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A Visit to the Cyberspace Mall: Who Owns a Web Site Address?

Julie W. Meder

I. INTRODUCTION

The Internet has exploded into a worldwide network of computers and computer networks used by millions of individuals, corporations, organizations and educational institutions. It is a singularly modern phenomenon unique in having little substance of its own but tremendous influence by way of its users. Today's Internet is a home to thousands of individual networks and millions of individual computers. The types of information available through Internet web sites are virtually unlimited, and the information is not reviewed or censored by any authority resulting in anarchy with respect to its associated benefits and detriments. The Internet is not owned by any single person, entity or government and is not regulated or controlled by any single source.

Given the ease of Internet accessibility to a large population and the Internet's purpose of making information available to anyone taking the time to view it, the fact that the commercial aspects of the Internet have been recognized and utilized as an effective way to market goods and services is not surprising. The Internet, in effect, is becoming a cyberspace mall.

The ease of access to a business on the Internet is critical to its commercial success. Just as physical location is important for a retail store, the location in cyberspace of a business on the Internet—its Internet address—is essential to maximize exposure to potential customers. Internet users must be able to find

4. For example, the book retailer Barnes & Noble is gearing up to be the exclusive book seller on one Internet service, America Online Inc. (AOL). Barnes & Noble's goal is to tap into the on-line market by having the sole book selling address, the only place at AOL's cyberspace mall to purchase books. Patrick P. Reilly, Booksellers Prepare to do Battle in Cyberspace, WALL ST. J., Jan. 28, 1997, at B1.
a business's web site with minimum searching and guess work or Internet merchants risk the loss of less persistent customers. For this reason, Internet web site addresses are hot properties. Disputes between web site owners and trademark owners are intensifying as businesses and other entities scramble for the Internet's prime real estate.

II. INTERNET ADDRESSES IN THE CYBERSPACE MALL

Each host computer or device with access to the Internet has an Internet address consisting of a numerical Internet protocol ("IP") address.\(^5\) The IP address consists of four groups of digits separated by periods that indicate the network, subnetwork and local address of the host.\(^6\)

In addition to the IP address, each host also has an alphanumeric domain name that is a string of "domains" separated by periods.\(^7\) The domains of an alphanumeric domain name include a "top level" domain name and a "second level" domain name.\(^8\) Typically, the alphanumeric domain name of commercial entities includes a top level domain name of ".com" and a second level domain name unique to the commercial entity.\(^9\)

The second level domain name is selected to identify the owner and is often a company's name, famous trademark or service mark owned by the company.\(^10\) A domain name identical to a corporate name facilitates communication between the corporation and its customers.\(^11\) In this way, businesses attempt to make it easy for Internet users to locate their respective unique web sites in the cyberspace mall.

Internet users often use "web browser" programs to find information on a business they are seeking.\(^12\) These programs allow the user to enter a word or combination of words to search for a web site. The web browser then produces a list of links or

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7. Id.
8. Id.
9. Id. The other top level domain names are ".edu" for educational entities, ".net" which is used by networks, ".org" for organizations and ".gov." for governmental bodies. Id. Additionally, because the Internet is a worldwide network, Internet addresses may include a final domain name as a country code, e.g., ".jp" indicating Japan. The country code for the United States, ".us" is not normally used. See Kenneth Sutherlin Dueker, Trademarks Lost in Cyberspace, 9 HARV. J. L. & TECH. 483 (1996).
10. In common parlance and for the purpose of this review, the term "domain name" refers to the second level domain name, e.g., "cbs" in "cbs.com."
11. See MTV Networks, 867 F. Supp. at 203 n.2.
“hyperlinks” to web pages that match the search request. The hyperlinks allow the user to move from one site on the Internet to another without typing in the domain name for each web page.

People “browsing” the Internet almost never know the exact names of the web sites of every business offering the goods or services they are seeking. This makes easily recalled domain names indispensable to businesses seeking to operate on the Internet and to users who want to locate the web sites of those businesses. Commercial enterprises, therefore, make themselves “visible” to Internet customers by using trade names and trademarks as domain names. Since a domain name is unique to a single web site, however, only one business can have a particular domain name such as “cbs.com.” This has become the most prolific area of dispute in the Internet’s formative period.

