on one server selects a link to a document located elsewhere, the browser will automatically contact the second server and display the document.” Id.


20. Barger, supra note 7, at 628.


22. 131.96.1.18 is the corresponding Internet address for the domain name “panther.gsu.edu.”

23. See Dueker, supra note 21, at 492.

24. Id.
two forward slashes. Unlike the IP addresses, domain names are read by the user from right-to-left, moving from the top-level domain (TLD) to the subdomain(s) to the individual machine. 25 For example, in the domain name used for Georgia State’s e-mail, “panther.gsu.edu,” 26 “edu” is the top-level domain, “gsu” is the second level domain (or subdomain), and “panther” is the computer or computer system itself.

In the World Wide Web, the domain names usually take the following structure: “www.name.TLD.” For example, if I wanted to get to ABC television’s home page on the Web, I would enter the following URL, http://www.abc.com. The top level domains are generally either “.com” (for commercial), “.edu” (for educational institutions), “.gov” (for governmental entities or agencies), “.net” (for networks and providers), and “.org” (for organizations, usually non-profit). 27 Most of the disputes and controversies deal with domain names in the “.com” TLD for it is within this domain that parties who do not have any legal rights in a trademark have included another’s trademark in their domain name. At present, there is no specific TLD for individuals, so many individuals have obtained domain names in the “.com” TLD. 28

Many of the problems with the Internet, in regard to trademarks, arise because of limitations of the medium (the display of domain names in the same alphanumeric typeface and the fact that only one party can occupy a specific site or address on the Web) and the global accessibility of sites on the Web (one site is accessible all over the world). In the traditional off-line trademark world, companies use other distinguishing elements, such as stylized script, logos, shapes, and color, in conjunction with their names. In the on-line world, all domain names appear the same. In addition, in the traditional off-line world, a mark may be distinguished by the goods and services with which it is connected, or by the context of its presentation. By contrast, a domain name is used simply as a mark itself, without any

25. Id. at 492-93; see also James W. Morando & Christian H. Nudan, Can Trademark Law Regulate the Race to Claim Internet Domain Names, 13 COMP. LAW. 10 (1996) (discussing domain name architecture).
26. The corresponding IP address is “131.96.1.18.”
27. See Barger, supra note 7, at 629.
28. Individuals may also create Web sites through their on-line providers. For example, America Online (AOL) allows members to have Web pages in the address “www.aol.com/members/[screen name].”
corresponding modifying setting or language. Added to the above, is the desire of many parties to use the shortest, most intuitive form of the mark or name, so that “surfers” will not have difficulty in finding the mark. Owing to these tendencies and limitations, the possibilities for confusion abound. The trademark law implications are discussed in more detail below.

II. BASICS OF TRADEMARK LAW

A. Standards for Protection of a Mark

Before applying doctrines of trademark law to Internet domain name disputes, it is important to discuss some of the basics of trademark protection under both federal statutory law and common law. Trademarks that are used in interstate “commerce” are protected under the Lanham Act. Trademarks that are used locally or intra-state are protected under common law. The same basic rules and standards for protection apply under both common law and federal law.

A “trademark” is defined in section 45 of the Lanham Act as any “word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or

29. Unlike copyrights and patents, trademarks may be protected under either state law, federal law or both. The Copyright Act of 1976 expressly preempts actions that are equivalent in nature to state common law claims. See 17 U.S.C. § 301 (1994); PreCD v. Zeidenberg, 86 F.3d 1447, 1453 (7th Cir. 1996). There is no such provision in the Patent Act itself.

30. “Commerce” is defined in Section 45 of the Lanham Act as “all commerce which may lawfully be regulated by Congress.” 15 U.S.C. § 1127 (1994). In most cases, “commerce” means that the applicant does business in multiple states, or solicits customers in multiple states. There have, however, been cases in which federal trademark registration has been granted to an applicant with a business or businesses located solely within one state, but with customers from a multi-state area. See, e.g., Larry Harmon Pictures Corp. v. Williams Restaurant Corp., 929 F.2d 662 (Fed. Cir.), cert. denied, 502 U.S. 923 (1991) (bar-B-Q restaurant located outside of Memphis with customers from many states considered to be engaged in “commerce”); see also In re Gastown, Inc., 326 F.2d 780 (C.C.P.A. 1964). But see In re Bookbinder’s Restaurant, Inc., 240 F.2d 365 (C.C.P.A 1957) (single location restaurant in Philadelphia with largely “tourist” clientele denied federal registration based upon failure to meet the “commerce” requirement).


33. See MCCARTHY, supra note 32, at § 16.01[1]–[2].
he goods... from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown. A registration is not necessary for the protection of a trademark. A trademark gains protection through use and distinctiveness.

Trademarks are broken into the following categories of protectability: (1) “arbitrary” or “fanciful,” (2) “suggestive,” (3) “descriptive,” and (4) “generic.” The types of marks run along a continuum from the most protectable to not protectable at all. “Arbitrary,” “fanciful,” or “suggestive” trademarks are classified as “inherently distinctive,” and are protected immediately upon their use. A trademark is “arbitrary” or “fanciful” if, when applied to a product or service, it “has no inherent relationship to the product or service with which it is associated.” A trademark is “suggestive” if it “requires

34. 15 U.S.C. § 1127 (1994). Under the Amendments to the Lanham Act in 1988, which allowed “intent to use” applications, a “trademark” may be issued, assuming it meets all other criteria, if “a person has a bona fide intention to use in commerce and applies to register on the principal register established by this Chapter.” Id. A “service mark” is essentially the same, but is applied to distinguish the services of one from the services of another. Id. For the purposes of this Article, the term “trademark” or “mark” will be used to apply to both trademarks and service marks because the issue of domain name disputes applies to both types of marks. In addition, the requirements for the protection of both trademarks and service marks is the same.

35. The standard of protection is also the same for registered and unregistered marks. See, e.g., Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992).

36. See generally Stephen L. Carter, The Trouble With Trademarks, 99 YALE L.J. 769 (1990); see also Hanover Star Milling Co. v. Metcalf, 240 U.S. 403 (1916); McCARTHY, supra note 32, § 16.02[1][a].

37. These categories of marks and standards for protection were articulated in Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4 (2d Cir. 1976) and followed by the Supreme Court in Two Pesos, 505 U.S. at 768.

38. “Fanciful” marks are the same as “arbitrary” marks. The terminology is adopted from the Abercrombie & Fitch decision, and is used interchangeably in most cases.


imagination, thought and perception to reach a conclusion as to the nature of the goods.”

A “descriptive” mark “conveys an immediate idea of the ingredients, qualities or characteristics of the goods” as opposed to identifying the source. It can only be protected under the Lanham Act once it acquires “secondary meaning” or becomes “associate[ed] with particular goods stemming from a particular source.” Typically, in order to show secondary meaning, courts consider sales, advertising and promotion, and evidence of consumer recognition. “Generic” marks are those marks where the trademark has become the same as the name of the product. Such marks may never be protected. Some examples of generic marks include: “Shredded Wheat,” “Trampoline,” “Linoleum,” “Dry Ice,” “Nylon,” “Cellophane,” and even “Escalator.”

While registration is not the trigger event for trademark protection, there are several advantages to registration. The

43. Id.
44. Id.
45. See JANE C. GINSBURG ET AL., TRADEMARK AND UNFAIR COMPETITION LAW: CASES AND MATERIALS 349, 349-60 (2d ed. 1996). Several trademarks, such as “Xerox” and “Kleenex” have come perilously close to being classified as “generic” based upon the public’s widespread use of the trademark as the name of the product. In order to prevent the “genericide” of the marks, Xerox and Kimberly Clark have engaged in aggressive advertising campaigns emphasizing the trademark nature of the marks. Id.
46. The standards for registration of a trademark are found in Sections 2(a)-(f) of the Lanham Act. 15 U.S.C. § 1052(a)-(f) (1994). Those standards provide:

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written
existence of a federal registration is \textit{prima facie} evidence of both the validity and ownership of the mark, and of the right to use the mark in commerce.\textsuperscript{47} In essence, with a registration, the burden is on the trademark challenger to prove the facts related to the protectability of the mark. Registration also gives the trademark owner: (1) the right to prevent the importation of counterfeit goods;\textsuperscript{48} (2) the opportunity to initiate an action

\begin{quote}
consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive. . . . [If 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 to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce. . . .

(e) Consists of a mark which (1) when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them, (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title, (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them, or (4) is primarily merely a surname.

(f) Except as expressly excluded in paragraphs (a),(b),(c),(d) and (e)(3) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as \textit{prima facie} evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made. Nothing in this section shall prevent the registration of a mark which, when used on or in connection with the goods of the applicant, is primarily geographically deceptively misdescriptive of them, and which became distinctive of the applicant's goods in commerce before December 8, 1993.

\textit{Id.}


under 15 U.S.C. § 1116(d) to prevent the use of counterfeit marks; and (3) the opportunity to take advantage of Section 15 of the Lanham Act which allows a registered mark to become incontestible after five years of continuous post-registration use.\(^{49}\)

The Lanham Act also allows the owner of a registered mark to take advantage of the doctrine of “constructive notice.”\(^{50}\) For trademark applications filed after November 16, 1989, once a trademark application is filed, all other parties are placed on nationwide “constructive notice”\(^{51}\) of the trademark owner’s rights in the mark.\(^{52}\) Junior users are presumed to know of the senior user’s rights in the mark. If the trademark is registered,\(^{53}\) the use of the mark by a junior user may be enjoined, due to constructive notice, by the senior user, should the senior user expand into the junior user’s territory.\(^{54}\)

**B. Legitimate Uses of a Mark by Multiple Parties**

One cannot simply create “catchy” marks, not use them and then assert them against the users. In order to maintain rights in a mark, the trademark owner must maintain the mark’s usage in connection with goods and/or services. Failure to use the mark, or failure to prevent the use of the mark by others, may lead to “abandonment” of the mark.\(^{55}\) In many cases, the

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51. The change in policy was the result of the Trademark Law Revision Act of 1988 which, among other things, provided for the filing of “intent-to-use” applications in the United States instead of only “actual use” applications. Prior to November 16, 1989, the date of the issuance of the registration of the mark was the trigger date for “constructive notice.”


53. See McCarthy, supra note 32, § 16.01[2].

54. See, e.g., Dawn Donut Co., Inc. v. Hart Food Stores, Inc., 267 F.2d 358 (2d Cir. 1959). Although the registration is nationwide, it does not entitle the registrant to enjoin parties doing business in areas that are remote from the registrant’s market. The registrant may, however, enjoin the remote users at any time he expands into the market area.


A Mark shall be deemed to be “abandoned” when either of the following occurs:

1. When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Non-use for 2 consecutive years shall be prima facie
“abandonment” doctrine may compel an owner of a trademark to litigate against one who uses the same or a similar mark in a domain name in order to preserve the rights to the trademark.

The right to use a registered trademark is not absolute. The owner of a registered mark may not enjoin all parties anywhere in the country engaged in any type of business from using the mark. There are two situations in which multiple parties may use the same mark, provided that one’s use is not likely to cause confusion with another’s use. The first is use in connection with similar goods and/or services in different geographic markets, and the second is use in connection with different goods and/or services.

1. Concurrent Use: Different Geographic Markets

In situations in which two parties are using the same mark, courts will permit the parties to use the marks, and even to get two limited registrations. These situations are referred to as “concurrent use.”

If 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 evidence of abandonment. “Use” of a mark means the bona fide use of that mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

(2) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark. Purchase motivation shall not be a test for determining abandonment under this paragraph.


In trademark law, unlike in patent law or copyright law, the owner of the mark is often compelled to commence an action against unauthorized users of the mark in order for the mark to retain its distinctiveness and not be deemed “abandoned.” In copyright law and patent law, if it is not economically rational to bring suit (i.e., the potential recovery does not outweigh the costs of litigation), the owners of the respective intellectual property will not risk losing rights in their copyrights or patents.
the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce. . . . Concurrent registrations may also be issued by the Commissioner when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Commissioner shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods on or in connection with which such mark is registered to the respective persons. 56

In concurrent use registrations, the “territories of parties must be limited in such a way as to exclude from each the area of expansion of the other party.” 57

A federal registration does not confer a blanket right to enjoin all parties anywhere in the United States who might be doing business under the mark. It only gives one the right to enjoin one if the other party’s use is “likely to cause confusion, or to cause mistake, or to deceive.” 58 In addition to “concurrent use” registrations, the law recognizes the rights of a local intra-state user to maintain his local area of business even against a larger party who has been granted a federal registration and uses the mark in interstate “commerce.” If the local user had used the mark before the interstate user and registrant, then the senior local user’s rights to the mark are geographically fixed, by a “carve out,” in the area in which he used the mark prior to the registrant’s application. 59 The policy behind allowing the local user to maintain use of the mark in his area after another party has filed for and obtained a federal registration is to prevent larger parties with the capital and resources from going around the country appropriating “catchy” names, logos, or slogans from small local users and then preventing the original user from using his or her mark. Without the “carve out,” deep-pocket

58. 15 U.S.C. § 1114(1) (1994) (for registered marks); see also id. § 1125(a) (for unregistered marks).
59. See Thrifty Rent-A-Car Sys., Inc. v. Thrift Cars, Inc., 831 F.2d 1177 (1st Cir. 1987) (freezing the local user in his original area while the competitor, and holder of the later acquired registered mark, was prevented from expanding into the local user’s area).
parties could effectively use their registrations to prevent small, often independently-owned businesses with prior use rights in the mark from operating under their own names and trademarks.

On the other hand, if the local user has used the mark in a defined local geographic area after the senior user has received a registration for the mark, the junior local user is on "constructive notice" of the registrant's rights, and may be enjoined at a later time, should the registrant expand into the local territory.\(^{60}\)

Therefore, federal law recognizes the absolute right of a senior local user to use his or her mark in its initial area of trade, even after a subsequent user in "commerce" has received a registration, and the limited right of a junior user to use the mark in its area of trade until the registrant expands thereto.\(^{61}\)

2. Use with Respect to Different Goods or Services

Trademarks may be used,\(^{62}\) and even registered,\(^{63}\) by multiple parties in connection with different goods and services, provided that the goods and services are different enough as to not be likely to cause confusion or mistake. For example, "United" is used by both "United Airlines" and "United Van Lines." "ABC" is used by both the television network and a furniture and carpet store in New York. "Century 21" is used in connection with both real estate and a discount clothing store.

