

*The Domain Names System and Trademark Law: Will the Current Legal Landscape Suffice in
the Face of New Developments?*

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INTRODUCTION

The Internet¹ is changing how we do business, how we communicate and how we view age-old legal concepts, and promises to do so far into the future.² In 1992, the world of day-to-day commerce, as we knew and understood it, virtually ended, and the rush was on to establish a commercial presence on the Internet or be left behind.³ This Internet phenomena and the excitement

¹ The current case law defines the Internet as follows: The Internet (or "World Wide Web") is a network of computers that allows a user to gain access to information stored on any other computer on the network. Information on the Internet is lodged on files called web pages, which can include printed matter, sound, pictures, and links to other web pages. *Sportys Farm v. Sportsman's Market*, 202 F.3d 489 (2d Cir. February 2, 2000)

²See e.g., Wylie Wong and Troy Wolverton, *Case equates "AOL Anywhere" with Net's Future*, CNET News.com (April 5, 2000) <<http://news.cnet.com/news/0-1005-200-1644745.html>> (visited on April 14, 2000). Here Steve Case, chief executive officer of America On-line is predicting a second Internet revolution is coming where technologies such as the "television, telephones and stereo systems will soon blur." "The separate are fusing into one. We can build bridges between devices . . . and make the first Internet revolution quaint by comparison."

³STEVEN M. WEINBURG, TRADEMARKS AND DOMAIN NAMES, IN INTELLECTUAL PROPERTY IN THE GLOBAL MARKETPLACE: ELECTRONIC COMMERCE, VALUATION, AND PROTECTION, 1.1

over its potential has been best described as follows:

At the heart of the excitement about the on-line world is the convergence of features never before extant together: All information and matter available on-line is in digitized form, making its transmission, receipt, and reproduction a simple task, often in real-time and in an interactive mode. This interactive, real time accessibility to extraordinary amounts of information and intellectual property . . . from the four corners of the globe, marks the on-line world as a new paradigm for commerce and social intercourse and behavior, the scope and effect of which can only be hinted at in this embryonic stage of its life cycle. What is clear today, however is that in this virtually unregulated world, the potential for the use and abuse of intellectual property is unprecedented.⁴

Legal regulation of the Internet and its effects has commenced in some limited fashion,⁵ but for the most part, the legal community is struggling just to keep up.⁶ Even the business community is struggling to keep up.⁷ The infrastructure of cyberspace⁸ in terms of the registration of domain

(Melvin Simensky, et. al., eds. 1999). In 1998, one estimate asserted that over \$300 Billion dollars were contributed to the US GDP by the Internet industries. See, ANDREW R. BASILE, RECENT DEVELOPMENTS: INTELLECTUAL PROPERTY LAW AND THE INTERNET, 584 PLI 293, 297 (hereinafter Basile).

⁴Weinburg, *supra* note 3.

⁵Intellectual Property, and especially Trademark and Domain Names, mark the largest inroads into some fashion of on-line regulation. See, Weinburg, *supra* note 3.

⁶ROBERT BOYDEN LAMB AND RANDIE BETH ROSEN, THE ADVENT OF ELECTRONIC COMMERCE; INTELLECTUAL PROPERTY, BANKING AND FINANCE, IN INTELLECTUAL PROPERTY IN THE GLOBAL MARKETPLACE: ELECTRONIC COMMERCE, VALUATION, AND PROTECTION, 3.1 (Melvin Simensky, et. al., eds. 1999). For example, Paul Capucchio, Legal Counsel, America Online, J. Reuben Clark Law Society Luncheon Speech, February 24, 2000, Washington, DC. Here Capucchio, stated that the legal community does not understand the current business concepts used in e-commerce and that he and his staff must use a majority of their time instructing their outside legal counsel so that they can adequately represent his company.

⁷Daniel Amor, *The E-Business Revolution: Living and Working in an Interconnected World* (2000), at xxvii.

⁸The prefix “cyber” has been commonly associated and used to describe phenomena within the Internet realm. This term is interchangeable with the term Internet. See, *Sportys*, *supra* note 1, at 493; see also note 5.

names under the Domain Names System (hereinafter DNS)⁹ is rapidly changing. New policy is now being developed.¹⁰ Yet how does one protect a trademark in this system against cyber squatters?¹¹ Can a domain name also be a trademark? Mark holders and those considering future marks must pay attention to the development of the DNS. Therefore, their counsel must understand the legal ramifications of the changes being proposed and those being accepted within the DNS.

The purpose of this paper is two fold: (1) to discuss the new developments and the proposals for change to the Domain Names System (DNS) and (2) to test whether legal protection of trademarks should be expanded, especially in terms of additional protection of famous or well-known marks¹² or whether the current available remedies and mechanisms for relief are sufficient for trademark holders. I believe that they are. In laying the foundation for such an argument I will discuss in PART I: (1) the background of the problems in the DNS, (2) a brief historical development of the DNS, and (3) the current proposals for change to the system. Then in PART II, I will examine:

⁹The DNS is defined as the database that links the Internet Protocol (IP) addresses and domain names. Amor, *supra* note 7, at 596. Each of these will be discussed in greater detail hereafter.

¹⁰*See e.g.*, the Yokohama notes released by the International Corporation for Administration of Names and Numbers (ICANN) released on-line, *Yokohama Meeting Notes* (visited August 15, 2000) <icann.org/yokohama/new-tld-topic.htm or icann.org/announcements/icann-pf14jun00.htm> (hereinafter Yokohama Meeting Notes). These proposals are open for public comment. There will more on the proposals leading up to Yokohama hereafter. In addition there will more discussion on ICANN.

¹¹Cybersquatting is defined as “bad faith and abusive registrations of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks,” in the Anticybersquatting Consumer Protection Act. 15 USC §1125(d).

¹²These terms will be discussed in greater detail in PART II (A). It will suffice here to mention that U.S. case law is grappling with the factors Congress has provided in order to define what constitutes a famous or well-known mark. And in general terms the mark will be well known either generally or in a specific market. The International Treaties discussed below do not provide a specific definition either but leave the definition to local competent authority. *See infra* note

(1) the current legal landscape of protection for famous or well-known marks which will include United States Federal case law and International Treaties, and (2) the on-line dispute resolution mechanism and the ground-breaking resolution of domain name disputes called the Uniform Dispute Resolution Process (UDRP).¹³

¹³See e.g., *Uniform Domain Name Dispute Resolution Policy*, ICANN <http://www.icann.org/udrp/udrp-policy-24oct99.htm> (hereinafter UDRP). The UDRP will be discussed in more detail below, but the full text of the policy is provided on-line in order for the legal practitioner to consult. See also, *World Intellectual Property Documents, Latest Developments*, paragraph 2 (visited March 13, 2000) <http://ecommerce.wipo.int/domains/developments/index.html> (hereinafter Latest Developments).

PART I

A. THE BACKGROUND

First of all, I will begin this discussion with a foundational examination of the DNS. In the current e-business¹⁴ market place one must have a web presence, through owning a web page or domain, or potentially be left behind.¹⁵ The links or literally the addresses to these web pages are maintained through the DNS which is administered through a private company called the Internet Corporation for Assigned Names and Numbers (ICANN).¹⁶ There are currently about 30 domain name registrars each registering domain names for individuals, businesses and organizations at a modest fee; the top two competitors being Register.com and Network Solutions (NSI).¹⁷ Essentially registration of domain names occurs on a first come, first serve basis.¹⁸ Each of these registrars only supplies the name and connection services; they do not claim to judge the name based upon

¹⁴E-business was first coined by IBM in 1997 and is defined as “a secure, flexible and integrated approach to delivering differentiated business value by combining the systems and processes that run core business operations with the simplicity and reach made possible by Internet technology.” Amor, *supra* note 7, at 7.

¹⁵Amor argues that current statistical data as to how many users are on the Net are questionable. Amor, *supra* note 3, at 10. In a recent case at the World Intellectual Property Organization (WIPO) Nike stated indicates that at Nike.com they register 60,000 to 80,000 visitors per day. WIPO D2000-0167 (April 27, 2000)(hereinafter Nike). Refer to a more detailed analysis of this case under section V.

¹⁶ICANN will be defined in more detail below, but for more information *see* <<http://www.icann.org/>>

¹⁷ Dave Marino-Nachison, *TMF Interview with Register.com: President and CEO Richard Forman*, (April 6, 2000) http://www.fool.com/foolaudio/transcripts/2000/stocktalk000406_rcom.htm (hereinafter Forman). Forman stated that NSI commands 72% share of the registration market with Register.com taking up a very distant second at 13%. The new registrars “industry” is a very new development in the DNS; most are start-up companies. Each primarily register open domain names.

¹⁸Weinburg, *supra* note 3, 1.5.

trademark law.¹⁹ It is estimated that over 10 million names have been registered since 1993 with the vast majority being filed in the latter end of 1999 and early 2000.²⁰

The DNS was designed to make it easy for people to remember the addresses of computers linked to the Internet.²¹ The domain names themselves are usually associated with the company's trademark or type of business.²² The domain name represents a numeric code or Internet Protocol Address (IP) which designates the actual physical address of the web site, not unlike a phone number.²³ An example of an IP address would be 198.105.232.4.²⁴ It is far easier to remember nike.com to access the famous shoe manufacturer's web site than a string of numbers and it is most likely that a consumer will begin a search on the Internet using the trademark plus ".com".²⁵

The domain name can be separated into two different parts.²⁶ For example, examine

¹⁹See e.g., Register.com. This site states that it is not responsible for whether a domain registered with them is a trademark.

²⁰AOL adds Network Solutions Name Services, Reuters, (May 8, 2000) <http://news/cnet.com/news/0-1005-200-1837578.html> (hereinafter AOL adds NSI).

²¹Rosann Mitchell, *Resolving Domain Name-Trademark Disputes: A New System of Alternative Dispute Resolution is Needed for Cyberspace*, 14 Ohio St. J. on Disp. Resol. 157, 159 fn 4 (hereinafter Mitchell).

²²See, Weinburg, *supra* note 3, at 1.4.