To obtain a domain name, a business must register with the InterNIC Registry Services (“InterNIC”), an information center created by the National Science Foundation (“NSF”) to serve as the central information source for the Internet. The NSF has contracted with a private company, Network Solutions, Inc. (“NSI”), which is responsible for registering domain names. Generally, only one domain name of twenty-four or fewer characters may be registered by an entity, making the selection of a domain name a critical decision. NSI receives approximately ninety thousand requests for domain name registrations per month and has more than seven hundred and forty thousand names already registered, which makes many of the most eas-

13. Id. at 1415.
14. Hyperlinks allow the user to click a computer mouse on an image or text and be transferred to another web site. Id. The name of the hyperlink does not need to be known and can be identical to a domain name. Id.
16. Id.
17. InterNIC oversees the architecture and taxonomy developed on the Internet. Dueker, supra note 9, at 497.
18. Harriet M. Sinton et al., What is Protected When the Rights Turn Digital?, INTELLECTUAL PROPERTY ISSUES ON THE INTERNET, 1996 Pennsylvania Bar Institute. NSI is located at 505 Huntmar Park Drive, Herndon Virginia 22070, and its telephone number is 703-742-0400. The current registration fee is one hundred dollars for the first two years and fifty dollars per year thereafter. NSI’s domain registration services may be engaged interactively through the NSI’s web page on the Internet at “http://rs.internic.net.”
ily recognized and most desirable domain names unavailable to newcomers.

III. THE NSI DOMAIN NAME DISPUTE POLICY

Domain names are assigned by NSI on a first come, first serve basis. When NSI registers a domain name, it 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." Selection of a domain name that avoids infringing the rights of another's trademark is left to the domain name applicant.

By registering a domain name, a registrant agrees to indemnify NSI from any loss or damages awarded by a court arising out of or related to the registration or use of the name. Registrants also agree that NSI may revoke the domain name upon

23. Network Solutions Domain Name Dispute Policy (revision 2) effective September 9, 1996. The Domain Name Dispute Policy is available at "ftp://rs.internic.net/policy/internic.domain.policy".
24. Id. As stated in the dispute policy:

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.

25. Id. The dispute policy includes the following indemnification clause:

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, trade name, 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 affect 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 non-profit 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.
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thirty days written notice or if ordered to do so by a court, and NSI will not act as an arbiter of disputes arising out of a domain name registration. Furthermore, NSI will not assist in resolving disputes regarding domain names and marks that are not identical. As a result, most disputes must be resolved in the courts with no participation by NSI.

An important exception to NSI's hands off policy is that NSI will assist in resolving a dispute between a trademark owner and a domain name registrant when the domain name and a registered mark are identical. As far as NSI is concerned, the owner of a mark has superior rights to an identical domain name user only if the owner of the mark also holds a trademark or service mark registration from the United States or a foreign country. Additionally, for a mark to have superior rights, the date of first use of the mark or the registration date must be prior to the domain name user's date of first use.

In determining the legitimacy of a domain name over an identical registered mark, NSI compares the date of first use of the mark or its registration date with the date of the domain name's first use. If the domain name is used first, NSI acknowledges the domain name user's right to continue using the domain name. If, however, the trademark owner can demonstrate priority to the domain name, NSI puts the domain name on "hold" until the parties either resolve the matter and inform NSI, or a court orders NSI to release the domain name.

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26. Id. The dispute policy revocation clause requires a registrant to agree 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.

27. Id. NSI requires a registrant to acknowledge and agree that "Network Solutions cannot act as an arbiter of disputes arising out of the registration of a Domain Name." Id.

28. Network Solutions Domain Name Dispute Policy, supra note 23.

29. See, e.g., Toys "R" Us v. Akkaoui, 40 USPQ2d 1836 (N.D. Calif. 1996), in which Toys "R" Us, Inc., the owner of "Toys 'R' Us" and "KIDS 'R' US" trademarks, sought judicial relief from the use of another entity of "adultsrus.com" as a domain name.

30. Network Solutions Domain Name Dispute Policy, supra note 23.

31. Id.

32. Id.

33. Id.

34. Id.

35. Network Solutions Domain Name Dispute Policy, supra note 23. To register a dispute with NSI, the owner of a trademark or service mark registration must first give notice to the domain name registrant specifying equivocally and with particularity that the registration and use of the registrant's domain name "violates the legal rights of the trademark owner." Id. It must also provide NSI with a copy of that notice. Id. A trade-
Domain Name Dispute Policy only goes part of the way in settling domain name controversies. Complete relief for either party is only found by turning to the courts and, typically, the Trademark (Lanham) Act of 1946, as amended, which governs federal registration and infringement of trademarks.\(^{36}\)

**IV. BEYOND THE NSI DOMAIN NAME DISPUTE POLICY**

The Lanham Act provides several sources of relief for trademarks that are infringed through use in a domain name. Lanham Act protection may be found in section 32(1)\(^ {37}\) (federal trademark infringement), section 43(a)\(^ {38}\) (federal unfair competition) and new section 43(c)\(^ {39}\) (Federal Trademark Dilution Act of 1995). Lanham Act sections 32(1), 43(a) and 43(c) each provide a statutory basis for challenging the right of a domain name registrant to maintain a domain name that conflicts with a prior trademark.\(^ {40}\) Although state law is not addressed in this article, relief may also be available through state trademark infringement and unfair competition laws as well as state trademark dilution statutes.