\(^{60}\) Dawn Donut Co., Inc. v. Hart's Food Stores, Inc., 267 F.2d 358 (2d Cir. 1959). The court stated:

"This is not to say that defendant has acquired any permanent right to use the mark in its trading area. On the contrary, we hold that because of the effect of the constructive notice provisions of the Lanham Act, should the plaintiff expand its retail activities into the six county area, upon a proper application and showing to the district court, it may enjoin defendant's use of the mark."


\(^{62}\) See, e.g., Vitarroz Corp. v. Border, Inc., 644 F.2d 960 (2d Cir. 1981) (use of similar mark allowed in connection with different products).

There are numerous “Allied” companies, as well as “ACME” companies. “Quaker State” Motor Oil is not likely to be confused with “Quaker Oats.” And, as held in University of Notre Dame du Lac v. J.C. Gourmet Food Imports, Co., clearly no one will confuse Notre Dame University with an imported cheese from France by the same name.

The PTO utilizes the “International Schedule of Classes of Goods and Services” (Schedule) established by the World Intellectual Property Organization (WIPO) for categorizing marks. The Schedule contains thirty-four (34) categories of goods and eight (8) categories of services. A class of goods or services

66. The International Schedule of Classes of Goods and Services was established by the World Intellectual Property Organization (WIPO) under the terms of the Nice Treaty. Summaries of the categories are as follows:

Goods:
(1) Chemicals used in industry, science, photography, or agriculture; (2) Paints, varnishes, and lacquers; (3) Soaps, cosmetics, hair lotions, and dentrifices; (4) Industrial oils and greases, candles and wicks; (5) Pharmaceuticals, disinfectants, fungicides, herbicides; (6) Metals and metal wires and building materials; (7) Machine tools, motors, engines, incubators for eggs; (8) Hand tools, cutlery, and razors; (9) Scientific, electric, photographic devices and machines including devices for transmission or recording of sound and/or images; (10) Surgical, medical, and dental apparatus and instruments; (11) Lighting, heating, cooking apparatus; (12) Vehicles; (13) Firearms, explosives, ammunition, and fireworks; (14) Precious metals, jewelry, clocks, and watches; (15) Musical Instruments; (16) Paper, cardboard, stationery; (17) Rubber, plastics, insulating materials; (18) Leather and imitations of leather; (19) Building materials; (20) Furniture; (21) Household kitchen utensils; (22) Ropes, strings, nets; (23) Yarns and threads for textile use; (24) Textiles and bed and table covers; (25) Clothing and footwear; (26) Lace and embroidery, ribbons and braid, pins and needles; (27) Carpets, rugs, and linoleum; (28) Games and playthings, decorations for Christmas trees; (29) Meat, fish, poultry, and game; (30) Coffee, tea, cocoa, sugar, rice, honey, flour, bread, spices; (31) Agricultural products not included in other classes, live animals, fresh fruits and vegetables, natural plants and flowers; (32) Beer, mineral water and other non-alcoholic drinks, fruit juices, and syrups for making beverages; (33) Alcoholic beverages (excluding beer); and (34) Tobacco, smokers’ articles, and matches.

Services:
(35) Advertising and business management; (36) Insurance, financial, and real estate services; (37) Building construction, repair, and installation services; (38) Telecommunications; (39) Transport, storage, and travel services; (40) Treatment of materials; (41) Education and provision of training, entertainment, sporting and cultural activities; (42) Provision of food and drink, accommodations, legal services, scientific and industrial research, computer programming, and services that cannot be placed in other categories.
must be selected from the schedule during the mark registration process.

In the off-line world, these rules and distinctions are relatively easy to apply. Parties, indeed, engage in trade in only certain specific geographic areas, or in connection with different goods. They can limit their customers to their local areas easily by using local advertising media and having local telephone numbers. However, in the on-line world, "[u]nlike other media, there is no technologically feasible way to an Internet speaker to limit the geographical scope of his speech (even if he wanted to) or to 'implement[ ] a system for screening the locale of incoming' requests."\(^{67}\) On the Internet, the domain name form "trademark.com" does not give any indication of territory or of goods and/or services. Traditional concurrent use of a trademark by itself, without alphanumeric modifiers specifying geographic market or goods and services in the domain name, is unworkable.

C. Standards for Trademark Protection

1. Likelihood of Confusion

The test for trademark infringement in all jurisdictions—state or federal—\(^{68}\) is the "likelihood of confusion" test. This test applies to federally registered trademarks under Section 32(1) of the Lanham Act,\(^{69}\) and unregistered trademarks and "trade dress" under section 43(a) of the Lanham Act.\(^{70}\) The "likelihood

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68. Unlike copyright and patent law, there is no express federal preemption in trademark. Therefore, a plaintiff may bring both a federal Lanham Act claim and a state common law trademark cause of action.


70. Id. § 1125(a). Section 43(a) of the Lanham Act provides in pertinent part: (a)(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce, any word, term, name, symbol, or device, or combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person, or as to origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person. . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

Id.
of confusion" test also applies to actions for unfair competition under both state and federal law and actions for common law trademark infringement.

A determination of "likelihood of confusion" is based upon a number of factors. The factors are basically the same in all circuits, although some circuits may apply a slight variation of another circuit's test.\footnote{GINSBURG ET AL., supra note 45, at 368.} For example, the classic test in the

71. GINSBURG ET AL., supra note 45, at 368.

The First, Fifth, Seventh, Ninth and Eleventh Circuits and the Court of Appeals for the Federal Circuit further evaluate the relationship between the parties' trade or distribution (the Fifth and Eleventh Circuits refer to this factor as "identity of retail outlets"), although the Second Circuit does not include this consideration in its likelihood of confusion analysis. The similarity of the advertising media utilized figures as a factor in the First, Fifth, Seventh, and Eleventh Circuits' tests, but not the Second's or Ninth's. The type of consumer likely to purchase the respective goods is examined by the First Circuit (which refers to "classes of prospective buyers"), the Second ("sophistication of buyers"), the Fifth, Ninth, ("degree of care likely to be exercised by the purchaser"), the Eleventh, and the Federal Circuit, but is absent from the Seventh Circuit's cluster of factors. In addition, both the Second and the Ninth Circuits weigh the likelihood of business expansion into competing markets. Interestingly, however, the Second Circuit concentrates on the likelihood that the prior owner will "bridge the gap" between the products, while the Ninth Circuit and the Federal Circuit regard the possibility that either party will diversify his business to compete with the other as a strong indication that the defendant's present use is infringing. The Second Circuit alone . . . considers the quality of defendant's products.

Id. In addition to there being slightly different factors to be considered by the different circuit courts of appeal, there is also disagreement regarding whether "likelihood of confusion" is a question of law, a question of fact, or a mixed question of law and fact. Whether or not an issue is one of fact or law effects the standard of review—clearly erroneous or de novo respectively. For example, in recent cases the First, Third, Fifth, Seventh, Eighth, Ninth, Tenth, and Eleventh Circuits have classified the "likelihood of confusion" as an issue of fact, and have, therefore, applied the "clearly erroneous" standard of review. \textit{Id.} at 371 (citing Purolator, Inc. v. EFRA Distrib. Inc., 216 U.S.P.Q. 2d 457 (1st Cir. 1982); Amstar Corp. v. Domino's Pizza, Inc., 615 F.2d 252 (5th Cir. 1980); Scandia Down Corp. v. Euroquilt, Inc., 772 F.2d 1423 (7th Cir.), cert. denied, 475 U.S. 1147 (1986); SquirtCo v. Seven-Up Co., 628 F.2d 1086 (8th Cir. 1980)). In contrast, the Federal Circuit views the issue as one of law and makes determinations de novo on appeal. \textit{See, e.g.,} Giant Food, Inc. v. Nation's Food Service, Inc., 710 F.2d 1565 (Fed. Cir. 1983). Finally, some courts, such as the Second Circuit and the Sixth Circuit, view the issue as a mixed question of law and fact. The underlying factors are reviewed on a clearly erroneous standard, but the overall determination is reviewed de novo. \textit{See, e.g.,} Charles of the Ritz Group, Ltd. v. Quality King Dist., Inc., 832 F.2d 1317 (2d Cir. 1987); Carson v. Here's Johnny Portable Toilets, Inc., 698 F.2d 831 (6th Cir. 1983). The need to resolve the issue was raised in a petition for certiorari that was denied. \textit{See} Elby's Big Boys of Steubenville, Inc. v. Frisch's Restaurants Inc., 459 U.S. 916 (1982) (White, J., dissenting).
Second Circuit that set forth the standard, *Polaroid v. Polarad Electric Corp.*, 72 includes balancing the following factors, referred to as the *Polaroid* factors: the strength of plaintiff's mark; the degree of similarity between plaintiff's and defendant's marks; the proximity of the products or services; the likelihood plaintiff will bridge the gap; evidence of actual confusion; defendant's good faith in adopting the mark; the quality of defendant's product or service; and the sophistication of the buyers. 73

The issue of likelihood of confusion is not determined by merely analyzing whether a majority of these subsidiary factors indicates that such a likelihood exists. Rather, a court must evaluate the weight to be accorded the individual factors and then make its ultimate decision. The appropriate weight to be given to each of these factors varies with the circumstances of the case. 74 In addition, the factors are not exhaustive. A court may take other "variables into account."75

An interesting issue arises with respect to "likelihood of confusion" in the domain name setting. A defendant could argue that there could be no "likelihood of confusion" in domain name cases because a party, upon reaching an unintended destination on the Web as a result of entering an intuitive URL, would immediately realize that the Web site belongs to someone else based upon the content. This is similar to the argument that was advanced by the defendants in *United States v. Torkington*, 76 a

73. Id. at 495. In the Eleventh Circuit, the appellate jurisdiction that includes the federal district courts in Georgia, the factors are enumerated in a slightly different manner. The factors considered are: the type of the mark; the similarity of the marks; the similarity of the products the marks represent; the similarity of retail outlets and customers; the similarity of advertising media used; the defendant's intent; and actual confusion. See, e.g., *Freedom Sav. & Loan Ass'n v. Way*, 757 F.2d 1176, 1182 (11th Cir. 1985), cert. denied, 474 U.S. 845 (1985); University of Ga. Athletic Ass'n v. Laite, 756 F.2d 1595 (11th Cir. 1985); Wesco Mfg., Inc. v. Tropical Attractions of Palm Beach, Inc., 833 F.2d 1484, 1488 (11th Cir. 1987). Of these factors, the type of mark and the evidence of actual confusion are the most important in the Eleventh Circuit. *Freedom Sav.,* 757 F.2d at 1186; see also, *Sun Banks of Fla., Inc. v. Sun Fed. Sav. & Loan Ass'n*, 651 F.2d 311 (5th Cir. 1981); *Exxon Corp. v. Texas Motor Exchange of Houston, Inc.*, 628 F.2d 500, 504 (5th Cir. 1980).
76. 812 F.2d 1347 (11th Cir. 1987) (finding post-sale confusion over counterfeit
case dealing with the sale of counterfeit "Rolex" watches. The defendants argued that despite the fact that the watches were counterfeits, purchasers would not be "confused, mistaken, or deceived" based upon the ridiculously low price of $25 for the watch. The court found that the requisite confusion could be found in the post-sale context (people seeing the counterfeit "Rolex" watches being worn and thinking that they were genuine).

In the domain name setting, although much confusion might be eliminated when someone reaches the site and realizes he is not where he wants to be, there could be "pre-web site arrival confusion." The confusion evident in ending up at an unintended site probably demonstrates a likelihood of confusion.

If a company uses a domain which is identical to the name or trademark of a company, an Internet user may inadvertently access an unintended company. ... [T]he Internet user may not realize that the advertisement is actually from an unintended company, or the Internet user may erroneously assume that the source of information is the intended company. As a result, confusion in the marketplace could develop.

For example, if I owned a used car lot that sold only used Fords and called it "Mercedes City," many Mercedes-Benz devotees might visit based upon the erroneous assumption that they could purchase a used Mercedes there. While it is abundantly clear that when the enthusiastic would-be Mercedes buyer arrived at my place of business and saw only Fords, after the initial shock, he would not be confused; he was nonetheless sufficiently confused by the name of the business to assume that it was related to Mercedes and therefore took the time to visit the mislabeled lot. A "likelihood of confusion" has therefore probably occurred.

There is some analogous precedent for this with respect to telephone numbers. In Dial-A-Mattress Franchise Corp. v.
Page, the plaintiff, a telephone order mattress and bedding company, had the vanity telephone number, “MATTRES” used in conjunction with the local area codes in the New York area. The plaintiff had used the slogan, “Dial MATTRES and drop the last ‘S’ for “Savings.” The defendant obtained the telephone number, “1-800-MATTRES” and advertised the number in the New York Metropolitan area. Customers dialed the defendant’s “800” number thinking that it was the plaintiff’s new “toll-free” number and inadvertently reached the defendant’s business. The court enjoined the defendant’s use of the plaintiff’s vanity telephone number based upon “likelihood of confusion.”

2. Trademark Dilution

In January of 1996, President Clinton signed “the Federal Trademark Dilution Act of 1995” into law. The Act amended

80. 880 F.2d 675 (2d Cir. 1989).
81. Id. at 676-78. There are other telephone cases, in which the numeric equivalents to mispellings and misdialings were not held to be an infringement. For example, in U-Haul Int’l, Inc. v. Kresch, the defendant advertised the numerical equivalents to erroneous readings of 1-800-GO-U-Haul. 943 F. Supp. 802 (E.D. Mich 1996). The numbers corresponded to 1-800-GO U-HALL; 1-800 GO U-HALL; and 1-800 G0 U-HAUL. The defendant only used the numeric phone numbers: 1-800-408-4255; 1-800-468-4256; and 1-800-408-4256. He never used the forms containing any letters and never used the name “U-HAUL.” Id. at 802-03. The court found that the defendant was not causing any confusion, but was relying on the misdialing of the customers. The confusion existed before the defendant acquired the numbers. Id. at 805. A similar result was reached in Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619 (6th Cir. 1996) (Holiday Inn had no rights to mis-dialed similar numbers).

