

1-1-2001

The Cyberpiracy Prevention Act: Reconciling Real Space Sectoral and Geographical Distinctions in the Use of Internet Domain Names Under the Lanham Act

Stuart A. Weinstein

Follow this and additional works at: <http://repository.law.miami.edu/umblr>



Part of the [Internet Law Commons](#)

Recommended Citation

Stuart A. Weinstein, *The Cyberpiracy Prevention Act: Reconciling Real Space Sectoral and Geographical Distinctions in the Use of Internet Domain Names Under the Lanham Act*, 9 U. Miami Bus. L. Rev. 145 (2014)
Available at: <http://repository.law.miami.edu/umblr/vol9/iss1/6>

THE CYBERPIRACY PREVENTION ACT: RECONCILING REAL SPACE SECTORAL AND GEOGRAPHIC DISTINCTIONS IN THE USE OF INTERNET DOMAIN NAMES UNDER THE LANHAM ACT

STUART A. WEINSTEIN*

I.	INTRODUCTION	145
II.	THE INTERNET AND THE DOMAIN NAME SYSTEM	147
	A. <i>A Primer on the Internet and the Domain Name System</i>	147
	B. <i>Commercial Importance of the Domain Name System</i>	149
	C. <i>Current Organizational Domain Name Dispute Policies</i>	151
III.	AN INTRODUCTION TO THE LANHAM TRADEMARK ACT	153
	A. <i>"In-Commerce" and the Basics of Protection</i>	155
	B. <i>Real-Space: Geographical Differences in Similar or Identical Names</i>	156
	C. <i>Real-Space: Sectoral Distinctions in Similar or Identical Names</i>	158
IV.	SHORTCOMINGS IN I.C.A.N.N. AND N.S.I. DISPUTE POLICIES	159
	A. <i>Troubling Scenarios: Registration Versus Use "In-Commerce"</i>	159
	B. <i>Troubling Solutions: Broadened Rights and Narrowed Protections</i>	160
V.	RESOLVING CONFLICTS UNDER THE CYBERPIRACY PREVENTION ACT	163
	A. <i>A Closer Look at the Cyberpiracy Prevention Act: It isn't Only a Replacement of Remedies</i>	163
	B. <i>The Domain Name System: The Beginning of Structural Change?</i>	165
VI.	CONCLUSION	166

I. INTRODUCTION

The global communications and information network we know as the Internet provides, among other things, a perpetual storefront for the

* J.D. Candidate, University of Miami School of Law, May 2001; B.S. Business Administration, University of Central Florida, 1997. The author is employed at Heinrich, Gordon, Hargrove, Weihe & James, in Fort Lauderdale, Florida. The author would like to note what while the original draft of this article was completed in 1998, as with all internet-related works, this comment is a work in progress.

distribution of products, services, and information. Further, the Internet provides companies, both small and large, a cost-effective way to reach new and existing customers. However, in the effort to reach more and more Internet consumers, organizations have been battling over the use of domain names, the human-friendly equivalent of Internet Protocol Addresses that permit easy navigation across the expanse of the Internet.¹ Many significant conflicts center on the use of domain names that mirror a company's trademarked name, said another way- where a domain name has been registered either purposely or accidentally that is identical or confusingly similar to an existing trademark.² Early disputes over allegations of trademark infringement in domain names were settled through non-judicial avenues, such as payment of a ransom to release the domain name, or through arbitration as mandated by the dispute policies of the organizations responsible for domain registration. However, a central issue continued to trouble the Internet community, the courts, and most importantly, those claiming protection of their marks: were unregistered trademarks entitled to the same protection in cyberspace as they are afforded in real-space under the Lanham Trade-Mark Act?³