²³Mitchell, *supra* note, 21, at 159 fn 4. This is a user-friendly design created by John Postel.

²⁴Gary B. Shelly, et al., *DISCOVERING COMPUTERS 98: A LINK TO THE FUTURE 7.6* (1998) (hereinafter Shelly). In the above example 198 stands for the geographic region, 105 stands for the organization, 232 the computer group, and 4 the specific computer. "Because the rapid growth of the Internet is expected to continue, an expanded IP addressing scheme is being implemented. The new address scheme will increase the number of addresses by a factor of four and will provide added security for data transfers."

²⁵*Sporty's*, *supra* note 1, at 5-6. The alternative search, through a search engine, would result in hundreds of web sites of which only the first few will the consumer consult.

²⁶Others refer to the first part as the domain name only. I believe this is incorrect since the entire name refers to the address and if the entire domain name loans.com is not used then the site cannot be accessed properly. See, Mitchell, *supra* note 21, at 160, fn 6. The tree analogy is excellent here as a part of her analysis. In that sense her separation is correct. In reality, we are

nike.com or nike.au. The letters following the period are considered top level domains (TLDs). TLDs consist of two types: generic (gTLDs) and country code (ccTLDs). The gTLDs are limited to .com, .net, .org, .edu, .int and .mil.²⁷ Originally each of these gTLDs were designated for separate and specific use. This has eroded since, partly due to cybersquatting and the first come, first serve registration system. The ccTLDs use two letter designations which represent a particular country, for instance: .us (United States), .uk (United Kingdom), .au (Australia), etc.²⁸ These ccTLDs will often contain another designation for the type of entity owning the name, such as nike.co.uk. The “.co” represents company or a commercial enterprise. Those letters prior to the “.dot” are called secondary level domains (SLDs). Therefore, SLDs + TLDs comprise the entire domain name.²⁹

There has been a perception of a finite amount of addresses available for businesses, individuals, and organizations to register their presence on the Internet, creating a rush on names still available and increased values for those names already registered in the “.com”, “.org” and “.net” generic top level domains (gTLDs).³⁰ For technical reasons, the domain name itself must be unique.³¹

most concerned with the first part of the address and not the latter, since the latter is in no way unique nor protectable as a trademark.

²⁷ Weinburg *supra* note 3, at 1.4, Each of the TLDs has a specific area originally assigned: .com for commercial use, .edu for educational institutions, org for nonprofit organizations, net for companies servicing the net, such as Internet Service Providers (ISP) and .int refers to International Treaty organizations. *See also* Shelly, *supra* note 24, at 7.64.

²⁸ World Intellectual Property Organization Documents, *Final Report, Annex 09* (visited March 13, 2000) <<http://ecommerce.wipo.int/domains/process/eng/final/annex09.html>> (hereinafter WIPO Final Report). This document emphasized that these ccTLDs place residence restrictions on registration and the number. WIPO conducted a survey of the registrars of these ccTLDs to observe their common practice, restrictions and requirements. The results are contained in Annex 09.

²⁹Shelly, *supra* note 24, at 7.6

³⁰Patricia Jacobs, *Registrars Profit From Longer Domain Names*, Bloomberg News, (December 20, 1999) <<http://news.cnet.com/news/0-1005-200-1500987.html?tag=st.ne.ni.rnbot.rn.1005-200-15009>>(hereafter Jacobs). When asked about this perceived shortage

Other reasons for shortages can be attributed to arbitrary limitations established as a part of the DNS. Nonetheless, the shortage is real, which, in turn, has caused pressure upon ICANN to expand the current system. In December, the scarcity was so pronounced that when it was announced by ICANN that the characters allowed in domain names would be extended from 22 to 63 characters, entrepreneurs spent hours on the Internet registering names.³² This scarcity has driven the value for certain domains to amazing heights, some of which have reportedly sold for as much as 7.5 million dollars.³³ Rumors, advertisements, and news reports are abound which indicate that one needs to hurry to register a domain name and that most alphanumeric combinations are already taken.³⁴ It is now rare to find a common word or company name not registered in the current system.³⁵

This type of atmosphere has created great impetus for reformation and expansion of the system. This expansion will partly occur as individual countries sell their rights to register domains. For example, in recent weeks a very small Pacific island, Tuvalu, which had owned the top level

Richard Foreman, CEO of Register.com stated that IP address and domain names will not be an issue because of applications such as Webhosting accounts. *See also*, Forman, *supra* note 12.

³¹ Mitchell, *supra* note 21, at 159 fn 4.

³²Jacobs, *supra* note 29. One patent attorney in California registered over 200 names in one day in hopes of later selling these names that are all generic combinations of words like hotelregistrationservice.com.

³³For example, Bank of America paid in an online auction, 3 million dollars for the rights to loans.dom. *BOFA was winning Bidder of Loans.com web domain*, THE WALL STREET JOURNAL, February 8, 2000. Business.com sold for \$7.5 million in December 1999. *See*, Jacobs, *supra* note 26.

³⁴ *See e.g.*, FINANCIAL TIMES, March 14, 2000, pg 11, first column, "Over 15 million already unavailable." (This is an advertisement for simplynames, one of the new registrars under the new system. Other advertisements listed names for sale that had already been purchased. It is reasonable to assume that as the scarcity increases, and thus the hype and the rush to register, so will the price for those names already registered. It is interesting to note that cybersquatting or holding will be even more profitable in this scenario than it has been in the past.)

³⁵ Unusual combinations of words are still available. Trademark lawyers must now search for available marks and domains when a company is searching a new company name or mark.

domain,”.tv”, sold its interests for 50 million dollars to a Canadian company who has reportedly recouped almost \$300,000 in online auctions for popular names combined with the “.tv” designation in a few short weeks.³⁶ Because of the value of these names an entirely new industry has arisen almost overnight both in purchasing and registering names.³⁷

Also, expansion is expected through ICANN. According to several on-line reports, ICANN will likely introduce a “test-bed” of at least 10 new generic top level domains (gTLDs) or “.com” type suffixes in July of this year.³⁸ Names such as “.shop” and “.banc” are being considered.³⁹ As these new gTLDs are considered and debated among the various ICANN committees, the largest contention concerns the protection of well-known marks in conjunction with this expansion. With this expansion is the expected expansion of trademark infringement vulnerability for all mark holders, but especially those holding well-known marks. On the other hand, the new expansion should give consumers more choices and provide a wider use of the Internet. ABy making use of the legal and policy infrastructure that already supports “.com”, “.net”, and “.org”, the Internet community can rapidly advance this most important task at minimal costs.”⁴⁰ In either case, the DNS

³⁶ <<http://www.tv>> (visited May 5, 2000). This site lists many names that are currently available for purchase or bid.

³⁷ For example, Register.com also provides quick on-line domain name registration via its web page for anyone interested <<http://www.register.com/>>

³⁸“The Names Council determines that the report of Working Group C and related comments indicate that there exists a consensus for the introduction of new gTLDs in a measured and responsible manner. The Names Council part of the Domain Name System Organization (DNSO) recommended implementation as follows (a) promoting orderly registration of names during the initial phases; (b) minimizing the use of gTLDs to carry out infringements of intellectual property rights; and (c) recognizing the need for ensuring user confidence in the technical operation of the new TLD and DNS as a whole.” *ICANN: Consideration of Introducing New Generic Top-Level Domains*, press release (April 20, 2000) <<http://icann.org>>

³⁹Jacobs, *supra* note, 30.

⁴⁰Jacobs, *supra* note, 30.

is expected to expand, the ultimate effects of which are uncertain.

B. THE HISTORICAL DEVELOPMENT OF THE DNS

A detailed historical perspective is helpful to understand the current proposals for change to the DNS and its convergence with trademark law. The DNS was developed without concern for the future trademark ramifications and thus has continued largely unregulated. Instead it was created by a voluntary association of engineers (ISOC) who created or maintained the Internet in association with the National Science Foundation (NSF) and Defense Research Projects Agency (DARPA).⁴¹

The NSF granted ISOC the authority for domain naming, which in turn created the Internet Authorized Naming Authority (IANA). John Postel, a computer scientist at the University of Southern California and founding member of IANA is credited with creating and largely managing the DNS in its early years.⁴² IANA controlled the root directory, or main computer that contains the list of TLDs and their associated IP addresses, and assigned TLDs as requested.⁴³

In 1992, Network Solutions, Inc. (NSI), a private company, acquired the license to manage the gTLD registration system from NSF and IANA through “root server ‘.’.”⁴⁴ This contract was set

⁴¹ Weinburg, *supra* note 3, at 1.5. The NSF has played a significant role in developing the backbone which connects the various regional networks and is also responsible for opening up the Internet for commercial interests and the general public. Prior it was a governmental and educational network between universities and the military that had primarily funded its development. *A Proposal Improvement of Technical Management of Internet Names and Numbers: Discussion Draft 1/30/98*, 63 Fed. Reg. 8826 (1998) <http://www.nita.doc.gov/ntiahome/domainname/dnsdraft.htm> (Hereinafter Green Paper).

⁴²Joseph P. Liu, *Legitimacy and Authority in Internet Coordination: A Domain Name Case Study*, 74 INDIANA L.J. 587, 591 (1999) (hereinafter Liu); Basile, *supra* note 3, at 595; *See also*, Green Paper, *supra* note 41.

⁴³Liu, *supra* note 42, at 591.

⁴⁴ Weinburg, *supra* note 3, at 1.5. NSI only acquired the rights to manage the databases “”, “.net”, and “.org” gTLDs. Liu, *supra* note 37 at 591. *See also*, Green Paper, *supra* note 41. “Root server A” is the control root at the top of hierarchy of the root servers. There are a total of 12 servers world wide some of which other than “A” are also controlled by NSI. These guarantee universal connectivity for the Internet. IANA continued to administer the protocol.

to expire in September 1998, but was extended to allow for the creation of the ICANN.⁴⁵ As a part of a dispute settlement with ICANN in 1999, the registration database management was extended through 2004.⁴⁶ ICANN did, however, acquire management of the root directory and oversees the DNS.⁴⁷ NSI is now a registrar within the ICANN system.⁴⁸

NSI, when managing the DNS, continued the first come, first serve policy for registration of domain names began by IANA.⁴⁹ “This policy permitted the registration (and hoarding) by third parties of second-level domain names consisting of famous trademarks.”⁵⁰ Many companies were caught “name-napping”.⁵¹ Once domain names become viewed as important identification for companies, many of the most famous trademarks had been registered by cybersquatters.⁵² These companies turned to NSI, who reluctantly adopted an ad hoc dispute policy in July 1995 that was subsequently revised several times.⁵³ These companies also turned to the courts and in many cases

⁴⁵ Mitchell, *supra* note 21, at 175.