Prior to the passage of the Federal Trademark Dilution Act of 1995, more than half the states had actions for dilution, either under common law, or under a state anti dilution statute. Under state law, there were usually two different types of dilution: (1) blurring, when the exclusivity of a mark becomes diminished, infra note 95, and (2) tarnishment, when the mark is used in an “unsavory” sense.
Section 43\textsuperscript{84} of the Lanham Act by adding a new section 43(c)\textsuperscript{85} to prevent the dilution of a "famous mark."\textsuperscript{86} "Dilution" is "the lessening of the capacity of a famous mark to identify and distinguish goods and services, regardless of the presence or absence of (1) competition between the parties, or (2) likelihood of confusion, mistake, or deception."\textsuperscript{87} It is important to note that under Section 43(c) a finding of "dilution" does not require a finding of "likelihood of confusion" required in traditional trademark infringement.\textsuperscript{88} In fact, when a defendant does
business in a remote geographic locale, or uses the mark in connection with wholly unrelated goods and/or services, it may be easier for a plaintiff to prove dilution even though defendant’s use might not rise to infringement.

The Federal Trademark Dilution Act is probably the strongest weapon against unauthorized use of a trademark in a domain name by parties with no colorable claim to the mark. In fact, the legislative history of the Act indicates that one of the purposes of the Act was to “help stem the use of deceptive Internet addresses by those who are choosing marks that are associated with the products and reputations of others.” In fact as of the date that this Article went to press, there were more adjudicated cases decided on “dilution” than on “likelihood of confusion.”

There is, however, a potential problem with respect to dilution, namely the overextension of Section 43(c) of the Lanham Act. Section 43(c) protects “famous marks” from being diluted. Although there are factors to be considered in determining what makes a mark “famous” in the legal sense, there is a danger that, in their zeal to enforce this new federal statute, courts will broadly misapply the term “famous” and, therefore, protect marks that should not be protected under the provision. For example, in Panavision International, L.P. v. Toeppen, Judge Pregerson of the Central District of California stated that “[r]eadmark dilution laws protect ‘distinctive’ or ‘famous’ trademarks from certain unauthorized uses of the marks regardless of a showing of confusion or competition.” Judge Pregerson misconstrued the statute, for the statute says “distinctive and famous.”

It is very clear that a “distinctive” mark is not the same as a “famous” mark. All trademarks must, by definition, be “distinctive.” A “famous” mark will always be distinctive, but a

id. § 1125(a) (infringement of unregistered marks and trade dress).
89. Intermatic Inc. v. Toeppen, 40 U.S.P.Q.2d (BNA) 1412, 1421 (N.D. Ill. 1996) (quoting Remarks of Sen. Patrick J. Leahy (Dem. Vt.) in the United States Senate, Dec. 29, 1995, Cong. Rec. S. 13012 (104th Cong. 1995)). While his intentions were good, Senator Leahy’s choice of words is a bit inappropriate. If use of a mark is “deceptive,” it can probably be enjoined under traditional doctrines of trademark infringement or unfair competition. A dilution claim would be unnecessary.
91. Id. at 1912 (citing WaWa, Inc. v. Haaf, 40 U.S.P.Q.2d (BNA) 1629, 1631 (E.D. Pa. 1995)).
distinctive mark need not be famous. If courts confuse or interchange distinctive with famous, there is a danger that all marks will become protected under the dilution doctrine, thus obviating the need to apply the “likelihood of confusion” test, and eliminating the long established policy of different parties using similar or the same marks in connection with different goods. In fact, if courts equate distinctive with famous and only concentrate on the strength of a mark within its own market, then, in the future there will be more decisions similar to Judge Edelstein’s much criticized—and quickly reversed—decision in Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc., in which the mark “LEXUS” in connection

U.S. 763 (1996) (holding that in order to be protected, a trademark or trade dress must be either: (1) “inherently distinctive,” (i.e., “arbitrary,” “fanciful,” or “suggestive”), or (2) acquire distinctiveness through “secondary meaning” or association in the minds of the consumer with source). Distinctiveness combined with use are the standards for trademark protection. See supra note 38.

94. PTO policy requires a trademark applicant to list the mark in one of the established categories of goods as specified by the International Classification System. See supra note 68.

95. It is interesting to note that it is theoretically impossible for a registered mark to dilute another mark. Section 43(c)(3) provides that “[t]he ownership by a person of a valid registration . . . on the principle register shall be a complete bar to an action against that person, with respect to that mark.” 15 U.S.C.A. § 1125(c)(3) (West Supp. 1996). While Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d), specifically prohibits the registration of a mark that is so similar to another mark that confusion is likely, there is no provision in Section 2 of the Lanham Act dealing with the prevention of registration of a mark that is likely to dilute another mark. When Congress passed the Federal Trademark Dilution Act of 1995 and amended Section 43 of the Lanham Act to include the new anti-dilution provisions in section 43(c), it did not take the parallel step of amending Section 2 of the Act to prevent the registration of a mark that is likely to dilute a “famous mark.” Therefore, it is entirely possible that the PTO may grant a registration to a mark that might possibly dilute an earlier registered mark, yet the registration is a complete bar. Realistically, though, if the mark is strong enough to be a “famous mark,” the Trademark examiner will probably reject the application on grounds that it would be likely “to cause confusion, or to cause mistake, or to deceive.” 15 U.S.C. § 1052(d) (1994). For example, would the Trademark Office grant a registration to an unaffiliated third party for “Mercedes Benz” in connection with toilet paper, or to an unaffiliated third party for the use of “Cartier” or “Rolex” in connection with in-line skates? So, although there is no express statutory bar to registration under dilution, Section 2(d) will probably prevent registration.

96. 702 F. Supp. 1031 (S.D.N.Y. 1988), rev’d without opinion, 875 F.2d 308 (2d. Cir.), full opinion, 875 F.2d 1026 (2d. Cir. 1989). The district court’s opinion was handed down on December 30, 1988. Judge Edelstein’s opinion was so “off base” that the Second Circuit reversed without an opinion in slightly over two months, on March 8, 1989. The full opinion was published two months later on May 18, 1989.

Id.
with luxury motorcars was held to dilute the mark “LEXIS” in connection with on-line legal research services.

III. NSI AND DOMAIN NAME REGISTRATION AND DISPUTE RESOLUTION POLICIES

With the Internet growing exponentially, and more and more people and entities desiring to take advantage of the new “information superhighway,” a “licensing” or registration organization had to be developed to assign addresses. The National Science Foundation (NSF) created the Network Information Center (InterNIC) in January of 1993, for the purpose of providing technical oversight of the architectural and taxonomic development on the Internet. Three companies entered into contracts with NSF to run InterNIC: General Atomics, AT&T, and Network Solutions, Inc. (NSI), a wholly owned subsidiary of Science Applications International Corp.\(^\text{97}\) The InterNIC Registration Services (INRS) is run by NSI under a $5.9 million five-year contract from the U.S. Government.\(^\text{98}\) NSI is responsible for the registration of second-level Internet domain names in the top level COM, ORG, GOV, EDU, and NET domains.\(^\text{99}\)

NSI registered names on a “first-come/first-served” basis, without regard to any trademark implications.\(^\text{100}\) Proof of ownership of a mark was not required and almost anyone could register any mark with NSI as part of a domain name. In fact, the Initial NSI registration form contained the following language: “Registering a domain does not confer any legal rights to that name and any disputes between parties over the rights to use a particular name are to be settled between contending parties using normal legal methods.”\(^\text{101}\) As a result, parties with no right to names were able to easily register them, and, not

\(^\text{97}\) See Dueker, supra note 21, at 497.
\(^\text{99}\) There are also foreign country identifying TLDs such as “ca” for Canada and “it” for Italy. These domains are not, however, administered by NSI.
\(^\text{100}\) See Brunel, supra note 21, at 3 n.13 (quoting Brock N. Meeks, Is Your Trademark Fair Game on the Internet?, INTERACTIVE WEEK, Oct. 10, 1994, at 48) (“The trademark issue just sort of caught everyone here by surprise. Nobody gave the idea of trademarks a second thought.”).
\(^\text{101}\) Id. at 3 n.14 (quoting InterNICs’ pre-July 1995 Registration form, rs.internic.net/template/domain-template.txt).

The “first-come/first-served” policy inevitably led to problems, as illustrated by the “mcdonalds.com” incident. Joshua Quittner, a frequent contributor to WIRED magazine, wanted to see if he could register the domain name “mcdonalds.com.” His interview with Scott Williamson, an InterNIC supervisor, is especially enlightening:

“If we had to research every request for a domain name right now, I'd need a staff of 20 people,” Williamson said. So the policy is simple: “Trademark problems are the responsibility of the requester.”

“Which means that I could register mcdonalds.com.”

[Quittner said]

“There's nothing that says I can stop you from doing that,” he said. “We really need some policy.”

In July 1995, NSI developed new policies regarding the registration and dispute resolution. The new policy, titled NSI Domain Name Dispute Policy Statement (Revision 01), became effective on November 23, 1995, and was apparently developed to help avoid some future domain name disputes, make certain that parties who registered domain names would actually use them, and most importantly, attempt to insulate NSI from any liability resulting from NSI's registration of an infringing name.

103. The “first-come/first-served” also led to Dennis Toeppe being able to register over 240 names, including “deltaairlines.com” and “eddiebauer.com.” See Intermatic v. Toeppe, 40 U.S.P.Q.2d (BNA) 1412 (N.D. Ill. 1996).
104. See Joshua Quittner, Billions Registered: Right Now, There Are No Rules to Keep You from Owning a Bitchin' Corporate Name as Your Own Internet Address, WIRED, Oct. 1994, at 50. Quittner registered the name “mcdonalds.com” and urged his readers to send him e-mail at “ronald@mcdonalds.com.” Ultimately, the parties settled and Quittner convinced McDonalds to donate money to a school in New York for computer equipment in exchange for the name. McDonalds now has the domain name. “McDonalds also registered the domain as a trademark: 'MCDONALDS.COM,' PTO No. 74-636,671, filed Feb. 21, 1995, published Oct. 10, 1995.” Duerer, supra note 20, at 502 n.107. The Patent and Trademark Office is evidently reconsidering its own policy regarding the registration of domain names as trademarks. As of December 15, 1996, when the link on the PTO home page (http://www.uspto.gov) for “Trademarks and Domain Names” is selected, a message, stating that the current policy is being revised and will be available soon at the “What's New” link, appears.
105. See Richard Zaitlin & David Victor, The New Internet Domain Name Guidelines:
also imposed registration and maintenance fees of $100 for the first two years and $50 per year thereafter and a rule of only one domain name per entity in order to deter speculators from collecting domain names and selling them back to companies.\textsuperscript{105}

Revision 1 required applicants to warrant that:

[The] Applicant has a bona fide intention to use the Domain Name on a regular basis on the Internet;\textsuperscript{107} ... [t]he use or registration of the Domain Name by Applicant ... does not interfere with or infringe the right of any third party ... with respect to trademark\textsuperscript{108} ... ; [the] Applicant is not seeking to use the Domain Name for any unlawful purpose ... or for the purpose of confusing or misleading a person\textsuperscript{109} ... ; and [the] Applicant is responsible for its selection of the Domain Name. Consequently, Applicant shall defend, indemnify, and hold harmless ... NSI, its officers, directors, employees, and agents ... for any loss resulting from any claim, action or demand arising out of or related to the use or registration of the Domain Name. ... Such claims shall include without limitation, those based upon trademark or service mark infringement, trade name infringement, [or] dilution. ...\textsuperscript{110}

Although NSI has required the above representations, it continued to issue questionable domain name registrations, and litigation followed. It appears that by forcing the parties to agree to indemnify NSI, NSI believed that it could issue any domain name registration with impunity.\textsuperscript{111}


106. See Abel & Dare, supra note 102, at 3. NSI has since reportedly backed away from the one registration/one entity rule. The fee appears to be more of a money making plan than a deterrent. If a party can actually speculate in, or engage in "arbitrage" with respect to selling domain names to the actual corporate owners, $100 is hardly going to be a deterrent.

107. Network Solutions' Domain Name Dispute Policy Statement (Revision 1, Nov. 1995), ¶ 1(b) [hereinafter NSI Policy 1].

108. Id. ¶ 1(c).

109. Id. ¶ 1(d).

110. Id. ¶ 4.

111. A question remains as to whether the NSI Policy and Agreement is enforceable as a contract. A party who wants a domain name in the "com" domain must deal with NSI on NSI's terms because NSI is the "only game in town." This type of
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Under NSI's Revision 1, whether or not a party may continue to use the domain name was a function of the relative dates of the Applicant's registration date of the domain name and the complainant trademark owner's date of registration. If the domain name owner's date preceded the date of the registration, he could continue to use the domain name pending the outcome of litigation.112 If the date of the trademark owner's registration preceded the domain name owner's date, then NSI would put the domain name on "hold" status, pending the outcome of litigation or arbitration.113 When a domain name is on "hold," it cannot be used by any party.114

In 1996, NSI again revised its policy.115 Under the dispute policy currently in effect, if a third party challenges the use or registration of a domain name, NSI will place that name on "hold" if the complainant provides NSI with proof of a "valid and subsisting foreign or United States federal Registration of a trademark or service mark . . . that is in full force and effect."116 NSI will consider only trademarks that are federally registered. Despite their recognition, protection, and enforceability in the "off-line" world, state trademarks, common law trademarks, and unregistered trademarks are not recognized by NSI in its dispute resolution procedure.117 Further, the owner of a trademark registered in the United States118 or in a foreign country, may challenge use of an "identical" second level domain by submitting the registration certificate to NSI. The certificate must include proof that the trademark owner has sent the domain holder written notice of the owner's claim that the use and registration of the domain name violates the trademark owner's legal rights.119

112. NSI Policy 1, supra note 107, ¶ 6(c)(2).
113. Id. ¶ 6(c)(3).
114. Id.
115. See Network Solutions' Domain Name Dispute Resolution Policy (Revision 2, Sept. 1996) [hereinafter NSI Policy 2] (attached hereto as Appendix A).
116. Id. ¶ 5.
117. Id. ¶ 5(a).
118. State registrations, proof of common law marks, or proof of the use of an unregistered mark in commerce will not suffice.
119. See NSI Policy 2, supra note 115, ¶¶ 5-6.
If the first use of the domain postdates the earlier of the first use of the trademark or the effective date of the trademark registration, then NSI gives the domain holder thirty days to prove its ownership of a trademark registration for the same mark in the United States or any foreign country.\(^{120}\)

If the domain holder is able to prove either that its use of the domain predates both the first use of the challenging party’s registration and the effective date of that registration, or that the domain holder has its own trademark registration, then the domain holder will be able to keep the domain name.\(^{121}\) However, if the domain holder cannot prove to NSI either prior domain use or proof of a valid federal or foreign trademark registration, the domain holder must relinquish its domain name. In doing so, there is a ninety-day phase out period.\(^{122}\) NSI then places the domain name on “hold” status, where, as was the earlier policy, it is not available to anyone, pending the outcome of the dispute between the parties.\(^{123}\) NSI will not place the domain name on hold if either the domain name holder or the challenging trademark owner files suit against each other prior to NSI placing the domain name on “hold” and NSI receives notice of the litigation.\(^{124}\)

There are several problems with the current NSI Domain Name Dispute Resolution Policy. First, it gives an absolute right to a registered trademark user. Therefore, a senior user who has a valid and enforceable unregistered or common law trademark through use and distinctiveness, will always be “bumped” by a junior user with a federal registration, even if that registration is subsequent to the rights conferred by use to the senior user. Second, it does not distinguish between categories of goods or priority of registration. Therefore, if a party who has a federally registered trademark in connection with one category of goods uses his trademark in a domain name first, and another party with an earlier federally registered trademark in connection with an entirely unrelated class of goods contacts NSI, the first to

\(^{120}\) Id. \(\S\) 6(c).