Mark owner must provide proof that the trademark exists by submitting a certified copy not more than six months old of a United States or foreign registration.\(^ {36}\) State trademark registrations are insufficient grounds on which to base a dispute with NSI.\(^ {36}\) NSI compares the domain name's activation date with the first date of first use of the trademark or the date of registration of the trademark.\(^ {36}\) If the domain name activation date is before the date of first use or the effective date of the registration, or if the domain name registrant provides evidence of ownership of a trademark registration identical to its domain name, then the domain name registrant is permitted to continue using the domain name.\(^ {36}\)

If, however, the domain name activation date is after the date of first use or effective date of registration of the trademark, NSI will request proof from the original registrant of ownership of a registered mark.\(^ {36}\) To be effective, the mark must have been registered before the date NSI required proof from the domain name registrant of the dispute.\(^ {36}\) The original domain name registrant then has thirty days to provide proof of ownership of a registered mark.\(^ {36}\) If proof is not timely provided, NSI will assist the domain name registrant in selecting a new name and allow a ninety day transition period to transfer the web site from the registrant's original domain name to its new name.\(^ {36}\) After the ninety day period has expired, the domain name is placed on "hold" status and no party may use it.\(^ {36}\)

If the domain name registrant does not provide either a certified copy of a registered trademark to NSI or informs NSI that it will not relinquish its domain name, or takes no action at all, NSI will place the domain name on hold.\(^ {36}\)

A domain name goes off the hold status only when NSI receives a court order directing it to take the name off hold status or when NSI receives notification that the parties have resolved the dispute.\(^ {36}\) The Domain Name Dispute Policy also includes provisions for the status of the domain name which is subject to litigation before the domain name is placed on hold.\(^ {36}\)

37. Id. § 1114(1).
38. Id. § 1125(a).
40. Id. §§ 1114(1), 1125(a) and 1125(c).
Lanham Act section 32(1) creates a cause of action for holders of trademark registrations against a person who uses the same or a similar mark in connection with goods or services when such use is likely to cause confusion as to the source of those goods or services. Section 43(a) of the Lanham Act provides a cause of action for false designation of origin or a false description of fact regardless of a federal registration existence. Thus, unlike the NSI Domain Name Dispute Policy, which is employed only when a registration is in effect, the Lanham Act provides relief when either registered or unregistered trademarks are involved.

Sections 32(1) and 43(a) of the Lanham Act both apply to situations where there is a likelihood of confusing the source of products or services identified by similar marks. There are also circumstances where the unauthorized use of a term or word may tarnish or damage the goodwill associated with a famous mark. The Lanham Act was amended by the Federal Trademark Dilution Act of 1995 to cover such situations. The Federal Trademark Dilution Act is now incorporated into the Lanham Act at section 43(c), and provides as follows:

The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to any injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the famous mark.

41. Id. § 1114(1). Trademark infringement is found when:
[A] person who shall, without the consent of the registrant, (a) use in commerce any reproduction, counterfeit, copy, or colorful imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or (b) reproduce, counterfeit, copy colorfully imitate a registered mark that applies such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or cause mistake or to deceive.

Id.

42. Id. § 1125(a). According to this Lanham Act section:
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 any combination thereof, or any false designation of origin, false or misleading description 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 with another person or as to the origin, sponsorship, or approval of his or her goods, services or commercial activities by another person.

See id.

44. Id. § 1125(c). See, e.g., Mead Data Cent., Inc. v. Toyota Motor Sales, Inc., 875 F.2d 1026 (2d Cir. 1986); Fruit of the Loom, Inc. v. Girouard, 994 F.2d 1359 (9th Cir. 1993).
mark, and to obtain such other relief as is provided in this subsection.46

The Federal Trademark Dilution Act helps to fill the gaps in the Lanham Act left by the provisions for trademark infringement in section 32(1) and unfair competition in section 43(a). Infringement actions maintained under either of the older Lanham Act sections require a likelihood of confusion as to the source of goods or services.47 A likelihood of confusion is determined by several factors relating to the markets for the goods or services, the intent of the alleged infringer and any actual confusion as to the source of the goods or services.48

The likelihood of confusion between the source of goods or services from the owner of a famous trademark may be low and thus create no infringement under Lanham Act section 43(a). Yet, a trademark owner may still be damaged by the unauthorized use of its mark. The trademark owner presumably enjoys a favorable and well recognized reputation in its goods or services. Use of that mark by another, even in connection with completely unrelated goods or services, may render the mark less distinctive. The legislative history of the Trademark Dilution Act provides that, in contrast to confusion that leads to immediate injury to the trademark owner, "dilution is an infection, which if allowed to spread, will inherently destroy the advertising value of a mark."49

Sections 32(1), 43(a) and 43(c) of the Lanham Act, used separately or in combination, form a potent weapon against domain name users who attempt to unfairly capitalize on the goodwill developed by other suppliers of goods and services.