⁴⁶ AOL adds NSI, *supra* note 20.

⁴⁷ Liu, *supra* note 42, at 591.

⁴⁸ AOL adds NSI, *supra* note 20; *see also* ICANN registrar list. AOL is also on this list. There has been a long series of debates between ICANN and NSI over dividing management.

⁴⁹ Mitchell, *supra* note 21, at 175; *see also* Weinburg, *supra* note 3, at 1.5.

⁵⁰ Weinburg, *supra* note 3, at 1.5.

⁵¹ Weinburg, *supra* note 3, at 1.4 and 1.12. Weinburg notes that Coke, Budweiser, and McDonalds were all caught name-napping. Companies were not certain of the value of registering a domain name early on and were caught unawares when entrepreneurial-minded persons registered these names gambling that the system would take hold.

⁵² Cybersquatting is defined as “bad faith and abusive registrations of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks,” in the Anticybersquatting Consumer Protection Act. 15 USC §1125(d).

⁵³ July 1995, modified in November 1995, modified in July 1996, modified in September 1996. Weinburg, *supra* note 3, at 1.5. Another revision occurred later effective February 25, 1998. Mitchell, *supra* note 21, at 175. Part of the problem here was that name was put on hold without a hearing and that in effect NSI was acting as first level tribunal by trying to manage the disputes as well as continue as a registrar. It would seem that there is a conflict of interest to do both which point none of the commentators have made explicitly. The policies were viewed as

NSI was named as a defendant.⁵⁴ At each stage it became more and more evident that NSI should no longer try to manage the trademark disputes arising from the domain names it registered because it lacked the trademark law expertise and often took controversial positions. Neither the domain name holders nor trademark holders seemed satisfied.⁵⁵

Proposals and ideas poured in for reformation of the DNS. In March 1996, Postel and IANA released a document calling for reform of the system which included new TLDs, up to 150 for use like “.com”, and 50 new registrars like NSI but failed to address trademark issues.⁵⁶ Later in September (year), and then with revisions in December 1996, the International Ad Hoc Committee (IAHC)⁵⁷ released a more modest proposal which contained valuable thinking towards a new independent system of governance.⁵⁸ In general, they set forth proposals for new gTLDs⁵⁹, an online

favoring mark holders.

⁵⁴By 1997 NSI had been sued about 20 times. *See e.g.*, *Lockheed Martin v. Network Solutions*, 985 F.Supp 949 (C.D. Cal 1997)(Summary Judgment granted in favor of NSI); *Academy of Motion Picture Art and Sciences v. Network Solutions*, 989 F.Supp. 1276 (C.D. Cal 1997)(Summary Judgment granted in favor of NSI); *Panavision v. Dennis Toeppen*, 1996 US Dist Lexis 20744, *aff' m*, 141 F.3d 1316 (9th Cir. 1998)(Summary Judgment granted in favor of NSI).

⁵⁵One of the largest criticisms was that the entire system was designed to insulate NSI from potential lawsuit. *See*, Weinburg, *supra* note 3.

⁵⁶Weinburg, *supra* note 3, at 1.7; *Management of the Internet Names and Numbers*, United States Department of Commerce, (June, 5 1998) 63 Fed. Reg. 31749, <http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.htm> (hereinafter White Paper). An additional draft was issued in June 1998.

⁵⁷IAHC was formed as a task force to study the DNS dilemmas. It was formed by such groups as INTA, ISOC, IANA, and WIPO. *See also*, IAHC Final Report, *infra* note 58.

⁵⁸Mitchell *supra* note 21, at 159-160. *See also*, *International Ad Hoc Committee, Final Report of the International Ad Hoc Committee: Recommendations for Administration and Management of gTLDs* (Feb. 4, 1997), <<http://www.iahc.org/draft-iahc-recommend-00.html>>, (hereinafter IAHC Final Report). Marshall 's article evaluates the pros and cons of this proposal and finds that it is better than even subsequent versions because of its flexibility, cost effectiveness, short time frames, and it promotes resolution of disputes by agreement or settlement and it takes the governance of the dispute arm of the DNS out the hands of non-

dispute mechanism, at least 28 new registrars, and a central oversight committee.⁶⁰ Also, included in the proposal of available remedies was an “exclusion” of the trademark from computing registration.⁶¹ In addition, IAHC proposed factors to determine a “confusingly similar” standard for domain name disputes. Those factors have become a common thread as the DNS and international trademark jurisprudence continue to converge.⁶² Unlike the previous NSI policies, this extended potential protection to not just registered trademark holders but to common law, use-based systems, intent to use and famous marks.⁶³

The next major proposal was submitted by the U.S. Department of Commerce, through the

experts. *See*, Mitchell, *supra* note 21, at 191-192. This document was, in many ways, the precursor to the US White Paper and finally the WIPO Final Paper on this subject.

⁵⁹IAHC Final Report, *supra* note 58. The proposal here was to add 7 new gTLDs by April 1998 which included .firm, .store, .web, .arts, .rec, .info, .nom. A part of the proposal was to also use the country codes as a part of the domain names using the ISO3166 designations. “.us” was specifically mentioned and advocated as being under used. “.us” is currently in the process of public comments for a new management system due by October 6, 2000. The under-used “.us” will be administered by Network Solutions if the NTIA policy is adopted. *Call for Comments on .us*, <<http://ntia.doc.gov/ntiahome/domainnames/usrfc2/dotusrfc2.htm>>

⁶⁰ IAHC Final Report, *supra* note 58. Mitchell, *supra* note 21, at 162. The key here is that all disputes would be conducted on-line to trim costs for both parties and facilitate a quick turnaround for the dispute and/or settlement process. Marshall favored this report over the subsequent White Paper. I feel as though ideas from this document were gleaned and refined until the final document was issued by WIPO and adopted by ICANN. However, I do agree that the ideas provided by IAHC were extremely valuable and a necessary step towards the result which we now have. There is an argument here that the process needs to be duplicated and thus well thought out before the well-known marks solution becomes the rule. There is really no hurry to do so without a thorough analysis first.

⁶¹ IAHC Final Report, *supra* note 58. Mitchell, *supra* note 21, at 169. The exclusions include from a specific TLD, from all gTLDs, and then a partial or complete cancellation of a prior exclusion by the panel.

⁶² Mitchell, *supra* note 21, at 170. The factors include that the domain name must be identical, character-by-character to the original alphanumeric string, the punctuation should be ignored since domain names cannot contain punctuation, and misspelling or homonyms, translations, or is clearly misleading would also be considered as identical.

⁶³ Mitchell, *supra* note 21, at 178.

National Telecommunications and Information Administration (NTIA), in January 1998 and was known as the Green Paper.⁶⁴ This paper admitted that it was no longer appropriate for the NSF and DARPA to use public funds for the Internet.⁶⁵ It carried over many of the same proposals of the IAHC Final Report, but added a new innovation: a private corporation should govern the DNS.⁶⁶ Public comment was taken for a period of time, much the same as the IAHC paper. The response was somewhat mixed, but was largely in favor of the new proposals.⁶⁷

Based primarily upon these comments, on June 5, 1998, NTIA and the Department of Commerce issued the White Paper.⁶⁸ This Paper had three primary functions: (1) serve as a response to public comments; (2) give authorization to create ICANN and (3) ask the World Intellectual Property Organization (WIPO) to submit further recommendations.⁶⁹ The proposed system should balance the needs of the consumer (which are: **to** promote innovation, encourage diversity, lower costs and increase user satisfaction) with the needs of the commercial world (which include protections for trademark holders).⁷⁰ The United States called on WIPO to do the following three things: (1) develop recommendations for a uniform approach to resolving all trademark/domain name

⁶⁴Green Paper, *supra* note 41. *See also*, Liu, *supra* note 42, at 600. This is the first public proposal submitted by the U.S. government in this debate. In a sense, the US Government was abrogating any control of domain name governance as a part of the backbone which it had funded and established.

⁶⁵Green Paper, *supra* note 41.

⁶⁶Green Paper, *supra* note 41. Liu, *supra* note 42, at 600. Other proposals included an expanded, competitive registrar system, new gTLDs, and a dispute resolution system to provide confidence to trademark holders that their rights were being protected.

⁶⁷Liu, *supra* note 42, at 600. More than 430 responses were submitted totally over 1500 pages. *See*, Basile, *supra* note 3, at 307.

⁶⁸White Paper, *supra* note 56.

⁶⁹White Paper, *supra* note 56.

⁷⁰White Paper, *supra* note 56; Basile, *supra* note 3, at 307.

disputes; (2) recommend a process for protecting famous trademarks in the gTLDs; and (3) evaluate the potential effects of adding additional gTLDs.⁷¹ The White Paper did not contain specific recommendations for protecting famous marks, except it emphasized the need to protect against future cybersquatting.⁷²

ICANN, as noted above, was created based upon these recommendations in September 1998 and was officially recognized by the US Department of Commerce on November 15, 1998.⁷³ The process to expand the DNS commenced immediately.⁷⁴ For example, there are some thirty registrars who now compete with NSI for registration.⁷⁵ After a series of discussion and input from various committees, on October 24, 1999 ICANN adopted the dispute resolution portion of the Final Report called the Uniform Dispute Resolution Policy (UDRP).⁷⁶ This process went into effect on December

⁷¹White Paper, *supra* note 56; *See*, Mitchell, *supra* note 21, at 187-88. One of the key points of this proposal was to determine jurisdiction since this was and still is an unsettled area of litigation. The WIPO solution probably eliminated some of this question. This is one of the pluses of the ICANN system, it ensures one system is applied and thus should be more consistent. This analysis could also apply to well-known marks since if one body determines whether the mark is well-known, it will be applied consistently. However, individual country laws and interpretations of well-known law, either from TRIPS or other treaties would be abrogated to some extent under such a system.