This comment will seek to address this issue in the context of the Cyberpiracy Prevention Act, which amends §43(a) of the Lanham Act to expressly apply civil liability to an entity that, with bad faith, intentionally registers a domain name that is considered the protected trademark of another.⁴ More specifically, this Comment will compare the scope of protection afforded to trademarks in real-space to that of trademarks in cyberspace, under the new amendment to the Lanham Act. Part II will introduce the structure of the Internet and the function of domain name registration. This part will also provide an overview of organizational domain name dispute policies. Part III gives a primer on federal trademark law and the scope of protection afforded to trademarks in real-space, discussing the geographic and sectoral distinctions of similar and identical marks. Part IV will analyze how organizational trademark dispute policies expand the real-space trademark rights afforded to domain name registrants,

¹ See World Intellectual Property Organization, *Final Report of the WIPO Internet Domain Name Process*, at <http://wipo2.wipo.int/process1/report/finalreport.html> (last visited Jan. 8, 2001).

² See e.g., *Panavision v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998). Dennis Toeppen remains infamous for his foresight- before the ".com" registration surge, Toeppen registered such names as "panavision.com," "aircanada.com," "deltaairlines.com," "eddiebauer.com," and "neiman-marcus.com," which has spawned several lawsuits.

³ See 15 U.S.C. §§1051 - 1127 (1997); see also *Data Concepts, Inc. v. Digital Consulting, Inc.*, 150 F.3d 620 (6th Cir. 1998) (extending protection to unregistered trademarks); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 780 (1992) (broadening the Lanham Act protection).

⁴ See S. 1255, 106th Cong. (1999) (Amendment).

and narrow the rights afforded to certain real-space trademark holders. This Part will also address new developments in the use of trademarks and metatags, and the relationship of this technology to the domain policies in effect. Part V introduces the Trademark Cyberpiracy Prevention Act, exploring the new scope of cyberspace protection given to trademark holders under the Act. This Part will identify key limitations in the ability for the legislation to have its full effect. This Part concludes by showing that enforcement of the Act may predicate structural changes in the existing domain name system necessary to reflect the geographic and sectoral distinctions of real-space, protected trademarks.

II. THE INTERNET AND THE DOMAIN NAME SYSTEM

A. *A Primer on the Internet and Domain Name Authority*

In 1969, the United States Government began funding a project to develop packet switching technology and communications networks, starting with the "ARPANET" network established by the Department of Defense's Advanced Research Projects Agency (D.A.R.P.A.).⁵ The ARPANET was the original network in what we know today as the Internet.⁶ The modern form of the Internet is a "giant network which interconnects innumerable smaller groups of linked computer networks."⁷ It is impossible to say at any moment how large the Internet is, specifically, how many computers are "connected" to the giant network. However, a recent estimate placed the number at almost 250 million.⁸

Every computer and document on the Internet has an Internet Protocol (I.P.) number, or "address." Originally, the addresses were uniquely assigned to documents by the Internet Assigned Numbers Authority

⁵ See Management of Internet Names and Addresses, 63 Fed. Reg. 31741-01, at 31741 (June 10, 1998).

⁶ See *id.*; see also *ACLU v. Reno*, 929 F. Supp. 824, 831 (E.D. Pa. 1996).

⁷ *ACLU*, 929 F. Supp. at 830.

⁸ See *Who's Online?* at <http://www.internetstats.com/whosonline.php3> (last visited Jan. 8, 2001) (on file in Law Review office). As of January, 2001, there were 25,675,581 web-sites, 1 billion web pages, and 407.1 million world-wide Internet users. Further, there were 33,942,107 domains registered worldwide. See *id.* It bears emphasis that the number of computers connected to the Internet is the total using all forms of communication accessible on the network. The most common methods of communication on the Internet can be grouped into six categories: (1) one-to-one messaging, such as e-mail, (2) one-to-many messaging, such as list-serves, (3) distributed message databases, such as electronic bulletin boards and USENET newsgroups, (4) real time communications, such as Internet Relay Chat, (5) real time remote computer utilization, such as "Telnet," and (6) remote information retrieval, which is most popular in the form of the "World Wide Web." See *ACLU*, 929 F. Supp. at 832.