Litigation over domain names is beginning to be reported. Some litigants have directly attacked domain name users via trademark protection provided by the Lanham Act,50 while others have challenged NSI's right to control domain names.51

46.  Id.
47.  Id. §§ 1114(1), 1125(a).
48.  Eight factors developed in Polaroid Corp. v. Polaroid Electronics Corp., 287 F.2d 422 (2d. Cir. 1961), cert. denied, 368 U.S. 820 (1961) have commonly been evaluated in trademark infringement actions, including: (1) the strength of the mark; (2) the degree of similarity between the two marks; (3) the proximity of the products; (4) the likelihood that the trademark owner will expand into the alleged infringer's market; (5) actual confusion; (6) the alleged infringer's good faith in adopting its mark; (7) the quality of the alleged infringer's product; and (8) the sophistication of the buyers. Banff, Ltd. v. Federal Dept. Stores, Inc., 841 F.2d 486 (2d. Cir. 1988).
51.  See Kelly, supra note 15, at 17.
A. Suits Against Network Solutions, Inc.

The NSI Domain Name Dispute Policy is an attempt by NSI to avoid unnecessary legal battles between domain name users over supposedly clear cut issues. NSI is also attempting to avoid entangling itself in less clear cut disputes between users by refusing to get involved in disputes over anything other than identical trademarks. Despite NSI's cautious participation in resolving disputes, however, some domain name registrants have turned to the courts to challenge NSI's policies claiming NSI is overstepping its regulatory power.

For example, in the district court of Boulder County, Colorado, Clue Computing, Inc. ("Clue Computing") filed suit against NSI seeking damages for breach of contract and intentional interference with contractual relations. The suit was filed in response to a challenge by toy maker Hasbro, Inc., the owner of the trademark "Clue" for board games, to Clue Computing's registration of "clue.com" as a domain name. NSI placed the domain name on hold, terminating Clue Computing's use of the domain name "clue.com."

Clue Computing successfully asserted that NSI exceeded its authority over use of the domain name and, as a result, obtained a preliminary injunction from the court preventing NSI from interfering with its use and registration of the domain name. NSI has since filed an interpleader action in the United States District Court for Colorado against Clue Computing to clarify that it was a registrar of domain names without any interest in the outcome of the dispute between Clue Computing and Hasbro.

In a similar case, Roadrunner Computer Systems, Inc., ("Roadrunner Computer Systems"), a Mexico based computer company, registered the domain name "roadrunner.com." Time Warner then asserted that Roadrunner Computer Systems violated its trademark rights to "ROADRUNNER" for the familiar cartoon

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52. See Sinton, supra note 18, at 90.
53. Id.
54. See Kelly, supra note 15, at 16.
56. See id.
57. Id.
58. See id.
60. See id (citing Roadrunner v. Network Solutions, Inc., 1996 Civ. No. 96-413-A, (E.D. Va. filed March 26, 1996)).
Roadrunner Computer Systems sued NSI when NSI placed the "roadrunner.com." on hold. After Time Warner declined to assert harm from the name's use on the Internet in the lawsuit, NSI released its hold on the name and the court dismissed the case as moot. Other litigation involving suits against NSI to preclude it from interfering with registrants' uses and registrations of their domain names are pending.

It is not surprising that domain name owners have challenged NSI's power to impose what essentially amounts to an injunction against their use of a domain name by placing the name on "hold" status. In order for NSI to place a domain name on hold, a trademark registrant is merely required to put a domain name owner on notice of its prior identical registration and request NSI to take the action. Although the trademark registrant must state in its notice to the domain name owner that the use violates the trademark registrant's "legal rights," those rights are not assessed by NSI. With no proof of likely success on the merits of the trademark registrant's cause of action, nor any demonstration of irreparable harm needed (as is required for adjudicated injunctive relief), the trademark registrant can effectively and quickly prevent the domain name owner's use of its Internet address. Without its presumably valuable address in the cyberspace mall, the domain name owner stands to suffer business losses over a claim that may have little legal merit.

B. Suits Based on a Likelihood of Confusion

There are only a few published decisions in which a trademark owner sought a determination that the reservation of an Internet

61. See id.
62. Id.
63. Id.
65. Network Solutions Domain Name Dispute Policy, supra note 23.
66. Id.
67. Id.
domain name incorporating its trademark violates section 43(a) of the Lanham Act. In one such decision, Act Media, Inc. attempted to reserve the Internet domain name “act media.com” as its Internet address before it discovered that Active Media International, Inc. (“Active Media International”) had already reserved the name. When it made this discovery, Act Media filed suit against Active Media International for trademark infringement. At trial, the court determined that the mark had been affixed to promotional material and used in commerce in connection with advertising services by Act Media. The court acknowledged that through great expense and effort, the mark “ACT MEDIA” had become well known as an identifier of the source of Act Media and its promotional articles. Act Media’s use of the domain name thus resulted in substantial and valuable secondary meaning because Act Media had become “widely known” as a “preeminent source” for the identified services.