⁷²White Paper, *supra* note 56.

⁷³*See*, AStatus Report to the Department of Commerce@, June 15, 1999, ICANN, available at <http://www.icann.org/general/statusreport-15june99.htm> (hereinafter ICANN Status Report).

⁷⁴ICANN Status Report, *supra* note 74.

⁷⁵ICANN web site lists each registrar and the requirements to become one. It appears that one could still become a registrar if the requirements were met. To demonstrate how competitive the market has become, NSI was sold to VeriSign for \$21 billion on March 7, 2000 as a sign that the market has become competitive one of the important steps outlined by the White Paper. *Financial Times*, March 8, 2000. I understand the sale is not yet complete and is expected to finish in July.

⁷⁶*See*, UDRP, *supra* note 13. The UDRP will be discussed in more detail below; Intellectual Property Documents, Latest Developments, *supra* note 13. These meetings included Berlin on May 27, 1999, Santiago, Chile on August 26, 1999 and further online comments were also gathered.

2, 1999.⁷⁷ It will be coordinated through ICANN and include qualified dispute resolution bodies such as the WIPO Arbitration and Mediation Center.⁷⁸ ICANN is now also providing leadership in the development and discussion of new technologies such as a convergence of telephone and Internet IP numbers.⁷⁹ Other developments currently under discussion which may effect the DNS are portals, IP cellular, cable modems, and globalization of telecom networks.⁸⁰ ICANN is divided into several committees which are discussing the future of the DNS; one such committee submitted a report on famous marks in the Cairo, ICANN, March 8, 2000 meeting.⁸¹

Finally in taking the debate world wide, WIPO added its recommendations through a series of 3 drafts and public comment periods called RFCs.⁸² On April 30, 1999, WIPO issued the Final

⁷⁷ACybersquatters Lose Out: WIPO reports companies are winning fight against domain name piracy@, Reuters, February 23, 2000, available at http://www.cnnfn.com/2000/02/23/asia/wires/un_net_wg/ (visited on February 25, 2000).

⁷⁸ Latest Developments, *supra* note 13, paragraph 2.

⁷⁹ See ICANN Discussion Group Documents on this topic: www.icann.org/cgi-bin/mbx (visited on March 16, 2000). This discussion began online on February 15, 2000 and the discussion group is led by Hans Kraaijenbrink

⁸⁰ See ICANN Discussion Group Documents: *Starting the Work*, www.icann.org/cgi-bin/mbx. (Posted February 16, 2000, visited March 16, 2000). These discussions include meetings around the world. There was recently a meeting in Geneva for example to discuss the convergence of IP and telecoms. This development may have some profound impacts upon the DNS as it is currently established.

⁸¹ The Domain Name Support Organization (DNSO) primarily examines the future needs of the DNS under ICANN towards developing further policy discussions. The DNSO is further divided into constituencies. The DNSO Constituency relevant to this discussion is the Intellectual Property Contingency. They have composed a position paper on well-known marks which supports most of the ideals set forth by the Final Report. The Position Paper can be found at http://ipc.songbird.com/famous_marks_paper/html. (Visited on March 18, 2000)(hereinafter IPC Position Paper). This paper was presented at the ICANN meeting Cairo, Egypt on March 8, 2000 and will be reviewed hereafter.

⁸²World Intellectual Property Documents, available at <http://www.wipo.org/>; A. Michael Froomkin, AA Commentary on WIPO=s The Management of Internet Names and Addresses: Intellectual Property Issues@, <http://www.law.miami.edu/amf/commentary/htm> (hereinafter Froomkin). I will set forth the details of the famous mark provisions in the next section.

Report, which contained many of the suggestions raised.⁸³ Currently, there are at least 330 separate commentaries listed on the WIPO's web site.⁸⁴ There is some criticism of this process, but for the most part, the proposals contained in the Final Report have been accepted world wide.⁸⁵

This Report was then submitted to ICANN.⁸⁶ To date ICANN has not adopted the measures on well-known marks or expanded gTLDs.⁸⁷ In fact, it was decided at ICANN's May 27, 1999 meeting that the Domain Name Supporting Organization (DNSO) would consider the exclusion provisions further and that implementation was of greater relevance only after the introduction of new gTLDs.⁸⁸ Indeed several proposals now available tie these last two steps together. The next section compares those proposals in more detail.

⁸³ Latest Developments, *supra* note 13.

⁸⁴ See, WIPO Final Report, *supra* note 28. Many of these are from well known corporations, non-governmental organizations, governments, and even individuals. In addition several meetings were held in different parts of the world. In all appearances WIPO accomplished reasonable transparency in process towards a final document. Annex II lists all of groups and from what country. This was truly an international effort.

⁸⁵ In a review of many of these comments, most favored some level of regulation of the DNS especially when concerned with famous marks. At least one commentator has come forward who was a part of these discussion behind the scenes and now suggests that the transparency sought was somewhat really more murky and misleading because it did not including notices of the meetings on appropriate mailing lists, it did not widely publicize its web site, nor did WIPO staff interact with the public participants. Froomkin, *supra* note 82, at para. 10,12. Accordingly, Froomkin argues that this led to a domination in the process by trademark holders and trade associations. This may have skewed the process, and thus the final result, in favor of trademark owners. *Id.*, at para. 11.

⁸⁶ Froomkin, *supra* note 82, at para. 8.

⁸⁷ Latest Developments, *supra* note 13, paragraphs 2 and 3.

⁸⁸ Latest Developments, *supra* note 13, paragraph 3. See, Yokohama Meeting Notes, *supra* note 11. The three reasons decided on for this expansion are (1) enhancing competition for registration services, (2) enhancing the utility of the DNS, and (3) enhancing the number of available domain names. ICANN is still taking public comments on these proposals.

C. THE CURRENT PROPOSALS

The foundation for the current discussion concerning the expansion of the gTLDs and famous mark protection is the WIPO Final Report, which established many of the essential principles underlying the continued debate.⁸⁹ The Final Report lists three steps, as noted before, towards an universal DNS.⁹⁰ It is likely that a new system, which will include many of the ideas for steps two and three concerning expanded gTLDs and extra protection for famous marks, was adopted in July at the ICANN Japan meeting.⁹¹ As will be seen, one cannot separate the two steps. As expansion of the gTLDs occurs, it is necessary to review the protections for all marks to ensure simultaneous and appropriate expansion. Otherwise, the clash between mark holder's rights and the DNS will likely worsen.⁹²

Chapter Four of the WIPO Final Report focuses on the need for protection of well-known marks in the new DNS.⁹³ WIPO adopted the following premise demonstrating its purpose in providing extra protection for famous marks:

Because of the special attention that fame attracts, famous and well-

⁸⁹WIPO Final Report, *supra* note 28. The WIPO document goes far beyond any previous proposals to introduce details for a remarkable UDRP and subsequent steps.

⁹⁰WIPO Final Report, *supra* note 28.

⁹¹There has not been much reported on this change. It is likely this lack of news is because the full decision has not yet come forth as to what the new gTLDs will be. An announcement as to what the new names will be is expected in November. It will likely include .shop, .tel, .news, and .travel. See *e.g.*, A New Domains Soon to Rock the Web, available at Onvia.com, July 26, 2000.

⁹²There is an underlying assumption with this proposal that the UDRP in conjunction with the White Paper's name registration requirements will be sufficient for typical mark holders needs. See, WIPO Final Report, *supra* note 28, para. 262; White Paper, *supra* note 56. Later proposals have dropped this premise, in contravention to TRIPS and Paris, that there should be a separation between typical marks and famous marks.

⁹³WIPO Final Report, *supra* note 28, para 245 - 302.

known marks have for a long time been considered in intellectual property laws to warrant special protection, over and above that accorded to other, ordinary marks. That special protection is well established in widely accepted international agreements on the multilateral level.⁹⁴

The international treaties referred to here are the Paris Convention for the Protection of Industrial Property (Paris) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).⁹⁵ However, neither text contains a definition of “well-known mark”, but the definition is instead left to “competent national authority”, such as the courts or legislatures.⁹⁶ Indeed this is one of several conceptual difficulties which WIPO suggests need further deliberation.⁹⁷ WIPO does

⁹⁴WIPO Final Report, *supra* note 28, at para. 247.

⁹⁵WIPO Final Report, *supra* note 28, at para. 252. Paris 6bis and TRIPS Art 16.2 and 16.3 are specifically examined in body of chapter four. These will be discussed further hereafter.

⁹⁶ WIPO Final Report, *supra* note 28, at para. 262, *see also* para. 283. In doing so, WIPO relies upon an internal evaluation of the current status of well-known mark law by the Committee on Experts on Well-known Marks and its successor, the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (the WIPO SCT). Six factors adopted by this body have been included as appropriate in application to the DNS, but WIPO included a seventh factor of attempts by third parties to register the same or misleadingly similar name as a domain name. *Id.*, para 284. These will be discussed in more detail below.

⁹⁷The Final Report contemplates four areas of “conceptual difficulty”. (para. 257).

1. Domain names, of course are not the same thing as marks and are used for many purposes other than identification of a producer or seller of goods or services.
2. [There is uncertainty as to who should determine the relevant standard since the gTLD does not have a location.] The protection of famous and well-known marks under the Paris Convention and the TRIPS Agreement extends to those countries where the competent authority considers that the mark is famous or well-known.
3. [T]here is not an established treaty definition of what constitutes such a mark [famous]. It is left to competent authority in the country where protection is asserted. [A floor was established by TRIPS and Paris to determine what is meant by a famous mark, the remaining determination is left to competent authority in that country].(para 260)
4. There is a lack of connection between the underlying theoretical foundations of differentiation in the registration and use of trademarks and differentiation in the registration and use of domain names, since

admit repeatedly that domain names are not trademarks, yet, the converse is true: trademarks can be used as domain names. And this is where the problem lies.