\(^{121}\) Id. \(\S\) 6(b).

\(^{122}\) Id. \(\S\) 6(d).

\(^{123}\) Id. \(\S\) 6(e). “Domains that have been placed on hold under the policy (challenger follows in parentheses) include: dc.com (DC Comics), newton.com (Apple Computer), and thegap.com (The Gap) which subsequently was released while the parties continue their negotiations.” Abel & Dare, supra note 102, at 4.

\(^{124}\) NSI Policy 2, supra note 115, \(\S\) 7(a)-(b).
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register with NSI will always win. NSI will permit the domain name owner to continue use of the name.125 This would be true even in situations in which the one federal trademark registrant has a much more famous and recognizable mark. Third, it similarly does not adequately deal with concurrent geographic users. If there are two parties holding concurrent registrations, for completely unrelated geographic areas, the first to register a domain name with NSI will always win. This too, will occur despite any discrepancy in market sizes. A party who does business in only two or three states will be able to prevent a party with a nationwide business from obtaining a domain name with its trademark. The policy forces parties to either litigate, or, for parties who cannot afford litigation, to meekly drop the domain name, or any hope of getting it.

IV. DOMAIN NAME DISPUTE LITIGATION

Most of the current Internet domain name disputes fall into three categories: (a) Parties who have registered other companies’ trademarks as part of their domain names with the intention of selling them back to the rightful trademark owners; (b) Parties who have used the trademark(s) of a direct competitor in their domain names; and (c) Parties who have used another’s trademark in a domain name in connection with noncompeting goods. The majority of domain name disputes have been settled without being reported.126

A. “Grabbers or Squatters”

This category of cases involves parties who have registered domain names with the sole purpose of selling them back to the rightful trademark owners. Such parties have been referred to as “grabbers” or “squatters.”127

In Counsel of Better Business Bureau, Inc. v. Mark Sloo,128 the Better Business Bureau brought suit against an individual

126. See http://www.law.georgetown.edu/lc/internic/recent/rec1.html for a list and brief discussion of settled cases.
who had registered the domains “bbb.com” and “bbb.org,” although he was providing no services and allegedly registered the domains only in an attempt to force the Better Business Bureau to purchase them. The case settled relatively quickly, and there is no published opinion on the merits.

The first case to be brought under the new Federal Trademark Dilution Act was Avon v. Carnetta Wong Associates.\(^{129}\) In that case, Avon had attempted to obtain the “avon.com” domain name from NSI, only to be informed that it was already registered to the defendant. Avon included allegations of dilution under Section 43(c) of the Lanham Act, in addition to its claims of trademark infringement under Section 32(1) and unfair competition under Section 43(a), stemming from the defendant’s registration of the domain. Avon stated in the complaint that “[t]he ability to use its registered trademarks as Domain Names for Domains operated by the company is a material and substantial part of its opportunity to market, promote, and sell products and services.”\(^{130}\) The case settled and Avon obtained control of the domain. There is no opinion addressing the “dilution” issue on the merits.

The first, and most thorough, opinion on the issue of trademark “grabbing” was Intermatic Inc. v. Toeppen.\(^{131}\) The Court began its opinion by recognizing the newness of domain name disputes:

Welcome to cyberspace! This case presents the Court with the increasingly important issue of whether and how federal and state trademark laws apply to govern names selected by users for their Internet website [sic]. As the Internet grows in prominence as a venue for business, the courts will be called upon to apply traditional legal principles to new avenues of commerce. This is such a case.\(^{132}\)

Defendant Dennis Toeppen was the classic “squatter” or “speculator” with respect to Internet names. In addition to registering the domain name “intermatic.com” he had also registered 240 other domain names through NSI,\(^{133}\) including:


\(^{130}\) Avon, CV96-0415 (plaintiff’s complaint).


\(^{132}\) Id. at 1413.

\(^{133}\) One can only wonder what NSI was thinking. While it might be inevitable that
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deltaairlines.com  greatamerica.com
britishairways.com  neiman.marus.com
crateandbarrel.com  northwestairlines.com
ramadainn.com  ussteel.com
eddiebauer.com  unionpacific.com134

Intermatic owned five incontestible federal trademark registrations on the mark “Intermatic.”135 Prior to registering the domain name, Toeppen had never used the term “Intermatic” for any purpose.136

Toeppen applied for and received the “intermatic.com” domain name in December of 1995, after NSI supposedly changed its policies to deter problematic registrations. Toeppen set up an “intermatic.com” Web page, consisting of a map of Champaign-Urbana, Illinois, where he resides. Intermatic subsequently applied for the name, and the application was rejected based upon Toeppen’s registration.137

Intermatic contacted Toeppen and asked him to cease using the domain name. When Toeppen refused, Intermatic sent notice to NSI, and NSI placed the name on “hold.”138 Intermatic filed suit alleging trademark infringement under section 32(1) of the Lanham Act,139 unfair competition under section 43(a) of the Lanham Act,140 and dilution under the newly enacted section 43(c).141 In addition, plaintiff included similar state claims.142

In beginning its analysis, the court noted,

At no time did Toeppen use intermatic.com in connection with the sale of any available goods or services. At no time has Toeppen advertised the intermatic.com domain name in

certain trademarks might slip through, the mere fact that an individual was able to easily register so many corporate trademarks shows just how badly policy dictating the methodology of domain name registration needs to be reformed.

134. Intermatic, 40 U.S.P.Q.2d (BNA), at 1414.
135. Id.
136. Id.
137. Id. at 1415.
138. Id. As discussed above, when NSI places a domain name on hold, it is unavailable to all parties. The court noted that the only domain name that was unavailable was “intermatic.com” and that plaintiff could have used the alternative domain name “intermatic-inc.com.” Id. Nonetheless, Intermatic wanted to prevent Toeppen from using the name.
140. Id. § 1125(a).
association with any goods or services... Toeppen did not seek permission from Intermatic to use the intmatic.com domain name because he believes that no permission was or is necessary.\textsuperscript{143}

With respect to "likelihood of confusion factors,"\textsuperscript{144} the court engaged in the following analysis:

1. \textit{Similarity of Marks} — Toeppen was using the exact trademark in the domain name. Therefore, the court found the marks to be similar.\textsuperscript{145}

2. \textit{Similarity of Products or Services} — Toeppen was not selling or advertising anything on his Web site. He merely posted a reproduction of a map. There was no similarity between Toeppen and Intermatic's products or services.\textsuperscript{146}

3. \textit{The Area and Manner of Use} — The court found that because Intermatic had not set up its own Web page, that "it [was] unable to demonstrate any relationship in the use, promotion, distribution, or sales between the goods or services of the parties."\textsuperscript{147}

4. \textit{Degree of Care Likely to Be Exercised by the Consumers} — Owing to the newness of the issue and the sparse record, the court found that there were material issues of fact with respect to the degree of care exercised by consumers.\textsuperscript{148}

5. \textit{Strength of Intermatic's Mark} — The court held that based upon the originality of the mark and the widespread expenditure of money in successfully promoting the mark, Intermatic's mark was "strong and entitled to broad protection as a matter of law."\textsuperscript{149}

6. \textit{Actual Confusion} — The court held that despite the fact that there was no record of actual confusion, this, too was a "question of fact to be determined."\textsuperscript{150}

7. \textit{Defendant's Intent} — Toeppen acknowledged that this was a new area of law, and that he wanted to test the legality of "arbitraging domain names."\textsuperscript{151} The court found that Toeppen

\footnotesize
\begin{itemize}
\item \textsuperscript{143} Id. at 1415.
\item \textsuperscript{144} See supra notes 73-75 and accompanying text.
\item \textsuperscript{145} \textit{Intermatic}, 40 U.S.P.Q.2d (BNA), at 1418.
\item \textsuperscript{146} Id.
\item \textsuperscript{147} Id.
\item \textsuperscript{148} Id. at 1419.
\item \textsuperscript{149} Id.
\item \textsuperscript{150} Id. (citing Nike, Inc. v. "Just Did It" Ent., 6 F.3d 1225, 1231 (7th Cir. 1993)).
\item \textsuperscript{151} Id.
\end{itemize}
was "free to test the waters [and] [t]here [was] no evidence that Toeppen intended to pass off any of his products or services as Intermatic's."\textsuperscript{152} The court held that "[w]hether Toeppen's registration of several domain names . . . [rises] to the level of willful intent [was] also an issue of fact."\textsuperscript{153} Plaintiff's motion for summary judgment on trademark infringement and unfair competition was denied.\textsuperscript{154}

The court reached a different result with respect to the dilution claim and granted Intermatic's motion. The court found that "Intermatic" was a "famous mark" within the meaning of section 43(c), based upon the facts that it was a federally registered "fanciful" mark, and that it had been used continuously for over fifty years.\textsuperscript{155} In addition, Toeppen did not dispute the classification by plaintiff of the mark as famous.\textsuperscript{156} The court also found that the "commercial use" requirement was met because Toeppen's intention to "resell the domain name."\textsuperscript{157} In addition, the requirement of "use in commerce" was fully satisfied by the domain name being on the Internet.\textsuperscript{158}

As a result of the finding of dilution, in violation of Section 43(c), the court permanently enjoined Toeppen from using the "Intermatic" mark in any manner; from "taking any action to prevent Intermatic from obtaining the Internet domain name 'intermatic.com';" and from "asserting any further interest in [the] 'intermatic.com' domain name."\textsuperscript{159}

Dennis Toeppen suffered another "dilution" loss under Section 43(c) in a case that was decided one month later, \textit{Panavision International L.P. v. Toeppen}.\textsuperscript{160} In that case, Toeppen had registered the domain names "panavision.com" and "panaflex.com" with the intention of selling the names back to Panavision.\textsuperscript{161} Toeppen had placed aerial views of Pana, Illinois,
on his Web site. The court did not cite the earlier Intermatic case, but followed its logic on dilution almost verbatim. “Panavision” and “Panaflex” were “distinctive” or “famous” marks based upon their nature, registration, and long-time use; Toeppen’s intent to sell the mark was a “commercial use”; and Toeppen’s conduct, which presented Panavision from using its marks in a new medium, diluted Panavision’s marks. Panavision was granted an injunction. The court, however, declined to award attorneys’ fees, as it found that:

An award of attorneys’ fees in this case would be inappropriate. The particular trademark issues dealt with in this case are all issues of first impression. Given the overall lack of legal precedent regarding issues arising from the intersection of trademark law and the Internet, the Court declines to award attorneys’ fees to Panavision.

Because the court enjoined the use of the domain name under dilution, it found no need to address the “likelihood of confusion” test for trademark infringement.

It appears as though the law is clear with regard to “speculating” or “arbitrage” in domain names. It cannot be done. Defendants have either settled quickly or lost. While the results of the Toeppen cases may be right, as discussed earlier in the section on “Trademark Dilution,” the court may have extended the classification of “famous” marks a bit far. Nonetheless, as there are no cases holding otherwise, it appears as though a party who registers a domain name with the intent of selling it back will be found to dilute the mark.

B. Use of Competitor’s Mark in a Domain Name

The first case filed regarding misappropriation or “pirating” of a competitor’s name for use in a domain name was The Princeton Review Management Corp. v. Stanley H. Kaplan Educational Center, Ltd. Stanley Kaplan is a test preparation service. Its

162. Id. at 1303-04.
163. Id. at 1305-06. But see Cardservice Int'l, Inc. v. McGee, 1997 WL 16795 (E.D. Va. 1997) (attorneys’ fees awarded against party who used competitor’s trademark in domain name).
165. See supra notes 82-86 and accompanying text.
166. 94 Civ. 1604 (MGC) (S.D.N.Y. filed Mar. 9, 1994)
main competitor, Princeton Review, used “kaplan.com” in connection with a Website containing messages comparing Kaplan’s educational testing services to those of Princeton Review and indicating the superiority of Princeton Review. The case went to arbitration, and Princeton Review was ordered to give up the domain. 167

It is also reported that Sprint, the long distance telephone provider, did the same thing to MCI, by registering the domain name “mci.com.” The case settled quickly and NSI gave the “mci.com” registration to the proper party, MCI. 168

The first reported opinion in which a court found traditional “likelihood of confusion” in a domain name dispute is The Comp Examiner Agency, Inc. v. Juris, Inc., 169 a case in which one company used a direct competitor’s trademark in a domain name with respect to the same goods and services. In that case, Juris, Inc. was the owner of an “incontestible” federal trademark registration for “JURIS” in connection with goods and services marketed to lawyers. 170 Comp Examiner Agency had registered and used the domain name “juris.com” in connection with a Website offering products to lawyers. The procedural posture of the case is interesting. Comp Examiner Agency had initiated the suit seeking cancellation of Juris, Inc.’s “JURIS” trademark registration on the grounds that it was “generic” and therefore not protectable under the Lanham Act. 171 Juris, Inc. then counterclaimed for trademark infringement and dilution.