(IANA).⁹ The development of a Domain Name System (DNS) was the necessary result of the rapid expansion of the Internet, especially for commercial uses.¹⁰ In 1992, the National Science Foundation (NSF), who had assumed responsibility for coordinating the management of the non-military portion of the Internet,¹¹ contracted out the domain name registration and maintenance services, DNS, to Network Solutions, Inc. (NSI).¹² NSI maintains its monopoly by holding onto the "A" root server¹³ and its registry of generic top-level domains (gTLDs).¹⁴ A small set of gTLDs denote the intended function of that domain, for example the ".com" gTLD was established for commercial users, ".net" was established for network service providers, and ".org" for non-profit organizations.¹⁵ NSI's most recent policy is to distribute gTLDs on a first come, first serve basis,¹⁶ subject to certain showings by the registrant.¹⁷ The technical constraints of

⁹ Dr. John Postel, a graduate student at the University of California at Los Angeles, undertook the maintenance of a list of host names and addresses, essentially containing research information compiled by DARPA. Dr. Postel moved to the Information Sciences Institute at the University of Southern California, and continued to maintain the administrative aspects of the address lists under a contract with DARPA. Eventually, the collective functions of assigning addresses and developing protocols for the ARPANET were congregated in the I.A.N.A. See *Management of Internet Names and Addresses*, 63 Fed. Reg. at 31,741-42.

¹⁰ See *Management of Internet Names and Addresses*, 63 Fed. Reg. at 31,742; see also Scientific and Advanced Technology Act of 1992; Pub. L. No. 102 - 476 § 4(9), 106 Stat. 2297, 2300 (codified at 42 U.S.C. § 1862 (a)). More specifically, "commercial use" includes business-to-business and business-to-consumer applications.

¹¹ See *Management of Internet Names and Addresses*, 63 Fed. Reg. at 31,742.

¹² See *id.* Originally, this entailed distributing generic top level domains (gTLDs) and maintaining a directory linking domain names with the Internet Protocol (IP) numbers of domain name servers. Also in 1992, Congress gave NSF statutory authority to allow commercial activity in the NSFNET. The resulting product was the association with commercial network service providers that is the Internet that we know today. See *id.*

¹³ The root server system is a set of thirteen file servers, which together contain authoritative databases listing all TLDs. The "A" root server, operated solely by NSI, maintains the authoritative root database and replicates changes to other root servers daily. Access to the A root server is granted to other registries, however only NSI can add gTLDs to the server. See *Internet Domain Name System Root Servers*, at <http://www.wia.org/pub/rootserv.html> (last visited Jan. 8, 2001).

¹⁴ See *Management of Internet Names and Addresses*, 63 Fed. Reg. at 31,742.

¹⁵ See *id.* As of the date this article was originally drafted, there were seven gTLDs. The ".com," ".net," and ".org" are considered "open," in the sense that there are no formal criteria for being able to register a domain name with these extensions. See *id.*

¹⁶ See *Network Solutions, NSI Domain Name Dispute Policy* (Feb. 25, 1998), at <http://www.networksolutions.com/legal/dispute-policy.html> (last visited October 1, 2000).

¹⁷ See *id.* Applicants must:

Warrant that they have a right to use the domain name . . . state they intend to use the names on a regular basis on the Internet . . . state that the use of the domain name did not interfere with or infringe upon the rights of any third party with respect to trademark or other

the domain naming system¹⁸ and the popularity but limited availability of the “.com” gTLD¹⁹ has spawned much of the trademark litigation in cyberspace.