WIPO recommended that a system should be established to provide an exclusion of these famous marks in addition to an evidentiary presumption for the UDRP, in an effort to curb the large costs associated with protecting the reputation of globally famous marks against abusive domain registrations now and in the future when more gTLDs would likely be added.⁹⁸ In general, the exclusionary process proposed would consist of the following steps with the entire process to last less than 90 days⁹⁹:

1. A list of experts would be created and would be centrally administered through one

differentiation is intended to serve a different purpose in each case.” (para 261).

⁹⁸ WIPO Final Report, *supra* note 28, para 262 (“(i) a mechanism for obtaining and enforcing an exclusion of the use of a famous or well-known mark; and (ii) an evidentiary device for ensuring that the protection afforded by an exclusion can be extended to misleadingly similar, as well as the same, domain name registrations.”); On the ICANN web site questions and answers are posted regularly concerning the future of the DNS. For example: **Q:** When will ICANN create new generic top level domains, such as .arts, .shop, .store, .news, .sex, etc.? **A:** ICANN and its constituent organizations have recently begun the process of considering whether, how, and when to add new generic top-level domains (gTLDs) to the domain name system. In recent years, a number of plans have been proposed to create new gTLDs, such as .firm, .store, .law, and .arts., and some companies have even taken orders for them. ICANN, which administers the domain name system, has not yet made a decision for or against the addition of new generic top-level domains. The ICANN process provides for the development of consensus-based policies (such as policies concerning new names) in an open, transparent and bottom-up manner in which interested individuals have an opportunity to participate and comment. There are many arguments both for and against new gTLDs: for example, those in favor argue that new gTLDs are technically easy to create, will help relieve perceived scarcities in existing name spaces, and are consistent with a general push towards consumer choice and diversity of options; those opposed point to greater possibilities for consumer confusion, the risk of increased trademark infringement, cybersquatting and cyberpiracy. ICANN, (February 15, 2000)

www.icann.org/general/faq1.htm#gtlds.

⁹⁹WIPO Final Report, *supra* note 28, Annex 6, para. 14.

- organization.¹⁰⁰ This will provide one location for interested parties to check for current information and provide consistency.¹⁰¹
2. An application is filed for the exclusion.¹⁰² Costs will be borne by the applying party.¹⁰³ This application will be posted online.¹⁰⁴
 3. A three person panel is selected from the above list of experts.¹⁰⁵ Objection to the panel selection is possible.¹⁰⁶
 4. The decision would be made within 15 days and made upon the application and the evidence presented, however a hearing may be requested.¹⁰⁷ An exclusion would be granted or denied in respect to either some or all open gTLDs and be granted indefinitely.¹⁰⁸ The exclusion granted must be identical to the famous mark but would not be retroactive,¹⁰⁹ and it is intended to be available across widespread geographical areas and across different classes of goods or services.¹¹⁰
 5. A third party with a legitimate interest may file a submission in favor of or against the

¹⁰⁰WIPO Final Report, *supra* note 28, para. 276; Annex 07, Articles 12, 13, and 14. Annex 07 contains more specific details of the entire process.

¹⁰¹WIPO Final Report, *supra* note 28, para 279(iii).

¹⁰²WIPO Final Report, *supra* note 28, Annex 07, Article 6.

¹⁰³WIPO Final Report, *supra* note 28, para. 276; Annex 07, Articles 37 - 40.

¹⁰⁴ WIPO Final Report, *supra* note 28, para. 279(i); Annex 07, Article 7 .

¹⁰⁵WIPO Final Report, *supra* not 28, para. 276; Annex 07, Articles 12, 13, and 14.

¹⁰⁶WIPO Final Report, *supra* note 28, Annex 07, Articles 15 - 21.

¹⁰⁷WIPO Final Report, *supra* note 28, Annex 07, Articles 28, 29 and 35.

¹⁰⁸WIPO Final Report, *supra* note 28, para. 276; Annex 07, Articles 32-36.

¹⁰⁹WIPO Final Report, *supra* note 28, para. 276. This retroactivity policy states that if a famous mark is already registered by a third party, that third party retains the domain name. The UDRP would have to be utilized to obtain a transfer or cancellation of the domain name in such a case.

¹¹⁰WIPO Final Report, *supra* note 28, Annex 06, para. 10.

granting of an exclusion within 15 days of the commencement.¹¹¹ The applicant will have 15 days to respond.¹¹²

6. A third party may apply for the cancellation of the exclusion in respect to any or all gTLDs through the established dispute resolution procedure. Costs will be borne by the third party.¹¹³ The applicant will have 15 days to respond.¹¹⁴
7. Finally, the benefit the mark holder receives is an evidentiary presumption in the UDRP, which shifts the burden to the respondent to justify the registration of the domain name.¹¹⁵

This system would not only apply to gTLDs but to ccTLDs, which have adopted the ICANN system.¹¹⁶

At first blush, this system appears to be a good idea. Indeed, most of the commentators approved of this system.¹¹⁷ Yet, the concern from many was that it is too broad, it seems to favor big business, and/or it will stifle the purchasing and using of domain names by individuals.¹¹⁸

¹¹¹WIPO Final Report, *supra* note 28, para. 279(ii); Annex 07, Article 11.

¹¹²WIPO Final Report, *supra* note 28, Annex 07, Article 10.

¹¹³ WIPO Final Report, *supra* note 28, para 276; Annex 07, Article 8. This allows for a review of the exclusion at any time. Presumably, the cancellation could be for a partial or in only some of the gTLDs if it is found that it is inappropriate for a particular mark holder to not hold all of the gTLDs for its mark.

¹¹⁴WIPO Final Report, *supra* note 28, Annex 07, Article 11.

¹¹⁵WIPO Final Report, *supra* note 28, para, 288-291.

¹¹⁶WIPO Final Report, *supra* note 28, Annex 06, Article 3(ii).

¹¹⁷WIPO Final Report, *supra* note 28, para. 290. *See, eg.*, WIPO RFC-3 European Union, MCI WorldCom. Most individuals however were opposed to any regulation especially on an international scale. *See, eg.*, WIPO RFC-3: ebuilders, Feb 27, 1999; cparker, Feb 28, 1999; Jana Bourne, Feb 27, 1999; Kirk Sherwood, Feb 27, 1999; Thomas Nadeau, Feb 27, 1999.

¹¹⁸Froomkin, *supra* note 82, para. 95, 96, and 99 for example. WIPO, Final Report, RFC-3: Jana Bourne, Feb 27, 1999, wfm, Feb 27, 1999; netlooser, Feb 27, 2000; office@pacific101, Feb 27, 1999. Dave Garland, Feb 27, 1999 argues that even Coke does not deserve the broad

Indeed the largest dilemma with this system is whether any mark qualifies as a globally famous mark.¹¹⁹ In this sense, WIPO may have ventured beyond the TRIPS definition of a famous mark within the relevant sector.¹²⁰ On one hand, the relevant sector could certainly be soft drink consumers worldwide if one is considering whether a mark like Coke is famous. Were this the case, Coke would be globally famous because all soft drink consumers will know of the mark.

Arguably, one could state that the proposed system only protects the holder against registration of competing domain names. Indeed, this is the very premise on which WIPO relies.¹²¹ As such the proposed system stays within the parameters set by Paris and TRIPS. Professor Froomkin argues that the exclusionary system goes “overboard” by trying to create rights which the mark holder does not normally possess.¹²² He attacks the basic notion that well-known marks receive wider protection and therefore that same system must be replicated in the DNS.¹²³ Instead the point is to create a method wherein mark holders may defend their rights cheaply and quickly because the opportunity to infringe on those rights is cheap.¹²⁴ This is

exceptions that would be allowed under this system because the word or mark is not unique, exclusive and worldwide. This argument is inapposite to the law however it is important to consider. Of the few marks contemplated as global, Coke is probably the most famous world wide.

¹¹⁹Froomkin, *supra* note 82, para. 91.

¹²⁰Under TRIPS the local authority would review the case and determine whether the mark was well-known within the relevant sector. Article 16.2.

¹²¹“The provisions of the Paris Convention and the TRIPS Agreement are directed at the protection of famous and well-known marks against the registration or use of other infringing marks. Domain names, of course, are not the same thing as marks and are used for many purposes other than the identification of a producer or seller of goods or services.” WIPO Final Report, *supra* note 28, para. 258.)

¹²²Froomkin, *supra* note 82, at para. 99.

¹²³Froomkin, *supra* note 82, at para. 99.

¹²⁴Froomkin, *supra* note 82, at para. 99.

accomplished in the UDRP alone.

Several proposals submitted during the RFC period called for quantitative evaluations such as the number of national registrations or whether the mark is recognized in 50 or more countries.¹²⁵ Others suggest that a cap be placed upon the total number given consideration under the exclusionary system.¹²⁶ This latter proposal would include WIPO creating a quantitative--limiting list.¹²⁷ The concern here is straight forward: with the finite amount of space available in the current DNS, unlimited exclusions would therefore lock up several, perhaps thousands, of uses of the DNS.¹²⁸ The Final Report outlines several criteria that is, in part, an

¹²⁵IPC Position Paper, *supra* note 81. This idea was recently revised in version 3 of the IPC=s Position Paper submitted to Working Group B on April 14th.

¹²⁶Froomkin, *supra* note 82, at para. 103-107.

¹²⁷An analysis of TRIPS and Paris does not justify a quantitative restriction. While Paris may well have considered each country=s registration, TRIPS arguably broadens that standard to include more than just a single country in its examination and does not overly emphasize single country registration. Paris 6bis(1) requires an evaluation be based upon whether the infringing mark is “...liable to create confusion, of a mark considered by the competent authority of the country registration or use to be well-known *in that country* . . .” (Emphasis added.) TRIPS can also be viewed to narrow the analysis depending upon the good or service and where it is well-known. For instance, some goods are well-known among a very select group of people, but is not well-known beyond. Of course, evidence of registration would be presented in a case under TRIPS to demonstrate where the mark has a presence. See, eg, 15 USC ' 1125(H). However, by not having the registrations in no way limits a mark which may be well-known through the media or the Internet. Froomkin, *supra* note 82, at para. 93, It is suggested here that this type of system would be manipulable and really exclude globally famous marks such as Coca-cola. In some sense an argument may be made that the TRIPS relevant sector determination transcends national borders and thus opens the door for a global mark potential. This is a very subtle change.