In a short and conclusory opinion lacking analysis, Juris was granted an injunction. The injunction not only precluded Comp Examiner Agency from using “juris” in a domain name, but also from using “juris,” “juris.com,” “juriscom.com” or any confusingly similar variation for “the advertising, operation or maintenance of any Internet site or bulletin board service.” 172

In Actmedia, Inc. v. Active Media International, Inc., 173 the District Court for the Northern District of Illinois enjoined a

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167. See Abel & Dare, supra note 102.
168. See Quitter, supra note 104, at 50.
170. Id. at *1.
171. “Genereness” is one of the few defenses that may be raised to attack an incontestible mark. See, e.g., Park ‘N Fly, Inc. v. Dollar Park and Fly, Inc., 469 U.S. 189, 196-97 (1985).
junior user from using the registered trademark "Actmedia" in its
domain name "actmedia.com" in connection with the same goods
and services offered by the plaintiff, which included signs, print
displays, and video and audio displays.\textsuperscript{174} In another very short
and conclusory opinion, the court found that the defendant's use
of the mark was, among other things, "likely to cause confusion
in the marketplace."\textsuperscript{175} The court engaged in no analysis of the
individual "likelihood of confusion factors." Although lacking in
analysis, the \textit{Juris} and \textit{Actmedia} cases stand for the proposition
that the use of a mark in a domain name in connection with
directly competing goods will be trademark infringement under
the "likelihood of confusion" test.\textsuperscript{176}

In another 1996 case, actually dealing with the narrow issue of
jurisdiction, \textit{Inset Systems, Inc. v. Instruction Set, Inc.},\textsuperscript{177} the
court hinted, in \textit{dicta}, that if the case proceeded, there would
probably be a likelihood of confusion:

If a company uses a domain which is identical to the name or
trademark of a company, an Internet user may inadvertently
access an unintended company. Thereafter, the Internet user
may not realize that the advertisement is actually from an
unintended company, or the Internet user may erroneously
assume that the source of information is the intended
company. As a result, confusion in the marketplace could
develop.\textsuperscript{178}

In a case decided on January 16, 1997, shortly before this
Article went to press, \textit{Cardservice International, Inc. v. McGee},\textsuperscript{179} the defendant McGee was enjoined from using the
domain name "cardservice.com" based upon a "likelihood of
confusion." In March 1994, McGee applied to become a
representative of Cardservice International, a company that
provides credit and debit card services.\textsuperscript{180} When his request was
refused, McGee started his own company called "Card
Service."\textsuperscript{181} Shortly thereafter, McGee registered the domain

\textsuperscript{174} \textit{Id. at *1.}
\textsuperscript{175} \textit{Id. at *2.}
\textsuperscript{176} As of the time that this article went to press, there are no reported holdings to the contrary.
\textsuperscript{177} 937 F. Supp. 161 (D. Conn. 1996).
\textsuperscript{178} \textit{Id. at 163.}
\textsuperscript{179} 1997 WL 16795 (E.D. Va. 1997).
\textsuperscript{180} \textit{Id. at *1.}
\textsuperscript{181} \textit{Id.}
name “cardservice.com” with NSI.\textsuperscript{182} When plaintiff Cardservice became aware of the defendant’s domain name, it immediately contacted McGee and demanded that he cease and desist from the use of the name “Card Service” and also of the domain name “cardservice.com.”\textsuperscript{183} McGee claimed that he did not infringe because his company name included a space between the words “Card” and “Service.”\textsuperscript{184} In addition, he claimed that he had to use the domain name “cardservice.com” because “the internet does not allow spaces in domain names.”\textsuperscript{185} Litigation ensued upon McGee’s refusal to relinquish the names.\textsuperscript{186}

As a threshold matter, the court stated that regardless of NSI’s policy regarding domain name registration, “[s]uch a policy cannot trump federal law.”\textsuperscript{187} The court continued,

Holders of valid trademarks under federal law are not subject to company policy, nor can the rights of those trademark holders be changed without congressional actions. If trademark law apply to domain names, anyone who obtains a domain name under Network Solutions’ “first-come-first-served” policy must do so subject to whatever liability is provided for by federal law.\textsuperscript{188}

The court then conducted its “likelihood of confusion” analysis, applying the factors followed by the Fourth Circuit, as set forth in \textit{Pizzeria Uno Corp. v. Temple.}\textsuperscript{189} The court found that the marks were identical, both parties used the internet to identify their services, and the services provided were the same, namely credit and debit card processing.\textsuperscript{189} In addition, the court found that users of the internet would probably be confused by the defendants’ use of the domain name.

\begin{thebibliography}{9}
\bibitem{182} Id.
\bibitem{183} Id.
\bibitem{184} Id. at *2.
\bibitem{185} Id.
\bibitem{186} Id.
\bibitem{187} Id. at *3.
\bibitem{188} Id.
\bibitem{189} 747 F.2d 1522, 1527 (4th Cir. 1984). The factors followed by the Fourth Circuit are as follows: (a) the strength or distinctiveness of the mark; (b) the similarity of the marks; (c) the similarity of the goods/services the marks identify; (d) the similarity of the facilities the two parties use in their businesses; (e) the similarity of the advertising used by the two parties; (f) the defendant’s intent; and (g) actual confusion.
\bibitem{190} McGee, 1997 WL 16795, at *4-*5.
\end{thebibliography}
Cardservice International’s customers who wish to take advantage of its internet services but do not know its domain name are likely to assume that “cardservice.com” belongs to Cardservice International. These customers would instead reach McGee and see a home page for “Card Service.” They would find that McGee’s internet site offers advertisements for and provides access to the same services as Cardservice International—credit and debit card processing. Many would assume that they have reached Cardservice International or, even if they realize that it is not who they have reached, take advantage of McGee’s services because they do not know otherwise how to reach Cardservice International. Such confusion is not only likely, but, according to McGee, has actually occurred.191

In addition to enjoining McGee from using the domain name, the court also awarded attorneys’ fees to Cardservice International, based upon McGee’s bad faith. The court found that McGee was deliberately and maliciously attempting to “divert some of CSI’s business elsewhere.”192

C. Use of a Mark in Connection with Unrelated Goods

There have been two cases reported in which the user of a mark in connection with unrelated goods has been found to have diluted a “famous” mark under section 43(c). The holdings may be restricted to their particular factual settings, for in both cases a strong trademark normally associated with children has been used in connection with an “adult oriented” Web site.

In TOYS “R” US, Inc. v. Akkaoui,193 defendant registered the domain name “adultsrus.com” in connection with an Internet site advertising “sexual devices and clothing.”194 The court found the “R Us” category of marks to be famous and distinctive marks eligible for protection under section 43(c),195 and granted a preliminary injunction.196 As in the Panaflex case, above, the court found no need to address the trademark infringement issue.

191. Id. at *5.
192. Id. at *6. But see Panavision Int’l L.P. v. Toeppen, 945 F. Supp. 1296 (C.D. Cal 1996) (court declined to award attorneys’ fees to plaintiff based upon the newness of the issue of domain name disputes).
194. Id. at *2.
195. Id. at *6.
196. Id. at *10.
In Hasbro, Inc. v. Internet Entertainment Group, Ltd., defendant used the domain name, “candyland.com” in connection with “a sexually explicit Internet site.” Hasbro has had a federal registration in “Candyland” since 1951 in connection with children’s games. In yet another opinion without any thorough discussion of the dilution statute or factors, the court granted Hasbro’s motion for an injunction of the use of “candyland.com.”

What is disturbing in the initial cases is the lack of sufficient analysis of the new dilution statute. So far, in every domain name dispute in which dilution has been asserted, the plaintiff has prevailed. It appears as though courts are overexpansive in their definition of a “famous” mark. While the court in Toys “R” Us was correct in finding that the mark was “famous,” it is likely that the court in Hasbro was influenced by the sexual nature of the defendant’s use of a mark that is familiar to children. Should “candyland” in connection with children’s games preclude its use in all other categories of goods? For example, what if “candyland.com” had been used in connection with a Web site for a chain of candy stores? Should the result be the same?

A pending case, Fry’s Electronics, Inc. v. Octave Systems, Inc., will be most interesting. In this case, the parties are using the marks in connection with completely different categories of goods. Fry’s Electronics, a Palo Alto, California based seller of appliances learned that French Fry’s, a Seattle based seller of french frying machines had registered and was using the domain name “frys.com.” Fry’s Electronics complained to NSI, but because Fry’s Electronics did not have federal trademark registration that predated French Fry’s use of the domain name, NSI allowed French Fry’s to continue using the domain name. Fry’s Electronics asserted the following causes of action in its complaint: “(1) unfair competition under section 43(a) of the Lanham Act; (2) racketeering, including mail and wire fraud, under . . . (RICO); (3) unfair competition under the common law; (4) trade name infringement under California state

198. Id.
199. Id.
200. Id.
201. No. C95-2525CAL (N.D. Cal. filed July 12, 1995), reported in Barger, supra note 7, at 633 n.52.
law; (5) injury to business reputation; and (6) usurpation of property, business and opportunity.\textsuperscript{202} The plaintiff is also asking for damages with respect to each "hit" of the Web site.\textsuperscript{203} The case may proceed to trial, and if it does, it will be the first case on trademark usage in a domain name that goes before a jury.

\textit{Fry's Electronics} will be very important, for it deals with the complicated issues of usage with different categories of goods by two parties who have used some form of the mark "frys" in connection with goods and services. The judge can follow numerous paths: (1) enjoin defendant's use and require defendant to use a different modified domain name; (2) allow the defendant to continue to use the name; (3) require the defendant to include a disclaimer and link on his Web site; or (4) require both parties to use modified domain names. These remedies are discussed below.

V. PROPOSALS

A. Judicial Solutions

The cases that have been decided or settled have been relatively easy to decide. They have all involved a junior user's unauthorized inclusion of a senior user's trademark in a domain name. In such cases, the legitimate interests of both plaintiff and defendant do not have to be balanced. The rights of the plaintiff senior user substantially outweigh the rights of the defendant junior user. The more difficult cases, such as \textit{Fry's Electronics}, have yet to be decided. They involve two parties with legitimate uses.

As discussed earlier, in the off-line world, well established trademark doctrines and precedent make it entirely possible for more than one party to use an identical trademark. There are several typical situations in which this can occur: (1) two federally registered parties providing the same goods and/or services in distinctly different geographic markets; (2) two parties with unregistered marks providing the same goods and/or services in distinctly different geographic markets; (3) a senior user with only intra-state common law rights and a junior user

\textsuperscript{202} Barger, supra note 7, at 631 (citing Complaint).
\textsuperscript{203} Id.
with federally registered trademark rights in all areas but the senior user's; or (4) two parties providing different goods and/or services in the same geographic market, provided that the first user does not have a mark that would be deemed sufficiently strong to be diluted.

In the off-line world, in situations 1 and 2, there is usually not any "likelihood of confusion" because the customers in each market are only familiar with the local commercial entity. In situation 3, there will be no confusion in most parts of the country, while in adjacent market areas, there might be some. Nonetheless, a "carve out" for the local user is allowed. In situation 4, there would probably be no confusion owing to the different types of goods or services.

In the on-line world of the Internet and Web, a Web site is accessible to all. It is not possible to limit access to only those who reside in the same geographic market area as the party who owns or creates the Web site. Therefore, confusion is very probable if parties use only the unmodified trademark in a domain site. It is difficult to apply traditional "concurrent use" with respect to domain names. Other measures, consistent with principles of trademark law, must be taken in order to prevent confusion, while still allowing the users of domain names to distinguish their goods and services from those of others.204

Courts can use their equitable powers to resolve disputes between two parties with legal rights to the same trademark in different geographic or product markets in several different ways.205 Owing to the unique nature of the Internet, in domain name disputes, in addition to considering the traditional "likelihood of confusion" factors for infringement, a court should consider other factors prior to fashioning the appropriate relief. Factors that could be considered include: (1) the geographically limitless nature of the Internet; (2) the length of time that each respective party has had legal rights to the mark in question, either through registration or through distinctiveness plus use; (3) the relative sizes of the companies; and (4) the realistic availability of other sources of media through which the parties may advertise or communicate with their customers. After considering all factors, courts may use their equitable powers and

205. These four proposals are not exhaustive, but represent what is believed to be sensible resolutions of future disputes.
discretion and have several options available to them to ameliorate the dispute.

The first option would allow the original domain user to keep using the domain name, and require the challenger to use a different or slightly modified name—preferably one that includes a geographic and/or product modifier. This approach rewards the current user of the domain name for being the first party to avail itself of the new Internet medium of communication.

In the second option, the court will enjoin the use of the domain name by the first user and require that party to modify the name, while allowing the challenging party to use the domain name in question. This solution, though not often the most fair, should be used in situations in which both parties have rights to the name, but the challenger has a much stronger and more readily recognizable trademark.

The third option allows the original domain name owner to continue to use the name, and requires the challenger to utilize a different domain name. As a condition of allowing the first domain name user to maintain the use of the name, he would be required to include a prominent disclaimer with a link to the challenger’s Web site near the top of the defendant’s “home page.” This remedy is appropriate when the court wants to recognize the fact that the challenging party has a very strong name, and also wants to reward the first user of the domain name for having the insight and initiative to take advantage of the new medium. Cases in which the legitimate first user is a small company and the challenger is a large “deep-pocket” company are especially suited for this remedy. The larger “deep-pocket” company will have the resources to publicize its Web site in the other sources of media that it uses to advertise. This has become increasingly and almost painfully evident by the proliferation of Web sites included in television, newspaper, and magazine advertisements. The harm to the challenging party is minimal. If users inadvertently end up at the defendant’s Web page, they can easily get to the “right” Web page through the ease of a link or they can find the “right” Web site through the challenger’s other advertisements.

The fourth option requires both parties to modify the domain names with geographic or product specific suffixes in order to distinguish the two parties from each other.\footnote{Adding a modifier to distinguish one’s goods and/or services from those of}
To illustrate the above, I will present some hypotheticals. Consider the following: XYZ Furniture Company has been doing business in only Oregon, Washington and Idaho since 1953. It filed for a federal registration for the Mark “XYZ” in 1960. The registration issued in 1961. Since then, it has not expanded into any other geographic area and has no intention of doing so. Another XYZ Furniture Company has been doing business only in Georgia, South Carolina, North Carolina, and Tennessee since 1954. It was aware of the other XYZ Furniture, and filed for a federal “concurrent use” registration in 1960 by disclosing the other XYZ in the papers that it submitted to the PTO. Based upon the fact that there was no geographic overlap whatsoever between the two XYZs, the PTO issued a “concurrent use” registration limiting the Southeastern XYZ’s use to the Southeastern United States. In 1995, the Southeastern XYZ decided that it wanted to place a home page on the Web, and it sent an application to NSI for the domain name, “xyz.com.” The registration was granted, and, in a short while, a home page displaying all of the beautiful, handcrafted South Carolina furniture could be reached at http://www.xyz.com.