The court then found that even the mere reservation of an Internet domain name incorporating the trademark of another violates section 43(a) of the Lanham Act. As a result, the court made the following four assertions with respect to Active Media International’s use of the “actmedia.com” domain name: (1) it constituted unauthorized use by appropriating the trademark; (2) it was a false designation of the origin of Active Media International’s products and services; (3) it was likely to cause consumers to improperly conclude that Act Media and Active Media International were affiliated; and (4) it was likely to cause confusion as to whether Act Media sponsored or approved of the commercial activities of Active Media International. Furthermore, the court found that Active Media International’s use of the “ACT MEDIA” domain name created a likelihood that the distinctive quality of the trademark would be diluted in violation of Illinois law. Active Media International was therefore enjoined

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70. Id.
71. Id.
72. Id.
73. Id. Secondary meaning is attributed to a mark when “in the minds of the public, the primary significance of a product feature . . . is to identify the source of the product rather than the product itself.” Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 851 n.11 (1982).
75. Id.
76. Id.
from using the trademark "ACT MEDIA" and ordered to relinquish its interest in that domain name.\textsuperscript{77}

A likelihood of confusion was also the basis for a decision by the District Court for the Central District of California in \textit{Comp Examiner Agency, Inc. v. Juris, Inc.}\textsuperscript{78} In that case, Comp Examiner used "juris.com" as its domain name, which directly conflicted with the "Juris" mark owned by Juris, Inc. ("Juris").\textsuperscript{79} In a suit brought by Comp Examiner Agency, Inc., Juris was able to show that the Comp Examiner Agency, Inc. ("TCE") was causing Juris irreparable harm and that the harm outweighed any inconvenience to TCE.\textsuperscript{80} Of particular importance in the case was the relatedness of the parties' respective customers: lawyers and law firms.\textsuperscript{81} The court resolved the case by granting a preliminary injunction in favor of Juris, enjoining Comp Examiner from directly or indirectly using the name "juris" or the Internet domain name "juris.com" and requiring Comp Examiner to cease operating the "juris.com" web site.\textsuperscript{82}

\textbf{C. Suits Based on Trademark Dilution Laws}

The courts in both \textit{Act Media} and \textit{Comp Examiner Agency} found a likelihood of confusion based on the similarity of goods and services offered by the trademark owner and the domain name registrant.\textsuperscript{83} Where the goods and services of the trademark owner and the domain name registrant are distinct, however, some courts have relied on the newly available cause of action for trademark dilution provided by section 43(c) of the \textit{Lanham Act}.\textsuperscript{84} For example, when Internet Entertainment Group, Ltd. operated a web site using the name "candyland.com" to identify sexually explicit Internet sites, Hasbro, Inc. ("Hasbro"), the maker of the popular "CANDY LAND" board game, filed suit.\textsuperscript{85} The District Court for the Western District of Washington granted Hasbro's motion for a preliminary injunction, finding that the value of the "CANDY LAND" mark was diluted.\textsuperscript{86} The court's order prevented Internet Entertainment Group, Ltd. from using "candyland.com" or any similar domain

\begin{itemize}
\item \textsuperscript{77} \textit{Id.}
\item \textsuperscript{78} 1996 WL 37660 (C.D. Cal. 1996).
\item \textsuperscript{79} \textit{Comp. Examiner}, 1996 WL 376600 at *1.
\item \textsuperscript{80} \textit{Id.}
\item \textsuperscript{81} \textit{Id.}
\item \textsuperscript{82} \textit{Id.}
\item \textsuperscript{83} \textit{Act Media}, 1996 WL 466527 at *2; \textit{Comp. Examiner}, 1996 WL 376600 at *1.
\item \textsuperscript{84} Hasbro, Inc. v. Internet Entertainment Group, Ltd., 40 U.S.P.Q.2d 1479 (W.D. Wash. 1996).
\item \textsuperscript{85} Hasbro, Inc., 40 U.S.P.Q.2d at 1479-80.
\item \textsuperscript{86} \textit{Id.} at 1480.
\end{itemize}
The court specified that this order was not limited to use of the mark in Internet cites containing sexually explicit material, thus indicating that this was not a decision of limited application.

In a factually similar situation, Toys "R" Us Inc., the national toy and clothing retailer, successfully asserted its rights to names containing "R US" over an individual who registered "adultsrus.com" for the sale of sexual devices and clothing. In the absence of exact identity between the Toys "R" Us marks and the "adultsrus" domain name, Toys "R" Us sought relief in the District Court for the Northern District of California from trademark dilution and trademark infringement. Ruling on the dilution issue, the court noted that the Toys "R" Us marks have an inherent peculiarity (the "R Us") and are thus distinctive. Looking to the congressional record for the federal dilution statute, which provides that "Congress intended to protect famous marks from subsequent uses that blur the distinctness of the mark or tarnish or disparage it," and citing Hasbro, the court concluded that "adultsrus" tarnished the "R US" family of marks by associating them with a line of sexual products "inconsistent with the image Toys "R Us" has striven to maintain for itself. Both Hasbro and Toys "R" Us involved conflicts between the images presented by owners of marks applied to goods and services for children and the images presented by Internet merchants offering adult sexual products. Despite the absence of a likelihood of confusion between such clearly distinct goods, for companies such as Hasbro and Toys "R" Us that seek to provide wholesome, family oriented products and services, any possible connection with the adult entertainment industry is unacceptable. In the present cultural environment of heightened sensitivity to issues of children's exposure to inappropriate material, the courts in these cases were clearly correct in recognizing the potential disparaging effects of domain name registrations.