¹²⁸Such a limitation is impractical in the Internet medium and against the central premises outlined in the White Paper to ensure competition and expanded uses. A mark may become well-known in literally a few days or weeks. Certainly protection may be allowable despite having never received a registration in a single country. The Final Paper states such a limit “could work arbitrarily against marks which become suddenly famous . . .”and would more likely cause a flood of applications attempting to be a part of the quota before it closed. WIPO Final Report, *supra* note, 28, at para. 269. This is true since an arbitrary limit now, would foreclose generations

attempt to answer this concern, but finally concludes that a quota system is unworkable.¹²⁹ Now, in very recent developments, a tenuous consensus has been reached that a list of famous marks is unnecessary.¹³⁰

The most current proposal ties the gTLD expansion of 10 new gTLDs directly to a sunrise exemption for famous and typical marks.¹³¹ As noted earlier, ICANN has commissioned large committees to study various proposals that furnish recommendations. Working Group B; submitted their proposal to the DNSO of ICANN on April 17, 2000 and posted the report on-line for public comment until May 10, 2000.¹³²

This sunrise proposal basically will allow for pre-registration for all trademarks in select commercial gTLDs before these same gTLDs will be open generally.¹³³ For instance, a company like Nike will be able to pre-register Nike.shop, but not Nike.banc since the “.banc” suffix will be limited to financial institutions only. There will be limits on the number of variations allowable under this sunrise feature: from between 5 and 20.¹³⁴ In addition, this sunrise period would last

of domain names at least until technology allowed a different system.

¹²⁹ See e.g., WIPO Final Report, *supra* note 28, para 29; Annex 06 , para. 12.

Geographical concerns are addressed in the criteria by adding where the mark is promoted, where it is used, where it is registered, and where it has been enforced.

¹³⁰ ICANN: Working Group B Report, (April 17, 2000) < <http://www.icann.org/>> (hereinafter Working Group B Report). Indeed as I conclude above, this the right result.

¹³¹ Working Group B Report, *supra* note 130. This paper also summarizes the findings of ten other papers.

¹³² Working Group B Report, *supra* note 130.

¹³³ Working Group B Report, *supra* note 130. The reason this latest proposal has found some consensus is that (1) it does not favor a list which might be outside ICANN=s mandate; (2) it provides protection for all trademark owners; (3) it protects noncommercial uses of domain names or marks through these limits; (4) it protects registrars from law suit for failure to protect trademark names from registration.

¹³⁴ Working Group B Report, *supra* note 130.

for as little as 30 days.¹³⁵ Prior to pre-registration, a total of 90 days notice to the general public will be provided to prepare for the new gTLDs.¹³⁶ This proposal is not without its critics. The arguments include that small businesses will be hurt by the short sunrise period and the costs of registering the additional names will be prohibitive.¹³⁷ In addition, the legal landscape has changed since the Final Report with the new Anticybersquatting Consumer Protection Act (ACPA) and the UDRP allowing adequate protection for mark holders.¹³⁸

These new proposals mark a swift exit away from the Final Report proposals and the October 1999 vote that indicated a 71% favored a mechanism to protect famous marks.¹³⁹ Still the Working Groups are seeking advice as to whether additional protection is necessary.¹⁴⁰ As such, I am unconvinced that a positive vote on this latest round of proposals will occur in Japan this July.¹⁴¹

¹³⁵Working Group B Report, *supra* note 130.

¹³⁶Working Group B Report, *supra* note 130, Attachment #1. IPC Position Paper, version 3, summary, *supra* note 81.

¹³⁷Working Group B Report, *supra* note 130, Attachment #2. This is letter from the US Small Business Administration, April 14, 2000.

¹³⁸Working Group B Report, *supra* note 130, Attachment #2. This premise will be reviewed hereafter. The typical argument that these provisions have no basis in law or technology was again raised. The problem with this kind of argument is that there is very little law now governing the DNS. And it is a new innovation. Besides this fact, these are proposals which are breaking new ground beyond established legal norms. See, Attachment #3.

¹³⁹Working Group B Report, *supra* note 130. The participants voted 30 to 12 in favor of some mechanism within the DNS.

¹⁴⁰Working Group B Report, *supra* note 130.

¹⁴¹*See*, ICANN website for more information of the Yokohama Meetings, *supra* note 11. So far we await the November 1 deadline and the subsequent announcement as to the final outcome of the meetings held in Japan.

PART II

A. CURRENT LEGAL PROTECTION OF WELL-KNOWN MARKS

In this section, I will examine the current law concerning well-known or famous marks as compared to the proposed systems. The legal process, in combination with the UDRP, at least in the U.S., is sufficient to protect famous marks in the current DNS. However, under the current proposals there is some doubt.¹⁴² What follows then, is an analysis for determining a famous mark, and its subsequent forms of protection.

The first step in the analysis is to accept the premise that domain names in general require some level of trademark protection.¹⁴³ The DNS was not established with trademark laws in mind.¹⁴⁴ However, the subsequent commercial use of the DNS, and the ease with which non-mark holders obtain domain names, together created a need for some level of trademark protection.¹⁴⁵ On the one hand, they serve a useful purpose by designating where information is to be sent. On the other hand, they often indicate origin, and the public views them as trademarks.”¹⁴⁶

¹⁴²Working Group B Report, *supra* note 130, Attachment #3, argues instead that the law does not provide for pre-emptive rights which the exclusionary system or the sunrise system will. While this may be generally true it can be argued that under Paris 6bis, famous marks are allowed the ability to prevent registration of an identical mark in addition to cancellation of the existing competing mark.

¹⁴³I believe a continued debate here slows the process down. Adequate precedent now demonstrates that protection is acceptable under the law. *See e.g., Sportys, supra* note 1, at 493.

¹⁴⁴ Mitchell, *supra* note 21, at 173, and focus on fn 78.

¹⁴⁵*Sportys, supra* note 1, at 493.

¹⁴⁶ Marshall Leaffer, *Domain Names, Globalization and Internet Governance*, 6 IND. J. GLOBAL LEGAL STUDIES 139, 145 (hereinafter Leaffer). Mitchell agrees: “However, while it may be true that the Internet was not designed with the application of trademark law in mind, the reality is that the Internet has become not only a way of transacting business in the modern world, but also the basis of an entire industry. . . . Were intellectual property rights to go unprotected, conduct like that of The Princeton Review, for instance, would go unchecked. The Princeton Review registered “kaplan.com” B Stanley Kaplan Education Center being its main

Once this premise is understood, the idea of famous marks requiring greater protection must be examined in greater detail. Certainly, as WIPO premised, the international treaties, Paris 6bis¹⁴⁷ and TRIPS Article 16¹⁴⁸, provide superior treatment for famous or well-known marks as compared to typical marks.¹⁴⁹ Yet under both treaties, the definition of what is famous is left to competent local authority.¹⁵⁰ As is often the case, these authorities devise a list of factors that should be considered.

In 1995, Congress enacted the Federal Trademark Dilution Act (FTDA) which created a list of

competitor and use a web site at the location to compare the review courses of the two competitors.” Mitchell, *supra* note 21, at 173-74. See also, Panavision, *supra* note 54. See also, G. Peter Albert, *Right on the Mark: Defining the Nexus Between Trademarks and Internet Domain Names*, 15 MARSHALL J. COMPUTER & INFO L, 277, 28-86. This is an excellent analysis where the address is compared to phone numbers and 1-800 numbers case law.

¹⁴⁷Paris Convention for the Protection of Industrial Property as revised July 2, 1967 (Paris). Paris Article 6bis: (1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, or a mark considered by the component authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith. Paragraph (2) allows a cancellation period for at least five years by a third party. 157 Countries have adopted this convention.

¹⁴⁸Trade-Related Aspects of Intellectual Property Rights (TRIPS) The most relevant phrases include: “(2) ... In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.” (3) ... adds to Paris 6bis that it shall apply to “goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.” 135 Countries have adopted this convention.

¹⁴⁹Paris is incorporated into TRIPS Article 16 so that the principles therein are carried forward with the new law. It is important to note that domain names are not considered in either treaty.

¹⁵⁰Paris 6bis (1) *supra* note 147. WIPO does not explicitly consider the North American Free Trade Agreement (NAFTA), however NAFTA considers the same premise. North American Free Trade Agreement (NAFTA),

factors which the Courts may use to determine whether a particular mark is famous. These factors are as follows:

- (A) the degree of inherent or acquired distinctiveness of the mark;
- (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
- (C) the duration and extent of advertising and publicity of the mark;
- (D) the geographical extent of the trading area in which the mark is used;
- (E) the channels of trade for the goods or services with which the mark is used;
- (F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought;
- (G) the nature and extent of use of the same or similar marks by third parties; and
- (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principle register.¹⁵¹

The U.S. Courts have subsequently used this section to determine whether the definition of famous may apply to the cases at bar. For example, in a very recent case, *Times Mirror Magazines v. Las Vegas Sports News*, the Third Circuit held that the mark, "The Sporting News," qualified as a famous mark in the sports news niche, but was not necessarily famous to the general public.¹⁵² The Sporting News acquired fame, fulfilling many of the criteria, by being in use since 1886, spending millions on advertising in the media and acquiring a regular circulation in both the U.S. and Canada of over 540,000.¹⁵³ In an earlier case, where a domain name *clue.com* was at the center of the case,

¹⁵¹15 USC § 1125(c)(1). This is under the Federal Trademark Dilution Act (FTDA)

¹⁵²2000 US App Lexis 8553, (3d Cir. May 3, 2000)(herein after *Times Mirror Magazines*). The concept of niche market fame is similar to the TRIPS relevant sector test. However, the test is insufficient if the competing marks are in different markets. That test must be the general public test.