A year later, the Pacific Northwestern XYZ decided that it wanted the domain name xyz.com for its home page. It sent its application to NSI, and was told that the name was unavailable because it was already registered to another XYZ Furniture Company located somewhere in the South. Pacific Northwestern XYZ sued Southeastern XYZ in federal court in Oregon. On these facts, how should the court rule?

First, assuming that the plaintiff could make a successful argument that jurisdiction was proper,207 should the party with

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207. Courts are split on this issue. See, e.g., Bensusan Restaurant Corp. v. King, 937 F. Supp. 296 (S.D.N.Y. 1996) (holding the mere posting of a Web site without soliciting business from customers in the forum was not sufficient to confer proper jurisdiction). But see Inset Sys., Inc. v. Instruction Set, Inc., 937 F. Supp. 161 (D. Conn. 1996) (holding establishing of a Web site for commercial purposes that is
a "concurrent use" registration that claims first use be allowed to enjoin the party whose trademark was issued later? Because the two parties have equal rights to the name, and neither one of them has a mark that has national recognition, the court could allow the Southeastern XYZ to continue to use its "xyz.com" domain name and require Northwestern XYZ to modify the name. By doing so, it is conferring some reward to the party who first availed itself of the new medium of reaching its customers. Although "xyz.com" is the most intuitive, "xyzfurniture.com” could also be used. Because the two parties are equally situated companies with concurrent federal registrations to the same name in connection with the same goods, the court could also require the parties to place disclaimers with hyperlinks on their Web sites.208

Another approach, also based upon the relative equality of the parties, their concurrent registrations, and the lack of nationwide recognition, requires both parties to change their domain names in order to reflect the type of businesses and their locations. Under this approach, the respective domain names should be changed to “xyzfurniture-nw.com” and “xyzfurniture-se.com.”209

Assume the following hypothetical: The WOLF Restaurant Supply Company (WOLF 1) has been doing business in New York and New Jersey since 1921. It filed for a federal registration for the mark “WOLF” in connection with “restaurant supplies, including, but not limited to wholesale eating and cooking utensils, linen and cotton goods, and paper supplies” in 1960. The registration issued in 1961. WOLF Television is an upstart television network that decided to compete with the major

accessible by residents of the forum was sufficient to satisfy jurisdictional requirements under both the Connecticut “long arm statute” (C.G.S. § 33-411(c)), and under “minimum contacts,” citing both the 14th Amendment of the United States Constitution and World Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 297 (1980)). It is interesting to note that one attempted solution is a statement that the site is intended only for the residents of a certain state. This would probably not work, especially if the disclaimer is buried somewhere on the page, or worse still, is accessible only from a link titled “disclaimer” that can only be viewed after one has scrolled down to the bottom of the home page. ABC television, at its Web site, http://www.abctv.com, has a link to a “disclaimer” at the bottom of its “home page” stating that the site is intended only for residents of New York City.

208. See supra note 207 and accompanying text.

209. "NW" and “SE” are geographic suffixes for northwest and southeast. Other geographic modifiers could be “MW” for midwest, “W” for west, “CS” for central south, etc. In cases in which a company is a senior user with only state trademark rights, the geographic modifier could include a state abbreviation (e.g., “GA” for Georgia).
networks such as ABC, NBC, and CBS in 1990. It decided that it would program its network to broadcast television shows primarily aimed at the “young, urban, and hip” audience. In 1992, WOLF filed for a federal registration for the mark “WOLF” in connection with “television broadcast services.” The registration was granted the next year. In 1995, WOLF programs all had higher ratings than any shows on any of the other networks. WOLF has a local affiliate in every major television market in the country and has affiliates retransmitted by way of either cable or satellite in almost every community that is serviced by those types of providers. In short, “WOLF” is a household word.

In 1995, WOLF Restaurant Supply decided that it wanted to have a Web site with the name “wolf.com.” It applied to NSI, and the name was registered. Shortly thereafter, upon entering the URL, “http://www.wolf.com,” one reached a home page that showed photographs of a beautiful restaurant and its kitchen. In early 1996, WOLF Television attempted to register the same domain name with NSI, and was promptly told that the name was taken by another party. WOLF Television then attempted to register the domain name “wolftv.com.” This registration was granted. Wolf immediately prepared a home page at “http://www.wolftv.com” showing stars from its television shows.

Later, as an experiment to see how many people would instinctively try to access “www.wolf.com”—and also, of course, to gather evidence to buttress its claim of likelihood of confusion—WOLF Television placed the following notice in one of its advertisements for the new fall season. “Visit us at our Web Page!” As expected, the following day, WOLF Television received thousands of telephone calls and faxes from people wondering why they had reached a restaurant supply store when they tried to reach WOLF Television. WOLF Television sued WOLF Restaurant Supply in the Southern District of New York. This time jurisdiction is a non-issue, for both WOLF companies do business in New York.

It is undisputed that WOLF Television is an amazingly strong mark. It is also undisputed that numerous people who wanted to reach WOLF Television got to the “wrong” Web site. But it is also undisputed that WOLF Restaurant Supply has: (1) priority of use; (2) priority of federal trademark registration; and (3) priority of registration with respect to the domain name. Assume for the purposes of the analysis that both parties intend to use the Web
site for purposes of advertising, and therefore, the Web site and home page could be classified as “use in commerce."

Serious questions arise with this case. The rights of two parties with legitimate federally recognized rights must be balanced. Should the larger user with millions of viewers be able to bump the party with a prior registration and the foresight to utilize the new technology for advertising because customers mistakenly thought that the Web site “wolf.com” belonged to WOLF Television? On the other hand, should a small restaurant company be able to “bump” or prevent a famous corporation with a large clientele from having a Web site with its federally registered trademark? What is the proper remedy?

In this situation, the court should apply the following remedy: allow WOLF Restaurant Supply to keep the domain name. They do have a federal registration, and they were the first party to establish the “wolf.com” domain name. However, owing to the strength of the WOLF Television’s trademark in connection to television, the enormous audience, and the demonstrated “likelihood of confusion,” WOLF Restaurant Supply should be ordered to provide the following disclaimer and link:

WOLF RESTAURANT SUPPLY IS NOT AFFILIATED IN ANY WAY WITH THE WOLF TELEVISION NETWORK OR ITS AFFILIATES. IF YOU WOULD LIKE TO REACH THE WOLF TELEVISION NETWORK, CLICK BELOW:

HTTP://WWW.WOLFTV.COM

The disclaimer should be prominently displayed near the top of WOLF Restaurant Supply’s home page. In order for a disclaimer to be effective, it must be prominently displayed.\(^\text{210}\) A disclaimer at the bottom of the page in small print, or one that merely has a link at the bottom of the page simply stating, “disclaimer” should not suffice.\(^\text{211}\)

The disclaimer-plus-link remedy is especially effective in cases involving a small legitimate senior user/large legitimate junior user because it accomplishes the goal of eradicating any possible likelihood of confusion and does not cause any significant harm.

\(^{210}\) See, e.g., Home Box Office, Inc. v. Showtime/The Movie Channel, Inc., 832 F.2d 1311 (2d Cir. 1987) (discussing sufficiency of disclaimers); Soltex Polymer Corp. v. Fortex Ind., Inc., 832 F.2d 1325 (2d Cir. 1987) (discussing court’s equitable powers to issue injunctions mandating the use of disclaimers).

\(^{211}\) See, e.g., Home Box Office, 832 F.2d 1311; Soltex Polymer, 832 F.2d 1325.
The inclusion of a disclaimer is not an excessive burden on the party with the potentially confusing name. In addition, WOLF Television is not harmed by having to use the name “wolftv.com” instead of “wolf.com.” Those consumers who access the incorrect Web site are not confused, merely delayed by the additional several seconds or minutes that it takes to click the link. In addition, WOLF Television is exactly the kind of company that can easily promote any form of a domain name, both because of its size and its ready access to more conventional media.

An alternative remedy would require WOLF Restaurant Supply to change its domain name to something along the lines of “wolfrestsupp.com” and allow WOLF Television to maintain the name “wolftv.com.” However, this alternative deprives the smaller company any advantage gained due to its first use on the Web, and also puts it at a competitive disadvantage owing to the relative lack of promotional funds for other media.

The same analysis should apply in cases where there is a senior user, with only common law rights, against a large junior user with a strong mark. The senior user, because it was there first, would not dilute the mark of the junior user. However, from a policy perspective, it is also important for the Internet to not become an advertising vehicle solely for large deep-pocket corporations. The small local user cannot compete with large corporations for advertising space in conventional media. If the large and popular junior user cannot use precisely its own mark, or the most intuitive version of its mark, it has the resources to let people know of its Web site or domain name through advertisements in other media. The same cannot usually be said for small companies. 212 With the Internet, “individual citizens of limited means can speak to a worldwide audience.” 213

The analysis above should not apply in those cases in which the senior user has a strong federally registered trademark and the junior user does not. In that case, the junior user has been placed on “constructive notice” and acts at his or her peril. If the junior user reproduces a senior user’s mark exactly in a domain name with respect to related goods, “likelihood of confusion” will probably be found. If the junior user applies the same mark to a domain name with respect to unrelated goods, “dilution” will

213. Id. at 881.
probably be found based upon the strength of the senior user's mark. The same analysis would probably occur with respect to unregistered senior marks that are sufficiently strong.

B. Modify the Domain Names and Structure

1. Create a New Top Level Domain for Individuals

At present, there is no top level domain for individuals. Therefore, many individuals have registered for and received domain names in the "com" TLD. The establishment of a new top level domain for individuals called, "ind" for individual or "per" for person would help to eliminate much of the confusion. All individuals who cannot present proof of actual use of the trademark to be included in the domain name may not be granted a registration of a domain name in the "com" domain. This new "individual" domain, in conjunction with changes to the NSI Registration policy, would eliminate any future "squatter" problems. 214

2. Include Categories of Goods in the Domain Names

The United States Patent and Trademark Office uses The International Schedule of Classes of Goods and Services (Schedule) established by the World Intellectual Property Organization (WIPO) for classifying goods and services in registrations. 215 A similar system of classifications based on letters could be used to reflect domain name classes. The First Level Domain could be expanded to four letters for greater specificity. For example, in the Schedule, class 38 is "telecommunications." A corresponding TLD of "tele" could be used in its place. Therefore, the domain name for The ABC Television Network (or The American Broadcasting Company) would be "abc.tele." Similarly, the class 31 includes "natural plants and flowers." The domain name for ABC Florists could be "abc.flwr." 216

214. This assumes people still attempt, after the Dennis Toeppen cases, to register a "famous mark" as part of their domain names. For a detailed discussion of the changes to the NSI Registration and Dispute Policies and their implications for the "com" and new "ind" domains, see infra Part V.D.
215. See supra note 66 and accompanying text.
216. This suggestion was presented at a conference in November 1995 at the Kennedy School of Government at Harvard. See http://www.law.georgetown.edu/
Alternatively, the same goal can be accomplished by maintaining the "com" domain and requiring a specific category or class modifier in the second level domain name. Second level domain names can be up to twenty-two characters long.217 Under this system, ABC Television's domain name could be "abctv.com" and ABC Florists could be "abcflorists.com." This eliminates the need for the public to learn additional categories of domains, the need to create numerous new Top-level-domains, and also serves the trademark goals of both identifying source and avoiding confusion.

C. Self-Help Measures: An Ounce of Prevention is Worth a Pound of Cure

As the cases above indicate, the law is beginning to crystallize regarding certain rights to trademarks in domain names. One thing that is becoming clear is that a party who "grabs" a name, or expressed in other ways, the "squatter" or "speculator," will lose.218 Therefore, parties who do not have any right to a name, should not use it. In cases of two parties with similar names, the parties themselves should be sensible enough to add descriptors indicating the types of goods or services offered in order to make the names specific enough to avoid confusion.219 Therefore, in the WOLF hypothetical, if one of the parties had registered "wolf-restaurant-suppl.com" and the other party had registered "wolftv.com" there would be no confusion.

Parties should be sensitive to the goals of trademark law—to identify source, to distinguish one's goods from those of another, and to avoid a likelihood of confusion—and, if there is another party with a similar mark and strong name recognition,

219. One alternative is to include the number from "The International Classification of Goods and Services" used by the PTO. See supra note 66 and accompanying text.
voluntarily place disclaimers and links on their pages. For example, the site “www.clinton.com” is owned by a company called “The Clinton Group,” “an investment advisor specializing in mortgage-backed securities and derivatives.” On its Web page is the following disclaimer:

How to contact U.S. President. Believe it or not, some people think we can veto legislation just because we happen to have “Clinton” in our name. Follow this link if you surfed on in expecting a White House tour.

In Bensusan Restaurant Corp. v. King, a small jazz club in Columbia, Missouri called, “The Blue Note” acquired the domain name “bluenote.com” and the URL, http://www.bluenote.com. In order to allay any possible confusion with “The Blue Note” jazz club in New York, the Missouri club included the following disclaimer on its Web page:

The Blue Note’s Cyberspot should not be confused with one of the world’s finest jazz club[s] [the]Blue Note, located in the heart of New York’s Greenwich Village. If you should find yourself in the big apple, give them a visit.

The reference to the New York “Blue Note” also contained a hyperlink to Bensusan’s Web site.