87. Id.
88. Id.
90. Toys "R" Us, 40 U.S.P.Q.2d at 1837.
91. Id. at 1838.
92. Id.
94. Toys "R" Us, 40 U.S.P.Q.2d at 1838. This case is akin to traditional trademark causes of action where, although the trademark owner does not seek to own the infringing mark itself (here, the domain name), it asserts its right to prevent others from using one similar to its own mark.
Anti-dilution legislation has also been successfully used against less egregious domain name registrants, namely, "squatters" on famous trademarks. An early and well publicized decision of squatter's rights was reported in *MTV Networks v. Curry.* In this case, when MTV expressed no interest in reserving and developing a web site using the domain name "mtv.com" to provide information on the music industry, Curry, an MTV video disc jockey, did so for his own benefit and at his own expense. Although MTV did not initially object to Curry's reservation and use of "mtv.com" as a web site address, it later filed suit alleging trademark violations in connection with Curry's use of "mtv" in his Internet site and for breach of his employment contract. Curry eventually transferred ownership of the "mtv.com" web site to MTV, but the case drew substantial attention to the ability of an Internet user to register a domain name incorporating a trademark owned by another entity.

At least one Internet user has purposefully adopted well known trademarks as domain names. Dennis Toeppen operates an Internet service provider known as "Net66" and registered hundreds of domain names that were recognized trademarks of other entities prior to his registration. Toeppen did not obtain permission from any entity that previously used the names he registered, and contended that no permission was necessary to register the domain names.

Two major corporations, Panavision International ("Panavision") and Intermatic, Inc. successfully sued Toeppen in federal court for federal and state trademark dilution. While Panavision and Intermatic also complained of trademark infringement and unfair competition in the suits, the courts only granted the plaintiff's summary judgment motion on the trademark dilution

98. *MTV Networks,* 867 F. Supp. at 204.
99. *Id.*
100. *See Duerker,* supra note 9, at 500-01.
103. *Id.*
cause of action.\textsuperscript{105} The court noted that a showing of likelihood of confusion is a necessary element of both trademark infringement and unfair competition causes of action, and this was a question of fact inappropriately decided by summary judgment.\textsuperscript{106} The court then found that unlike trademark infringement and unfair competition, trademark dilution does not require a consumer to be likely confused as to the origin of a product.\textsuperscript{107} Federal trademark dilution only requires "the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception."\textsuperscript{108}

The term "famous," as used in the provision of the Trademark Dilution Act noted above, is used to limit federal protection to those marks recognized nationwide and to provide consistent protection for such marks.\textsuperscript{109} Trademark dilution laws, whether state or federal, are designed to protect trademark owners from use of their mark on unrelated goods as opposed to trademark infringement laws that allow the same trademark to be used on unrelated products or services.\textsuperscript{110} The confusingly similar element is therefore unnecessary in a trademark dilution cause of action.\textsuperscript{111}

Intermatic's suit against Toeppen originated when Intermatic attempted to register "intermatic.com" and discovered that Toeppen had a prior registration for that domain name.\textsuperscript{112} After Toeppen refused to relinquish the domain name, Intermatic requested NSI to put Toeppen's registration on hold and NSI complied.\textsuperscript{113} Subsequently, Intermatic filed suit against Toeppen for the purpose of acquiring the "INTERMATIC" domain name.\textsuperscript{114} At trial, the District Court for the Northern District of Illinois noted that in order to state a cause of action under the Trademark Dilution Act, a plaintiff must show that the mark is famous and that the complainant's use is commercial and in commerce in a way likely

\begin{thebibliography}{99}
\bibitem{105} Panavision Int'l, 945 F. Supp. at 1298; Intermatic, Inc., 40 U.S.P.Q.2d at 1416.
\bibitem{106} Intermatic, Inc., 947 F. Supp. at 1236. In this case, the court could not determine whether a web surfer who found a map of Urbana, Illinois on the "intermatic.com" web page would associate that page with Intermatic. \textit{Id}.
\bibitem{107} \textit{Id}. at 1237.
\bibitem{110} Intermatic, Inc., 947 F. Supp. at 1237.
\bibitem{111} \textit{Id}. Trademark dilution was intended to address Internet domain name issues. \textit{Id}.
\bibitem{112} Intermatic, Inc., 947 F. Supp. at 1232.
\bibitem{113} \textit{Id}.
\bibitem{114} \textit{Id}. at 1233.
\end{thebibliography}
to cause dilution. 115 Although Toeppen argued that his use of "INTERMATIC" was not commercial, the court held that his intent to arbitrage the "intermatic.com" domain name constituted a commercial use. 116 The court found this conclusion supported by Toeppen's counsel's concession at trial that one of Toeppen's intended uses for registering the Intermatic mark was to eventually sell it to Intermatic or some other party. 117