¹⁵³*Times Warner Magazines, supra note, 152.*

the Court found that “clue” was not distinctive enough to warrant famous mark protection.¹⁵⁴ Again Hasbro seemed to have met all of the criteria by possessing a 1950 registration and by spending millions of dollars in advertising. However, since “clue” is a common word and Clue Computing had registered their domain name based upon the common meaning of the word clue, “clue” is not distinctive and therefore not famous.¹⁵⁵ In another case, the mark met the distinctiveness prong, but was not famous.¹⁵⁶ Distinctiveness requires acquired secondary meaning, which was accomplished in this case through registration of the mark.¹⁵⁷ Yet, simply marketing the product worldwide was insufficient to establish consumer recognition that Avery Dennison is a business products company.¹⁵⁸ Hence, a determination under the FTDA is a difficult and complicated one, and one where the mark holder is not assured of a favorable outcome.

Subsequent to the FTDA and through several years of consultations, research, meetings and comments from the International Community, the World Intellectual Property Organizations Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (WIPO SCT) has developed a non-exhaustive list of factors, similar to the U.S. list, to consider whether a mark in a given country would qualify for protection.¹⁵⁹ The following factors constitute the non-exhaustive list that the panel is expected to consider:

¹⁵⁴Hasbro v. Clue Computing, 66 F.Supp. 2d 117 (Sept 2, 1999) (hereinafter Hasbro).

¹⁵⁵Hasbro, *supra* note 155, at 128-132. Clue computer has registered the domain name in 1994 shortly after beginning their computing business with the same name. Hasbro attempted to register the domain name “clue.com” in 1996, which precipitated this action.

¹⁵⁶Avery Dennison v. Jerry Sumpton, 189 F.3d 868 (9th Cir August 23, 1999)

¹⁵⁷Dennison, *supra* note 156, at 878

¹⁵⁸Dennison, *supra* note 156, at 879. The problem here is that the consumer surveys were flawed and thus discounted by the court. It may have been had Dennison submitted adequate surveys, they would have met their burden.

¹⁵⁹WIPO Final Report, *supra* note 28, Annex 06.

1. The degree of knowledge or recognition of the mark in the relevant sector of the public; 2. The duration, extent and geographical area of any use of the mark; 3. The duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies; 4. The duration and geographical area of any registrations, and/or applications for registration, of the mark, to the extent that they reflect use or recognition of the mark; 5. The record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by courts or other competent authorities; and 6. The value associated with the mark.¹⁶⁰

This list was adopted by WIPO in the Final Paper as an appropriate list of factors to determine whether a mark can be considered famous and thus qualify for an exclusion. The RFC process solicited several comments that the list may not directly apply to the DNS and therefore, WIPO suggested one more criterion which has a more direct application to the DNS:

7. evidence of the mark being the subject of attempts by non-authorized third parties to register the same or misleadingly similar

¹⁶⁰ WIPO Final Report, *supra* note 28, Annex 06, para. 12; *See also*, IPC Position Paper, *supra* note 81, at 2. “WIPO SCT, through its lengthy research involving a significant number of experts from both governments and private sector, expended an enormous amount of time and resources to develop these criteria during a series of meetings over four years. They were the presented, in the form of a resolution, at a conference in September, 1999 before the Assemblies of the WIPO and of the Paris Union, and then adopted by a consensus of both.”

names as domain names.¹⁶¹

Notice the similarity to the definition of cybersquatter in this final addition.¹⁶² The IPC comments on the latter factor as follows: “[w]hile not necessarily the linchpin on what constitutes a famous mark, evidence demonstrating that a number of cybersquatters have registered domain names which comprise, or are substantially similar to, a famous mark with the expectation of deriving an economic benefit from the owner of such mark certainly can be attributed to the fame or perceived fame of the mark.”¹⁶³ WIPO made this determination, yet no such provision is allowed under FTDA and in fact there has been some confusion as to whether the FTDA would even apply to the DNS.

Within the DNS it is necessary to provide some level of definition so that a consistent application will be possible if this proposal is adopted. Therefore, ICANN, or the body appointed to make the determinations, would necessarily become the competent local authority to weigh these factors. It is important that this determination is not intended to have precedential value in the courts or otherwise.¹⁶⁴ Still there is a real question whether a panel is qualified to take evidence and make

¹⁶¹ WIPO Final Report, *supra* note 28, Annex 06, para. 12 ; IPC Position Paper, *supra* note 81, at 2.

¹⁶²It should also be noted that attempts to register the mark do not necessarily indicate a famous mark however. It may simply indicate its commonality which may not be a famous mark B like a person ' s name.

¹⁶³ IPC Position Paper, *supra* note 81, at 2. This evidence may be somewhat circular and not necessarily apply to all domain names that may be considered famous marks. For instance, it is likely that there are a few marks for which no one has attempted to register. In addition how would this proof be accumulated? Will the registrars keep a record of all applications by third persons of well-known marks as domain names? The registrar would have to notify the domain holder of every attempt to register. The system does not necessarily currently provide this service. However, once the mark is granted the exclusion under this proposed system such a tickle system could and should be established.

¹⁶⁴WIPO Final Report, *supra* note 28, para. 281.

that determination appropriately.¹⁶⁵

The complete analysis steps under the FTDA are as follows: (1) famousness, (2) commercial use and (3) dilution. Once the initial difficult burden of famousness is met, the next step is to determine whether the competing mark has been used for commercial purposes. Mere registration of the domain name does not qualify as a commercial use has been well established.¹⁶⁶ However where the domain name holder attempts to sell the name to the mark holder, this is sufficient evidence of commercial use.¹⁶⁷ Yet use of the domain name for e-mail purposes only does not qualify as a commercial use.¹⁶⁸

Dilution is defined as 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.”¹⁶⁹ Two theories have developed for dilution: (1) blurring and (2) tarnishment.¹⁷⁰ *Panavision* broke ground on the former by finding that Toeppens registration of the domain name lessened the capacity of consumers to locate the correct web site if they are looking for a particular company, either by using the search engine method or by simply typing the name plus the gTLD designation “.com”.¹⁷¹ The second theory requires that there be a danger that consumers will form unfavorable

¹⁶⁵The panel members will not necessarily be attorneys or judges with expertise in weighing these kinds of factors. See, WIPO Final Paper, *supra* note 28, Annex 07, at para. Articles 12-15.

¹⁶⁶See, *Panavision*, *supra* note 54, at 1303.

¹⁶⁷See, *Panavision*, *supra* note 54, at 1303. Toeppen wrote a letter to *Panavision* requesting \$13,000.

¹⁶⁸*Avery Dennison*, *supra* note 156, at 880.

¹⁶⁹*Panavision*, *supra* note 54, at 1304.

¹⁷⁰*Avery Dennison*, *supra* note 156, at 880.

¹⁷¹*Panavision*, *supra* note 54, at 1304-05. This is also found to dilute the mark when consumers must wade through numerous sites to locate the correct one.

associations with the mark because of the use by the domain name holder.¹⁷² In either case, specific use of the site will have to be proven.

Overall, it has been argued that the FTDA has proven inadequate to fight cybersquatting, and therefore the Anticybersquatting Consumer Protection Act (ACPA) was passed in November 1999. Congress found that: While the [FTDA] has been useful in pursuing cybersquatters, cybersquatters have become increasingly sophisticated as the case law has developed and now take the necessary precautions to insulate themselves from liability. For example, many cybersquatters are now careful to no longer offer the domain name for sale in any manner that could implicate liability under existing trademark dilution case law. And, in cases of warehousing and trafficking in domain names, courts have sometimes declined to provide assistance to trademark holders, leaving them without adequate and effective judicial remedies. This uncertainty as to the trademark law's application to the Internet has produced inconsistent judicial decisions and created extensive monitoring obligations, unnecessary legal costs, and uncertainty for consumers and trademark owners alike.¹⁷³

The ACPA provides the necessary bridge to link the FTDA and trademark law to the DNS by easing the standard. The test now is (1) famous or distinctive, (2) identical or confusingly similar and (3) bad faith intent to profit.¹⁷⁴ The likelihood of confusion standard seems to be partially restored as a possible avenue of protection under this easier test. In addition, the remedies available to trademark

¹⁷²Avery Dennison, *supra* note 156, at 881.

¹⁷³S Rep. No. 106-140, at 7. *See also*, Sportys, *supra* note 1, at 495.

¹⁷⁴Shield v. Zuccarini, 89 F.Supp 2d 634 (March 22, 2000). This was a dispute of domain names which varied from the original mark of Joe Cartoon. The owner of the mark had registered the domain name joecartoon.com in 1997. The defendant, however, registered 5 variations of the mark such as joescartoon.com and ran advertising from these sites for pornography. He profited for each mouse click on his sites. The mark holder was victorious in this case under ACPA very quickly. The defendant began use of the sites in November 1999.

holders were expanded to include more than injunctions, but also cancellation, forfeiture, or transfer of the domain name.¹⁷⁵ These remedies were unavailable when WIPO issued its Final Report in March 1999. Jurisdiction was also ensured under this new act. The jurisdiction was given to the Federal District Court in which the registrar is located if personal jurisdiction otherwise cannot be obtained.¹⁷⁶ Thus, both personal and subject matter jurisdiction has been extended to most of the cyber-world under this provision.¹⁷⁷ These provisions certainly change the legal landscape since at least these remedies are more compatible with the needs of the mark holders.

The United States courts have begun to review this law and move towards solidifying the legal landscape. The ACPA was first reviewed by the U.S. Second Circuit in a case called *Sportys Farm v. Sportsmans Market*.¹⁷⁸ The plaintiffs owned an aviation consumer catalog business, which was well-known to very specific consumers including the defendants. The plaintiffs spent around \$10 million per year in advertising its *Sportys* mark. The defendants filed for and received *sportys.com* with the original intent to start a competing business. However, shortly after acquiring this domain name, the defendants sold the name to a wholly-owned subsidiary, which was to begin marketing Christmas trees. This name transfer was under suspicious circumstances. The name was said to be closely connected to the name of a dog.¹⁷⁹

The Federal District Court originally ruled that under the FTDA, *Sportys* was a famous mark

¹⁷⁵15 USC § 1125(d)(1)(C).