D. Change NSI Domain Name Registration and Dispute Resolution Policies

As the cases are beginning to indicate, NSI’s policy of first-come/first-served “cannot trump federal law.” In order to prevent needless federal trademark infringement and/or dilution

221. Id. The home page for the White House may be found at http://www.whitehouse.gov.
222. 937 F. Supp. 295 (S.D.N.Y. 1996). The published decision did not deal with the issue of infringement on the merits. It dealt with the issue of whether or not the mere posting of a Web site that was reachable by residents of the forum state was sufficient for jurisdictional purposes. Id. at 297. The court granted defendants’ motion to dismiss, holding that the mere posting of a Web site without soliciting business from customers in the forum was not sufficient to confer proper jurisdiction. Id. at 301. The Missouri Blue Note did not sell tickets or merchandise to out-of-staters. Id. at 297-98.
223. Id. at 297-98. After the owners of “The Blue Note” in New York filed suit, the Missouri club removed the disclaimer.
224. Id. at 298.
litigation, it is therefore absolutely imperative for NSI to change its policies. Many of the current and past disputes are the direct result of NSI's failure to carefully consider the trademark implications of its registration policy. In the past, NSI had been relatively cavalier about the registration of names. They registered names on a "first-come/first-served" basis, without regard to whether a party registering a name had any rights to the name. Although NSI changed its policy several times, more dramatic changes are needed.

NSI is the only entity in the United States charged and empowered with the administration of names in several of the top level domains, including the "com" domain, in which all of the disputes have occurred. Although the connection is a bit attenuated, it is arguable that NSI is operating as a quasi-governmental entity. After all, it was an agency of the government who arranged for NSI to be the sole registrar of domain names. NSI is also making a great deal of money in connection with the registration and maintenance of domain names. NSI, therefore, should change its policy to be more in line with established trademark practice. This would require NSI to not issue domain names that are likely to cause confusion.

NSI should adopt a policy limiting use of the "com" top-level-domain to only bona fide commercial parties. The use of a new TDL for individuals, named either "ind" or "per," would allow NSI to avoid registering a domain name in the "com" domain without proof of actual use of the mark that is to be included in the domain name. NSI should never register a mark such as "McDonalds" or "Delta Airlines" to an individual with no proof of rights. Rather, NSI should automatically assign the "ind" domain to all individuals who register without proof of having actually used the trademark in question in connection with goods and/or services.

If the individual files an "intent-to-use" type of registration for the "com" domain, the status of that domain should be placed on "reserved" status until the applicant can submit proof of actual use of the mark contained in the domain name. In no case shall

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226. See supra notes 100-02 and accompanying text.
227. See supra notes 105-24 and accompanying text.
228. There are also other foreign identifiers such as "ca" for Canada and "it" for Italy. These domains are not handled by NSI. Many foreign companies choose the "com" domain and register through NSI.
the period of "reserved" status last for longer than one year. During the period of "reserved" status, no party should be allowed to use the domain name in question in the "com" domain. If an individual does not submit the requisite proof of use, the application should be canceled and the reserved domain shall become available.

For all registrations in the "com" top-level-domain, NSI should require some sort of proof that a party is, indeed, doing business under the name that it wishes to register. The applicant should be required to submit samples of product labels, advertisements, etc, as evidence that it is using the mark in connection with goods and/or services. The same rules with respect to "intent-to-use" applications described above should apply.

NSI should also adopt policies with respect to "likelihood of confusion" based upon section 2(d) of the Lanham Act. NSI should require applicants to submit trademark search results along with their applications, and to require applicants to make their domain names specific enough as to not be "likely to cause confusion, or to cause mistake, or to deceive." NSI should itself conduct a trademark search to determine whether or not the proposed domain name will cause confusion with a pre-existing mark. Although this will raise the cost to NSI, the added pass-on costs to the registrants of domain names in the "com" is justified. If the "com" Web sites are viewed as what they actually are—advertising—the concept is quite easy to swallow. IBM, abc, MCI, McDonalds, or even XYZ Furniture can easily afford a minor increase to cover the costs of a search. The increase in costs on the front end (before registration and use of a domain name) will be significantly cheaper than any litigation costs. In fact, the added registration costs would probably be cheaper than one "cease and desist" action from an attorney. By limiting the "com" top-level-domain to commercial users only, any increased costs of a search included in the initial registration fees are still a bargain, considering that, once a commercial entity has a Web site, it is able to reach millions of people throughout the world with its advertising message. A few extra hundred dollars is minuscule compared to the benefit conferred. Also, this limitation of the use of the "com" TDL for commercial parties does not

230. Id.
disadvantage individuals who want to place information on a Web site in the “.ind” or “.per” TDLs as the increased costs would not be passed on to them.

If, after a search, NSI finds that the proposed name is likely to cause confusion, mistake, or deceit, NSI should reject the application and request that the name either be modified or changed completely in order to eliminate confusion.

Because of the limited number of ways to present the mark in a domain name (for example, the inability to use fanciful script, or the inability to use the mark in conjunction with color, logos, and shapes) “similarity” should be construed narrowly so that only identical names would be barred, and slight variations in a name would be allowed in order to allay confusion. Under this rule, if there were multiple companies using the trademark “ACME,” the domain name “acme.com” should not be issued. If there is an “ACME Supermarkets” and an “ACME Hardware,” registrations for the domain names “acmefood.com” and “acmetools.com” should be allowed. Alternatively, NSI could tie its registration to the “International Classification of Goods and Services” used by the PTO and include either the class number or a verbal equivalent.

In those cases in which the applicant for a domain name is a senior user and is engaged only in local intra-state business, and there are others doing business under a related name, an identifier for the state of the applicant’s business should be included. For example, if “ACME Hardware” does business only in Georgia, the name should be “acmetools-ga.com.”

NSI should also recognize that the majority of trademarks actually used in connection with goods and services in the real off-line world are unregistered trademarks. Just as the Lanham Act recognizes unregistered marks,231 and the rights of a small intra-state user or prior user of an unregistered mark, so too should NSI, both in its registration practice and its dispute resolution practice. If a senior intra-state user of an unregistered mark sends notice to NSI disputing a junior user’s use of its mark, the rights of the senior intra-state user should be

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231. Under Section 35 of the Lanham Act both registrants of marks and the holders of unregistered marks (prevailing plaintiffs under section 43(a)) are entitled to basically the same remedies, such as damages, defendant’s profits, and, at the court’s discretion, attorneys’ fees. Id. § 1117.
respected. Domain names and sites should not be solely for registered trademark owners.

The NSI should establish an Internal Review Board to deal with disputes. This Board should be similar to an arbitration panel. As in trademark registrations, an applicant should have several opportunities to respond to analogous NSI “office actions.” NSI should also publish approved domains before they are actually issued for a defined period during which third parties may oppose the domain name before any Web site is active. 232 If a third party wishes to challenge the mark on the grounds that it is confusingly similar to its mark, it may do so before the NSI review board. Again, in resolving disputes, NSI must recognize the rights of prior common law and unregistered users. These procedures allow disputes to be resolved quickly and economically, and possibly obviate the necessity of going into court. Again, any increased costs should be borne by the disputants and also through the increase in “.com” registration fees.

Finally, because NSI is the “only game in town” when it comes to registering and maintaining the “.com” domain, and because “there is nothing on the internet equivalent to a phone book or directory assistance,” 233 NSI should provide easily accessible and “user-friendly” directories on the Web, listing all domain names and the corresponding companies. 234 The directories should be updated as new registrations are issued. This requirement of a complete and routinely updated directory is not onerous. Telephone companies routinely do it. The availability of directories managed and controlled by NSI containing both the domain names and cross-references to the owners of the domain names will eliminate much of the confusion that ensues when

232. This is similar to the PTO practice of publishing trademarks in the OFFICIAL GAZETTE for a period of opposition prior to the trademark registration’s issuance.
234. See Quittner, supra note 104, at 50.

For Unix Internet shell accounts, the owner of a domain name can be found by typing “whois <domain name>.” If you type who is nbc.com, within a few minutes the InterNIC registry will be fingered and you’ll see:

National Broadcasting Company Inc.
(NBC-DOM)
30 Rockefeller Plaza
New York, NY 10122

Id.
one uses Web search engines. One directory should alphabetically list the company first by its name and address, and then by its Web site. The other directory should alphabetically list the domain name and then the company by name and address. The directories should only have the main home page of each entity. Once one gets to the correct "home page," one can reach other Web sites of the company, or related Web sites with the click of a mouse.

VI. THE WRONG APPROACH: STATE CRIMINAL LEGISLATION—THE GEORGIA STATUTE

On April 18, Georgia Governor Zell Miller signed into law "The Georgia Computer Systems Protection Act" making it a crime to use trademarks on the Internet without authorization. "The Georgia Computer Systems Protection Act" provide as follows:

(a) It shall be unlawful for any person, any organization, or any representative of any organization knowingly to transmit any data through a computer network or over the transmission facilities or through the network facilities of a local telephone network for the purpose of setting up, maintaining, operating, or exchanging data with an electronic mailbox, home page, or any other electronic information storage bank or point of access to electronic information if such data uses any individual name, trade name, registered trademark, logo, legal or official seal, or copyrighted symbol to falsely identify the person, organization, or representative transmitting such data or which would falsely state or imply that such person, organization, or representative has permission or is legally authorized to use such trade name, registered trademark, logo, legal or official seal, or copyrighted symbol for such purpose when such permission or authorization has not been obtained; provided, however, that no telecommunications company or Internet access provider shall violate this Code section solely as a result of carrying or transmitting such data for its customers.

236. Id. Aside from the potential constitutional infirmities, the Georgia Act is problematic in numerous ways. Under a technical reading of the Act, the use of a "handle" or "screen name" could be illegal. If one's true identity is not divulged, is that person not "falsely identifying" himself or herself?
On September 24, 1996, the American Civil Liberties Union of Georgia and thirteen other plaintiffs filed suit against Gov. Zell Miller and Attorney General Michael Bowers in the Northern District of Georgia challenging the constitutionality of the Act. The plaintiffs seek a preliminary injunction and declaratory relief that the Act violates the First, Fourth, Fifth, Ninth, and Fourteenth Amendments and the Commerce Clause of the United States Constitution, as well as Articles 1, 3, 5, and 9 of the Georgia Constitution.

The complaint alleges that the Georgia statute violates the plaintiffs' federal and state constitutional rights to free expression, association, and privacy. In addition, plaintiffs contend that the Georgia statute is both unconstitutionally overbroad in that it "sweeps protected activity within its proscription," as well as being unconstitutionally void for vagueness in that it "does not give fair notice as to the scope of conduct it proscribes." The commerce Clause argument is an interesting one. Owing to the nature and structure of the Internet, the statute technically regulates communications that both originate and are received entirely outside of Georgia. 

"[This] is because any message sent over the Internet can travel any number of different paths to get to its destination. The sender of a message cannot control the route it takes, and any

238. See Kuester & Kramer, supra note 237. For a discussion of the implications of the Act on Web links, see Richard J. Greenstone, The Weak Link, 8th Annual Southern Regional Entertainment and Sports Law Seminar Program Materials (Nov. 12-16, 1996) (Pub. No. 963247) at 04-001 to -022 (available from the Institute of Continuing Legal Education in Georgia (ICLE of Ga.), P.O. Box 1885, Athens, GA 30603-1885).
240. Id. at 2-26 (quoting M.S. News Co. v. Casado, 721 F.2d 1281, 1287 (10th Cir. 1983) (citing Erznoznik v. City of Jacksonvile, 422 U.S. 205, 212-13 (1975))).
241. Id. at 27-28 (citing Grayned v. City of Rockford, 408 U.S. 104 (1972); ACLU v. Reno, 929 F. Supp. 824, 860 (E.D. Pa. 1996) (finding the word "indecent" in the Communications Decency Act void for vagueness); see also id. at 28-32.
242. U.S. CONST. art I, § 8, cl. 3.
243. Complaint, at 32.
message sent over the Internet may pass through the wires of
some county in Georgia. Therefore, the state of Georgia is
attempting to regulate interstate commerce.

Aside from the potential constitutional infirmities, there are
numerous trademark problems with the statute as well. The
statute makes the unauthorized use of a trademark in a domain
name a crime! It would also make the unauthorized use of a
name or trademark on a Web page a crime, and a link to certain
sites a crime if a false association of sponsorship were created.
Consider the following hypothetical: A person creates a Web site,
"www.greatmusic.com." On it, he provides reviews of what he
believes to be the best CD's that have been released in 1996. He
also has a policy of never giving a bad review to a CD. If he does
not like it, he does not review it. On the Web page, a photograph
of each CD as well as the logo and verbal trademark of the
record company (for example, "Warner" or "Sony") appears next
to each of the glowing reviews. Has the creator of
"www.greatmusic.com" used the trademarks without
authorization? Yes. Would the record companies be likely to sue
him for trademark infringement? Probably not. What if he
provides links on his home page to Sony, Warner, Deutsche
Grammaphone, and Chesky Records? Under the Statute, he is a
criminal.

This is absolutely the wrong approach. Individual trademark
owners should be the ones to enforce their marks, not the police
or the district attorney. As shown in the illustration above, there
are clearly certain unauthorized uses of trademarks which would
actually be encouraged by the trademark owners, but would be a
crime under the statute.

CONCLUSION

The law with respect to the use of trademarks in domain
names is beginning to crystallize and become clear. Admittedly,
there are still several unresolved areas, but several trends are
emerging from the courts. These trends involve the application of

244. Id. at 34.
245. Id. at 35 (citing Brown-Forman Distillers' Corp. v. New York State Liquor
Auth., 476 U.S. 577, 579 (1986) (where a state statute regulates interstate commerce
the Supreme Court has generally "struck down the statute without further inquiry").
246. As of the date that this Article went to press, no action has been taken by the
court with respect to the legality of the Georgia statute.
well established principles of trademark law to Internet domain name disputes.

A domain name or its corresponding Internet Address is not an “address” in the traditional property sense. It is not property. One may not simply “buy up” attractive or intuitive domain names and their corresponding addresses with the hope of later selling them to the parties who own rights to the trademarks included in the domain names. Courts do not consider such parties as insightful speculators or arbitrageurs; courts consider them to be “squatters.” If a party has registered a domain name that includes a “famous mark,” that party will probably be found liable for “dilution” of the mark under Section 43(c) of the Lanham Act.247 Even if the mark is not a “famous mark,” there is still a possibility that there will be a violation of section 43(a) for “false sponsorship” or “false designation of origin.”

The use of a competitor’s trademark or trade name in a domain name connected with the same or similar type of goods and/or services as in Juris, Inset, and Cardservice will probably be a violation of the Lanham Act and a “likelihood of confusion” will probably be found. If the plaintiff owns a registered mark, there will be a violation of section 32(1) of the Lanham Act,249 as well as a potential violation of section 43(a) of the Lanham Act250 for “false designation of origin” or “false sponsorship.”