B. Commercial Importance of the Domain Name System

While the domain names assigned to a given entity's IP number are for the convenience of human users, domain names have come to acquire a supplementary existence as business or personal identifiers. “As commercial activities have increased on the Internet, domain names have become part of the standard communication apparatus used by businesses to identify themselves, their products, and their activities.”²⁰ Thus, having the most closely associated, if not identical, domain name to an established mark is critical for consumer identification to a company's web site.²¹

The network of accessible information that makes up the “World Wide Web”²² is currently the most advanced information system on the Internet, and embraces within its data most information in previous networked information systems, such as “ftp,” “gopher,” and “USENET.”²³ The collection of documents contained on the Web is also the fastest growing part of the Internet, with the exception of perhaps electronic mail.²⁴ The proliferation and consolidation of content available is a direct result of the ease of access to consumers that the Internet provides. Correspondingly, “search engines” have been developed that allow users to search for particular information among all of the content within the reaches of the Internet.²⁵

intellectual property rights . . . and warrant that they were not seeking to use the domain name for any unlawful purpose, including interference with a business advantage, unfair competition, or for the purpose of misleading others.

Id.

¹⁸ See Kenneth S. Dueker, *Trademark Law in Cyberspace: Trademark Protection for Internet Addresses*, 9 HARV. J.L. & TECH. 483, 493 (1996) (noting that names cannot be distinguished through capitalization, stylized formats, or design).

¹⁹ See Heather N. Mewes, *Memorandum of Understanding on the Generic Top-Level Domain Name Space of the Internet Domain Name System*, 13 BERKELEY TECH. L.J. 235, 244 (1998); see also Rebecca W. Gole, *Playing the Name Game: A Glimpse at the Future of the Internet Domain Name System*, 51 FED. COMM. L.J. 403, 407 (March 1999) (commenting that an entity may register under any of the three “open” gTLDs, but the “.com” is most sought after because of its association with commercial enterprises).

²⁰ See World Intellectual Property Organization, *supra* note 1.

²¹ See *Who's Online?*, *supra* note 8 (stating there are 33,942,107 registered domain names world-wide).

²² See W3C, *About the World Wide Web*, at <http://www.w3.org/www> (last visited Jan. 8, 2001).

²³ See *ACLU v. Reno*, 929 F. Supp. 824, 837 (E.D. Pa. 1996). “The power of the Web stems from the ability of a link to point to any document, regardless of its status or physical location.” *Id.*

²⁴ See *United States v. Microsoft*, 147 F.3d 935, 939 (D.C. Cir. 1998).

²⁵ See *ACLU v. Reno*, 31 F. Supp. 2d 473, 484 (E.D. Pa. 1999) (identifying popular search engines such as Yahoo, Altavista, and Lycos).

Search engines permit a user to search for content using either I.P. addresses or their corresponding domain names,²⁶ or to utilize a search engine's ability to locate an I.P. address or domain name through the use of keywords.²⁷ By typing specific or categorical information into a search engine, the user is presented a list of Web sites that contain information corresponding with the inquiry.²⁸ The resulting list of sites is presented in language readable by a human,²⁹ but has a corresponding Internet Protocol (IP) number,³⁰ the equivalent to a street address for the computer to locate information.³¹ As with any street address, the IP numbers must be uniquely associated with a document, or else it would be impossible to accurately manage or retrieve information on a global network³² Further, the list of sites is usually a combination of a home page³³ and several document links, generally in order of a "relevance match."³⁴

²⁶ See *Zen and the Art of the Internet*, at http://www.cs.indiana.edu/docproject/zen/zen-1.0_3.html (last visited October 1, 2000) (stating that easily remembered domain names are highly important to entities seeking to distribute their products or services on the Internet, as these associative names are much easier to remember than the corresponding four-tiered hierarchical I.P. address).

²⁷ See *Niton Corp. v. Radiation Monitoring Devices, Inc.*, 27 F. Supp. 2d 102, 104 (D. Mass. 1998). Search engines look for keywords in places such as domain names, actual text on the web page, and "metatags." Metatags are HTML code, invisible to users, intended to describe the contents of the web site. "Description" metatags are intended to describe a particular site, while "keyword" metatags, in theory, contain keywords relating to the contents of the web site. See *id.*

²⁸ See *id.* When a keyword is entered, the search engine processes it through a self-created index of web-sites to generate a list relating to the entered keyword. Each search engine uses its own algorithm to arrange indexed materials in sequence, so the list of web sites that any particular set of keywords will bring up may differ depending on the search engine used. See *id.*