¹⁷⁶15 USC § 1125(d)(2)(A)-(C)

¹⁷⁷NSI is located in the North District of Virginia manages more than 70% of the domain name registry. Therefore jurisdiction is likely here. Forman, *supra* note 12.

¹⁷⁸*Sportys*, *supra* note 1.

¹⁷⁹*Sportys*, *supra* note 1, at 493-494.

in the relevant sector of aviator consumer products.¹⁸⁰ It is important to note that this mark is unlikely to be famous in other markets. However, this determination was unimportant under the new Act, because the test is now either famous or distinctive.¹⁸¹ The Court determined that this latter standard was met regardless of fame. Therefore, the remedies are available on a determination of identical and confusingly similar standards. Despite the fact that the mark had an apostrophe and the domain name did not, it was found to be confusingly similar.¹⁸² Finally, under the last prong, “bad faith intent to profit” was examined with the relevant non-exhaustive factors. Bad faith was found in the intent to enter into direct competition with Sportys. The Court upheld a transfer of the name to Sportsmans.¹⁸³

With the new ACPA, the legal landscape in the U.S. has certainly improved protection of mark holders and closed many of the gaps which cybersquatters were using. This protection should even extend comfortably into the new expanded gTLDs since the principles of protection would be the same.

B. THE UDRP SYSTEM

Under the current DNS system many companies were caught “name-napping” by allowing individuals, competitors or organizations to register their marks as domain names. This is especially true for famous or well-known marks of multinational corporations (MNCs) such as Nike, Twentieth

¹⁸⁰Sportys, *supra* note 1, at 492.

¹⁸¹Sportys, *supra* note 1, at 496.

¹⁸²Sportys, *supra* note 1, at 498.

¹⁸³The following cases have cited to and followed Sportys for example: *Shield v. Zuccarine*, 89 F.Supp. 2d 634, (E D. Penn. March 22, 2000)(*see supra* note 167); *OBH v. Spotlight Magazine*, 86 F.Supp 2d 176 (W.D. NY, February 28, 2000); *Speer, Leeds & Kellogg v. Rosado*, 2000 US Dist Ct Lexis 3732 (S.D. NY, March 24, 2000); *AV by Versace v. Gianni Versace*, 87 F.Supp. 2d 281 (S.D. NY 2000).

Century Fox, Time Warner, Bell Atlantic, AT&T, Sony, and Nabisco, who have all encountered cybersquatters on their marks.¹⁸⁴ Through a series of discussions and initiatives, an on-line arbitration dispute mechanism, called the Uniform Dispute Resolution Process or UDRP, was created to allow these and all trademark holders to seek relief from cybersquatters.¹⁸⁵ A brief examination of this process is helpful to understand the arguments here.

Beginning on December 2, 1999, mark holders were able to file an action to oust cybersquatters in the UDRP. The criteria used for a proper petition include (1) whether the person has registered a domain name that is confusingly similar, (2) whether the person who registered the name has no rights in the mark, and (3) whether the person registered the mark in bad faith. The benefits of this system is that it is quick, inexpensive, and it's on-line. The complainant may also choose from three different arbitral centers, with more sure to follow.¹⁸⁶ The procedures total time is expected to last no more than 45 days from the date the complaint is filed.¹⁸⁷ The cost is levied per domain name, but can be as low as \$1000.¹⁸⁸ The entire process is conducted on-line; from the commencement of the filing the complaint, to the response, and finally the decision. A real drawback with the current system is that the losing party does not have a direct appeal within the DNS, but must turn to a court. A complaint must be filed in court and a copy returned to ICANN

¹⁸⁴IPC Position Paper, *supra* note 81, at 1.

¹⁸⁵UDRP, *supra* note 13.

¹⁸⁶WIPO Arbitration and Mediation Center <<http://arbiter.wipo.int/domains>>, eResolution <<http://www.eresolution.ca/services/dnd>> and National Arbitration Forum <<http://arbforum.com/domains/>>.

¹⁸⁷UDRP, *supra* note 13.

¹⁸⁸At WIPO the fees schedule is set out at <<http://arbiter.wipo.int/domains/fees/index/html>>. For those filing complaints with 5 or less, the fee is \$1000. For those filing 6 to 10, the fee is \$1500. Over 10 is left to WIPO to decide.

within 10 days of the arbitral decision to prevent ICANN from transferring the domain name.¹⁸⁹ In addition, by contract the domain name holder must submit to the process and prove that the domain name does not infringe upon another's rights.¹⁹⁰ By implication, this forecloses a respondent from requesting removal to a court until the process is completed.¹⁹¹

On January 14, 2000, WIPO and ICANN announced the landmark decision resolving the domain name dispute.¹⁹² *World Wrestling Federation Entertainment v. Bosman*¹⁹³ was decided in favor of the WWF returning the domain name *worldwrestlingfederation.com* to the WWF. Since December 2, 1999, 691 cases have been filed concerning 1022 domain name cases.¹⁹⁴ Of these cases, 319 have been resolved with 246 in favor of transferring or cancellation of the mark, while 70 cases were decided in favor of the respondent.¹⁹⁵

The UDRP panelists examine the cases on a three part test, similar to the ACPA test, as follows: (1) identical or confusingly similar to a trademark; (2) respondent has no legitimate interest in the mark; and (3) the respondent has registered the mark in bad faith. In a recent case, a famous mark,

¹⁸⁹UDRP, *supra* note 13, para. 4(k). Under ACPA, the party wishing to appeal should probably file in the US Federal District Court of Northern Virginia since this is situs for NSI the largest registrar. Both personal and subject matter jurisdiction is now most likely there. That is if the domain name is registered with NSI which over 70% are. See, 15 USC ' 1125(d)(2)(A-C).

¹⁹⁰UDRP, *supra* note 13, para. 4 and 2.

¹⁹¹I am not aware of a case as of yet where a respondent applied to have the case removed to a court before the decision was made. It is not explicitly available under the current system.

¹⁹²*Cybersquatters Lose Out*, Reuters, (February 23, 2000)

<http://www.cnnfn.com/2000/02/23/asia/wires/un_net_wg/>

¹⁹³*World Wrestling Federation Entertainment v. Bosman*, D99-0001, WIPO Arbitration and Mediation Center, January 14, 2000 (hereinafter WWF).

¹⁹⁴UDRP Proceedings Statistical Summary, <<http://www.icann.org/udrp/proceeding-stat.htm>> This site is updated regularly. These numbers are from May 12, 2000.

¹⁹⁵UDRP Statistics, *supra* note 194. Note that 238 received transfer and 8 received cancellation.

Nike, pursued a cybersquatter who had registered enike.com and e-nike.com.¹⁹⁶ Nike demonstrated that it possessed a U.S. registration of the mark since 1981, and that on its current web sites it registers as many as 80,000 hits per day. The respondent registered the domain name in 1998 in order to sell Indian music.¹⁹⁷ However, the panel found in favor of Nike. The “e” was insignificant enough to distinguish the mark and was thus confusingly similar. In addition, despite his stated purpose, the respondent did not have a legitimate interest in the mark; the word Nike refers to a Greek god and has nothing to do with Indian culture. Lastly, the respondent offered to sell the domain to Nike for 5,000 shares of stock or a value of \$150,000. The panel transferred the mark to Nike.¹⁹⁸ This all occurred in thirty days from the date Nike filed the complaint. This is the quick and cheap method which Professor Froomkin indicated trademark holders sought. This remedy is available to all marks and is especially effective for famous marks.¹⁹⁹

However, one company has lost in this process despite being arguably famous. Gateway, the U.S. computer company, sought transfer of gate-way.com from a Canadian company named Pixelera.²⁰⁰ Gateway owns several domain names which are variations of its name, however, Pixelera registered this variation prior to Gateway registering any. The panel found that the names were confusingly similar under the first prong, but found that the respondent registered the name with a

¹⁹⁶*Nike v. Farrukhzia*, WIPO D2000-0167 (April 27, 2000), <<http://arbiter.wipo.int/domains/decisions/html/d2000-0167.html>> It is interesting to note that the panel found that Nike was a famous mark, although it did not have.

¹⁹⁷Nike, *supra* note 196. The respondent owns several other sites for that purpose.

¹⁹⁸Nike, *supra* note 196.

¹⁹⁹In an analysis of the cases decided, most of those trademarks which are probably famous like Nike have been decided in favor of the famous mark holder.

²⁰⁰Gateway v. Pixelera, WIPO D2000-0109 (April 6, 2000), available at <<http://arbiter.wipo.int/domains/decisions/html/d2000-0109.html>>

legitimate interest. First, the company's original name was Gateway Media, but it had only recently changed the name to Pixelera. Secondly, the word gateway is descriptive and the registration reflected the descriptive use. Despite an offer to sell the domain name for \$75,000, the panel refused to order a transfer.²⁰¹ This is the right result and ACPA would likely agree under the "bad faith intent to profit" prong. Certainly remedies are available for aggrieved mark holders in either the UDRP or U.S. Courts that protect their rights. And these results appear fair, for the most part, to all parties involved.

²⁰¹Gateway, *supra* note, 200.

CONCLUSION

The DNS and trademarks have clashed and the complete story is yet to be written. However, the search for adequate remedies against cybersquatting has finally found strong relief in the UDRP and ACPA. As has been argued, the need to curb cybersquatters through quick and inexpensive means is certainly being met in the UDRP. While filing an action in Federal Court is not inexpensive, the outcome is more sure than under trademark prior to the ACPA, since the burden has eased to allow a choice between famousness and distinctiveness of the mark. As to the quest for extra protection for famous or well-known marks, these two forums are sufficient in light of the new proposals which ICANN considered in Japan in July. Certainly Chapter 4 of the Final Report has been influential in this process and the final product which ICANN will produce, while it may have drawn from the WIPO proposals, will not likely include increased relief for famous marks. Nor should it.