Toeppen also argued that he did not violate the Trademark Dilution Act because his use of the "intermatic.com" domain name was not in commerce. 118 The court construed the commerce requirement liberally, however, holding that Toeppen's intent to sell the domain name also met the "in commerce" element of the cause of action. 119

Finally, the Intermatic court held that Toeppen's use of "intermatic.com" was likely to cause dilution of the famous mark because: (1) it lessened the capacity of Intermatic to identify and distinguish its goods and services by means of the Internet; and (2) it diluted the "INTERMATIC" mark since Toeppen used the Intermatic name on his web page. 120 The court explained that Toeppen's registration of "intermatic.com" prevented Intermatic from using its name as a domain name, thereby lessening the capacity of Intermatic to identify and distinguish its goods on the Internet. 121

The court pointed out that this was not a situation where prior users of the same name were racing to the Internet, but instead a matter involving Intermatic, a company with a long history of trademark use, and Toeppen, an individual attempting to prevent Intermatic from using its trademark by paying one hundred dollars to register the "intermatic.com" domain name. 122 Such activity by Toeppen, according to the court, directly conflicted with Congress' intent to encourage registration and development of trademarks so the purchasing public may differentiate between sources of goods. 123 The court additionally explained that dilution of Intermatic's mark was likely to occur because the domain name appeared on Toeppen's web page and on every page printed from the web page. 124 Intermatic's name and repu-

115. Id. at 1238.
116. Id. at 1239.
118. Id.
119. Id.
120. Id. at 1240.
121. Id.
123. Id.
124. Id.
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125. Id. at 1240.
127. Panavision, 945 F. Supp. at 1299.
128. Id. at 1302-03.
129. Id. at 1303.
130. Id.
131. Id. at 1300.
132. Panavision, 945 F. Supp. at 1302-03.
133. Id. at 1304.
134. Id.
commercial use by another. The courts have consistently found improper adoption of a domain name in these situations, but whether these suits would have been decided in favor of the trademark holders had there been a provision for concurrent uses of a domain name is questionable. Concurrent uses and registrations of trademarks are possible where the goods and services are sufficiently distinct between the trademark users such that the likelihood of confusion is low.

Situations where legitimate concurrent use of a second level domain name is appropriate are beginning to evolve. For example, Pabst Creative Communications, Inc. ("Pabst Creative") set up a home page on the Internet using the domain name "pabst.com." Pabst Brewing Company ("Pabst Brewing") has asserted that its federal trademark has been violated by Pabst Creative's use of the "pabst.com" domain name. The president of Pabst Creative, Michael Pabst, claimed "Pabst" has been his family name much longer than the brewing company has used it as a trademark, but has also said that he does not plan to dispute the issue in court.

Pabst Brewing has held a "PABST" federal trademark since 1889. Pabst Brewing, however, felt it must dispute Pabst Creative's "PABST" domain name even if it did not wish to make use of it. Since federal law stipulates that companies allowing their trademark name to go unprotected can lose their right to the trademark, Pabst Brewing believes that it must police use of the mark including use on the Internet or risk losing the mark.

Network Solutions, Inc. currently does not have a policy for resolving domain name disputes between two concurrent owners of trademark registrations. Unless parties can resolve such disputes (as will likely occur with the "pabst.com" domain name), the courts will be called upon to resolve this difficult issue.

As a result of the growing number of domain name disputes, the International Ad Hoc Committee ("IAHC") was formed to consider and implement ways of satisfying businesses and other

136. Id.
137. Concurrent registration of trademarks is provided for under 37 C.F.R. § 2.99 (1996).
139. Id.
140. Id.
141. Id.
142. Id.
143. Nawlins, supra note 138.
144. See Network Solutions Domain Name Dispute Policy, supra note 23 and accompanying text.
entities' needs for domain names.\textsuperscript{145} The IAHC is a coalition of Internet participants including the World Intellectual Property Organization ("WIPO").\textsuperscript{146} One part of IAHC's proposed solution is to introduce seven new top level domain names, including: (1) "firm" for businesses or firms; (2) "store" for businesses offering goods to purchase; (3) "web" for entities emphasizing activities related to the web; (4) "arts" for entities emphasizing cultural and entertainment activities; (5) "rec" for entities emphasizing recreation/entertainment activities; (6) "info" for entities providing information services; and (7) "nom" for those wishing individual or personal nomenclature.\textsuperscript{147} Considering that about ninety percent of NSI's registry contains domain names in the "com" top level domain, this will solve an immediate problem by allowing concurrent use of second level domain names differentiated by their top level domain names.\textsuperscript{148}