The use of a “famous mark” by a junior user in connection with goods and/or services that can potentially tarnish or disparage the mark, such as the “adult oriented” Websites in Hasbro and TOYS-“R”-US will also probably be found to violate the new Federal Trademark Dilution Act of 1995, as codified in Section 43(c) of the Lanham Act.251

With respect to future cases in which there are two parties with legitimate rights to a mark in different products or geographic markets, courts must consider the nature of the Internet and the Web, as well as the nature of the parties in making its decisions. Courts should use their equitable powers to fashion appropriate remedies such as ordering the inclusion of

249. Id. § 1114(1).
250. Id. § 1125(a).
disclaimers and hyperlinks on Web sites, or the modification of
domain names to include geographic and/or goods and service
specifier. Courts should be creative in balancing the rights of
parties to a mark with the public’s right to not be confused in the
marketplace.

Efforts should be made on the part of NSI and domain name
applicants to ensure that registered domain names will not be
likely to cause confusion, mistakes, or to deceive. To accomplish
that goal, applicants and NSI should commission trademark
searches. If, after a search, it appears as though a proposed name
will be likely to cause confusion, the name should be modified. In
short, during the domain name acquisition process, all parties
should be cognizant of the goals of trademark law: (1) identify
the source of goods and/or services; (2) distinguish one’s goods
and/or services from those of others; and (3) avoid causing a
likelihood of confusion, mistake or deception in the marketplace.

The Web is a marvelous medium. A bit of common sense, and
adherence to the principles and goals of trademark law, can
make domain names and Web sites both “user friendly” and
“trademark owner friendly.”
APPENDIX A

NETWORK SOLUTIONS, DOMAIN NAME DISPUTE POLICY
(REVISION 02, EFFECTIVE SEPTEMBER 9, 1996)

INTRODUCTION

Network Solutions, Inc. (Network Solutions) is responsible for the registration of second-level Internet domain names in the top level COM, ORG, GOV, EDU, and NET domains. Network Solutions registers these second-level domain names on a "first-come/first-served" basis. By registering a domain name, Network Solutions does not determine the legality of the domain name registration, or otherwise evaluate whether that registration or use may infringe upon the rights of a third party.

The applicant (Registrant) is responsible for the selection of its own domain name (Domain Name). The Registrant, by completing and submitting its application, represents that the statements in its application are true and that the registration of the selected Domain Name, to the best of the Registrant's knowledge, does not interfere with or infringe upon the rights of any third party. The Registrant also represents that the Domain Name is not being registered for any unlawful purpose.

Network Solutions does not act as arbiter of disputes between Registrants and third party complainants arising out of the registration or use of a domain name. This Domain Name Dispute Policy (Policy) does not confer any rights, procedural or substantive, upon third party complainants. Likewise, complainants are not obligated to use this Policy.

The following prescribes the procedural guidelines Network Solutions may employ when faced with conflicting claims regarding the rights to register an Internet domain name. This Policy does not limit the administrative or legal procedures Network Solutions may use when conflicts arise.

GUIDELINES

1. Modifications. Registrant acknowledges and agrees that these guidelines may change from time to time and that, upon thirty (30) days posting on the Internet at ftp://tr.internic.net/policy/internic.domain_policy. Network Solutions may modify or amend this Policy, and that such changes are binding upon Registrant.

2. Connectivity. At the time of the initial submission to Network Solutions of the Domain Name request, the Registrant is required to have operational name service from at least two operational domain name servers for that Domain Name. Each domain name server must be fully connected to the Internet and capable of receiving queries under that Domain Name and responding thereto. Failure to maintain two active domain name servers may result in the revocation of the Domain Name registration.

3. Indemnity. Registrant hereby agrees to defend, indemnify and hold harmless (i) Network Solutions, its officers, directors, employees and agents, (ii) the National Science Foundation (NSF), its officers, directors, employees and agents, (iii) the Internet Assigned Numbers Authority (IANA), its officers, directors, employees and agents, (iv) the Internet Activities Board (IAB), its
officers, directors, employees and agents, and (v) the Internet Society (ISOC), its officers, directors, employees, and agents (collectively, the Indemnified Parties), for any loss or damages awarded by a court of competent jurisdiction resulting from any claim, action, or demand arising out of or related to the registration or use of the Domain Name. Such claims shall include, without limitation, those based upon intellectual property trademark or service mark infringement, trademark infringement, dilution, tortious interference with contract or prospective business advantage, unfair competition, defamation or injury to business reputation. Each Indemnified Party shall send written notice to the Registrant of any such claim, action, or demand against that party within a reasonable time. The failure of any Indemnified Party to give the appropriate notice shall not effect the rights of the other Indemnified Parties. Network Solutions recognizes that certain educational and government entities may not be able to provide indemnification. If the Registrant is (i) a governmental or nonprofit educational entity, (ii) requesting a Domain Name with a root of “.edu” or “.gov,” and (iii) not permitted by law or under its organizational documents to provide indemnification, the Registrant must notify Network Solutions in writing and, upon receiving appropriate proof of such restriction, Network Solutions will provide an alternative indemnification provision for such a Registrant.

4. Revocation. Registrant agrees that Network Solutions shall have the right in its sole discretion to revoke a Domain Name from registration upon thirty (30) days prior written notice, or at such time as ordered by a court, should Network Solutions receive a properly authenticated order by a federal or state court in the United States appearing to have jurisdiction, and requiring the Registrant to transfer or suspend registration of the Domain Name.

5. Third Party Dispute Initiation. Registrant acknowledges and agrees that Network Solutions cannot act as an arbiter of disputes arising out of the registration of a Domain Name. At the same time, Registrant acknowledges that Network Solutions may be presented with information that a Domain Name registered by Registrant violates the legal rights of a third party. Such information includes, but is not limited to, evidence that the second-level Domain Name (i.e., not including .com, .org, .net, .edu, or .gov) is identical to a valid and subsisting foreign or United States federal Registration of a trademark or service mark on the Principal Register that is in full force and effect and owned by another person or entity (Complainant):

(a) Proof of such a trademark must be by submission of a certified copy, not more than six (6) months old, of a United States Principal or foreign registration (copies certified in accordance with 37 CFR 2.33(a)(1)(viii) or its successor will meet this standard for registrations in jurisdictions other than the United States (Certified Registration)). Trademark or service mark registrations from the Supplemental Register of the United States, or from individual states (such as California) of the United States are not sufficient.

(b) In addition to the proof required by Section 5(a), the owner of a trademark or service mark registration must give prior notice to the Domain Name Registrant, specifying unequivocally and with particularity that the registration and use of the Registrant’s Domain Name violates the legal rights of the trademark owner, and provide Network Solutions with a copy of such
notice. Network Solutions will not undertake any separate investigation of the statements in such notice.

(c) In those instances (i) where the basis of the claim is other than a Certified Registration described above, or (ii) where the Complainant fails to provide the proof of notice required by Section 5(b), the third party procedures in Section 6 will not be applied.

6. Third Party Procedures. In those instances where a third party claim is based upon and complies with Section 5(a and b), Network Solutions may apply the following procedures, which recognize that trademark ownership does not automatically extend to a Domain Name and which reflect no opinion on the part of Network Solutions concerning the ultimate determination of the claim:

(a) Network Solutions shall determine the activation date of the Registrant's Domain Name.

(b) If the Registrant's Domain Name activation date is before the earlier of (i) the date of first use of the trademark or service mark in the Certified Registration or (ii) the effective date of the valid and subsisting Certified Registration owned by the Complainant, or, if Registrant provides evidence of ownership of a trademark or service mark as provided in Section 5, the Registrant shall be allowed to continue the registration and use of the contested Domain Name, as against that Complainant and subject to the remaining terms of this Policy.

(c) If the activation date of the Domain Name is after the earlier of (i) the date of first use of a Complainant's trademark or service mark in the Certified Registration, or (ii) the effective date of the valid and subsisting Certified Registration owned by the Complainant, then Network Solutions shall request from the Registrant proof of ownership of Registrant's own registered mark by submission of a certified copy, of the type and nature specified in Section 5(a) above, owned by the Registrant and which was registered prior to the earlier of the date of Network Solutions' request for proof of ownership above or any third party notifying the Registrant of a dispute. The mark provided must be identical to the second-level Domain Name registered to the Registrant.

(d) If the Registrant's activation date is after the dates specified in Section 6(b), or the Registrant fails to provide evidence of a trademark or service mark registration to Network Solutions within thirty (30) days of receipt of Network Solutions' request, Network Solutions will assist Registrant with assignment of a new domain name, and will allow Registrant to maintain both names simultaneously for up to ninety (90) days to allow an orderly transition to the new domain name. Network Solutions will provide such assistance to a Registrant if and only if Registrant (1) submits a domain name template requesting the registration of a new domain name; and (2) submits an explicit written request for assistance, including an identification of the Registrant's desired new domain name and the tracking number assigned by Network Solutions in response to the new domain name template, both within thirty (30) days of receipt of Network Solutions' original notice of the complaint. At the end of the ninety (90) day period of simultaneous use, Network Solutions will place the disputed Domain Name on “Hold” status, pending resolution of the dispute. As long as a Domain Name is on “Hold” status, that Domain Name registered to Registrant shall not be available for use by any party.
TRADEMARK LAW TO INTERNET DOMAIN NAME DISPUTES

(e) In the event the Registrant (1) fails to provide the documentation required by Section 6(c) of a trademark or service mark registration within thirty (30) days of receipt of Network Solutions’ dispute notification letter, (2) provides Network Solutions written notification that Registrant will neither accept the assignment of a new domain name nor relinquish its use of the Domain Name, or (3) fails to take any action or provide any written notice within the times specified in this Section 6, whichever event occurs first, Network Solutions will place the Domain Name on “Hold.” As long as a Domain Name is on “Hold” status, that Domain Name registered to Registrant shall not be available for use by any party.

(f) Network Solutions will reinstate the Domain Name placed in a “Hold” status (i) upon receiving a properly authenticated temporary or final order by a federal or state court in the United States having competent jurisdiction and stating which party to the dispute is entitled to the Domain Name, or (ii) if Network Solutions receives other satisfactory evidence from the parties of the resolution of the dispute.

7. Litigation. In the event that, prior to the Domain Name being placed on “Hold”:

(a) The Registrant files suit related to the registration and use of the Domain Name against the Complainant in any court of competent jurisdiction in the United States, Network Solutions will not place the Domain Name on “Hold,” subject to the remaining terms of this Policy and pending a temporary or final decision of the court, provided that the Registrant provides a copy of the file-stamped Complaint to Network Solutions. In such cases, Network Solutions will deposit control of the Domain Name into the registry of the court. Registrant also shall promptly provide copies of any and all pleadings filed in the action to Network Solutions upon Network Solutions’ request.

(b) The Complainant files suit related to the registration and use of the Domain Name against the Registrant in any court of competent jurisdiction in the United States and provides Network Solutions with a copy of the file-stamped Complaint, Network Solutions will not place the Domain Name on “Hold,” subject to the remaining terms of this Policy, and will deposit control of the Domain Name into the registry of the court pending a temporary or final decision of the court.

(c) In both instances, under Section 7 (a) and (b), Network Solutions will immediately abide by all temporary or final court orders directed at either Registrant or Complainant, without being named as a party to the suit. If named as a party to a lawsuit, Network Solutions shall not be limited to the above actions, but reserves the right to raise any and all defenses deemed appropriate.

8. Disclaimer. REGISTRANT AGREES THAT NETWORK SOLUTIONS WILL NOT BE LIABLE FOR ANY LOSS OF REGISTRATION AND USE OF REGISTRANT’S DOMAIN NAME, OR FOR INTERRUPTION OF BUSINESS, OR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING LOST PROFITS) REGARDLESS OF THE FORM OF ACTION WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EVEN IF NETWORK SOLUTIONS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL NETWORK SOLUTIONS’ MAXIMUM LIABILITY UNDER
THESE POLICY GUIDELINES EXCEED FIVE HUNDRED DOLLARS ($500.00).

9. Notices. All notices or reports permitted or required under this Policy shall be in writing and shall be delivered by personal delivery, facsimile transmission, and/or by first class mail, and shall be deemed given upon personal delivery, or seven (7) days after deposit in the mail, whichever occurs first. Initial notices to the Registrant shall be sent to the Domain Name Administrative Contact at the address associated with the Domain Name Registrant listed in the InterNIC Registration Services' database (i.e., the address contained in Section 3 of the Domain Name Registration Agreement (template)).

10. Non-Agency. Nothing contained in this Policy shall be construed as creating any agency, partnership, or other form of joint enterprise between the parties.

11. Non-Waiver. The failure of either party to require performance by the other party of any provision hereof shall not affect the full right to require such performance at any time thereafter; nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.

12. Breach. Registrant's failure to abide by any provision under this Policy may be considered by Network Solutions to be a material breach and Network Solutions may provide a written notice, describing the breach, to the Registrant. If, within thirty (30) days of the date of mailing such notice, the Registrant fails to provide evidence, which is reasonably satisfactory to Network Solutions, that it has not breached its obligations, then Network Solutions may revoke Registrant's registration of the Domain Name. Any such breach by a Registrant shall not be deemed to have been excused simply because Network Solutions did not act earlier in response to that, or any other, breach by the Registrant.

13. Invalidity. In the event that any provision of this Policy shall be unenforceable or invalid under any applicable law or be so held by applicable court decision, such unenforceability or invalidity shall not render this Policy unenforceable or invalid as a whole. Network Solutions will amend or replace such provision with one that is valid and enforceable and which achieves, to the extent possible, the original objectives and intent of Network Solutions as reflected in the original provision.

14. Entirety. THESE GUIDELINES, AS AMENDED, AND THE REGISTRATION AGREEMENT (TEMPLATE) TOGETHER CONSTITUTE THE COMPLETE AND EXCLUSIVE AGREEMENT OF THE PARTIES REGARDING DOMAIN NAMES. THESE GUIDELINES SUPERSEDE AND GOVERN ALL PRIOR PROPOSALS, AGREEMENTS, OR OTHER COMMUNICATIONS BETWEEN THE PARTIES. REGISTRANT AGREES THAT REGISTRATION OF A DOMAIN NAME CONSTITUTES AN AGREEMENT TO BE BOUND BY THIS POLICY, AS AMENDED FROM TIME TO TIME.