The IAHC is also proposing to impose a sixty day waiting period following application for a domain name before activation thereof to allow trademark holders the opportunity to assert their rights against domain name registrants.\textsuperscript{149} The proposal also includes a new domain name challenge procedure that would be conducted on-line under the aegis of the WIPO Arbitration and Mediation Center in Geneva, Switzerland.\textsuperscript{150}

The IAHC proposal should alleviate some of the source of domain name disputes by imposing administrative procedures paralleling those of United States and foreign trademark registration. Just as trademark registrations are obtained in connection with particular goods or services, so, to a degree, could domain names be registered. The addition of only seven new top level domain names, however, cannot accommodate the multitude of potential entities (in particular, businesses) seeking a domain name.

A better solution may be to adopt as a top level or intermediate domain name the international schedule of classes of goods and services used in trademark registrations worldwide, which consists of forty-two distinct classes for various goods and services. These classes are already well recognized in the trademark legal

\textsuperscript{145} Smith, \textit{supra} note 21, at C6.
\textsuperscript{146} \textit{Id.} The other members of the IAHC are the Internet Society (ISOC), Internet Assigned Numbers Authority (IANA), Internet Architecture Board (IAB), Federal Networking Counsel (ITU) and International Trademark Association (INTA). \textit{Id.}
\textsuperscript{147} More information on the new Internet naming policies can be found at http://www.iahc.org.
\textsuperscript{148} Smith, \textit{supra} note 21, at C5.
\textsuperscript{149} \textit{Id.}
\textsuperscript{150} \textit{Id.}
community as a way of distinguishing the same or similar marks applied to different goods or services.\textsuperscript{151} Unless domain names can be made more distinctive through such categorization, the courts will remain the arbiter of a growing number of disputes over the rights to domain names.

The LAHC's proposed sixty day waiting period is akin to the thirty day publication period currently used in United States trademark registration.\textsuperscript{152} This waiting period will permit publication of all requested domain names and opposition procedures to allow parties having conflicting interests to sort out their respective rights.\textsuperscript{153}

Because domain names are to the cyberspace mall what trademarks are to the physical business world, domain name selection and registration procedures, similar to those for trademarks, should prove to be beneficial.

V. CONCLUSION

“Squatters” on domain names incorporating the famous trademarks of other entities will clearly be prevented from maintaining those web sites. It remains to be seen, however, how courts will handle concurrent uses of identical or similar trademarks and domain names. In the meantime, potential users of a domain name should carefully select the name. Until these complex issues are resolved, any selection ought to be preceded by a trademark search to determine whether a desired domain name

\begin{itemize}
\item \textsuperscript{151} The International Classes include:
\item \textsuperscript{152} 37 C.F.R. §§ 2.80 and 2.101 (date).
\item \textsuperscript{153} Id.
\end{itemize}

\begin{table}
\begin{tabular}{ll}
1 & Chemicals \hfill 22 Cordage & Fibers \\
2 & Paints \hfill 23 Yarns & Threads \\
3 & Cosmetics & Cleaning Preps \hfill 24 Fabrics \\
4 & Lubricants & Fuels \hfill 25 Clothing \\
5 & Pharmaceuticals \hfill 26 Fancy Goods \\
6 & Metal Goods \hfill 27 Floor Coverings \\
7 & Machinery \hfill 28 Toys & Sporting Goods \\
8 & Hand Tools \hfill 29 Meats & Processed Foods \\
9 & Electrical & Scientific Apparatus \hfill 30 Staple Foods \\
10 & Medical Apparatus \hfill 31 Natural Agricultural Products \\
11 & Environmental Control Apparatus \hfill 32 Light Beverages \\
12 & Vehicles \hfill 33 Wines & Spirits \\
13 & Firearms \hfill 34 Smokers Articles \\
14 & Jewelry \hfill 35 Advertising & Business \\
15 & Musical Instruments \hfill 36 Insurance & Financial \\
16 & Paper Goods & Printed Matters \hfill 37 Construction & Repair \\
17 & Rubber Goods \hfill 38 Communications \\
18 & Leather Goods \hfill 39 Transportation & Storage \\
19 & Non-Metallic Building Materials \hfill 40 Material Treatment \\
\multicolumn{2}{l}{Furniture & Articles not otherwise classified} \\
20 & \textsuperscript{152} 37 C.F.R. § 6.1 (date). \\
21 & Housewares & Glass \hfill 41 Education & Entertainment \\
22 & 37 C.F.R. §§ 2.80 and 2.101 (date). \hfill 42 Miscellaneous Service Marks \\
\end{tabular}
\end{table}
closely resembles an existing business' trademark or trade name. Furthermore, the domain name registrant should file for trademark registration to protect a domain name so it will have an upper hand if another business later objects to the registrant's web site address.