²⁹ See World Intellectual Property Organization, *supra* note 1. "Domain names were intended to perform a technical function in a manner that was convenient to human users of the Internet. They were intended to provide addresses for computers that were easy to remember and to identify without the need to resort to the underlying IP numeric address." *Id.*

³⁰ See *Zen and the Art of the Internet*, *supra* note 26. An Internet Number is a 32-bit hierarchical number, most commonly represented by four numbers separated by periods, such as 123.45.678.90. The hierarchical format permits large block distribution to different registrars. The blocks of numbers are then assigned to the readable domain names. See *id.*

³¹ See *id.*

³² See Wendy Grossman, *Connected: Lords of Their Domain Set for Identity Crisis*, DAILY TELEGRAPH (London), Nov. 11, 1997, at 12.

³³ A "home page" is generally the first page a user is directed to when accessing a company's web-site. From this page, the user may be provided "links" to other pages within the web-site.

³⁴ See *Zen and the Art of the Internet*, *supra* note 26. The relevance match is the product of a specific algorithm designed to compare the "key words" used by the searcher to those "key words" associated with a given site. For instance, in the case of two sites, one registered with key words "chocolate, ice cream, and cone" and another with "chocolate, ice cream, and swiss," where a searcher enters "swiss chocolate ice cream" he will be presented with the latter's site first. As this comment identifies, problems that arise when one of the key words is or may be confusingly similar to a registered trademark or a mark that is otherwise protected under federal law. See *id.*

As mentioned, trademark disputes have arisen partly because of NSI's first come, first serve policy to registering domain names,³⁵ and the limited access to gTLDs in general.³⁶ More specifically, NSI's policies failed to prevent an individual from registering a domain name that technically is identical to an existing trademark,³⁷ or an unregistered but protectable mark.³⁸ Although there has been an effort to change NSI's role in the DNS,³⁹ the replacement organization and its policies suffer from similar problems.⁴⁰

C. Current Organizational Domain Name Dispute Policies

Currently, domain name dispute policies are governed by the Internet Corporation for Assigned Names and Numbers (I.C.A.N.N.), a private entity created out of a government White Paper.⁴¹ The White Paper is the culmination of a series of "Comments," requested by the National Telecommunications and Information Administration, an agency of the

³⁵ See Network Solutions, *supra* note 16.

³⁶ See ED KROL, *THE WHOLE INTERNET* 26-27 (Mike Loukides ed., 2d ed. 1992). Having only the ".com" gTLD for commercial entities means that there can only be one "cars.com", and competition for that domain is naturally fierce. Of course litigation is spurned by more closely associative names, like "blockbuster.com" and "wendys.com". Arguments for expanding the number of gTLDs thus find increased validity: a registrant who also wants the domain "cars" would have an option to "cars.com," such as "cars.biz," or "cars.corp".

³⁷ See, e.g., *Data Concepts, Inc. v. Digital Consulting, Inc.*, 150 F.3d 620, 622 (6th Cir. 1998).

³⁸ See Network Solutions, *supra* note 16. "Mandatory Administrative Proceeding" declares that in order for a complainant to prove sole ownership of a domain name as a trademark, it must prove, in addition to other elements, that another domain name registrant "ha[s] no rights or legitimate interests in respect of the domain name" See *id.* Additionally, "Evidence of Registration and Use in Bad Faith" provides circumstances which a complainant may show as evidence in support of its claim, namely "circumstances indicating that [the domain name registrant] acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of a trademark or service mark or to a competitor of th[e] complainant" See *id.* (emphasis added). Based on this policy, it is clear that N.S.I. contemplates registration of a trademark, the clearest form of ownership, as conclusive evidence of primary rights to a given domain name. However, under § 43(a) of the Lanham Trademark Act, protection in real space is afforded to unregistered trademarks as well. See *Brookfield Communications, Inc. v. W Coast Entm't Corp.*, 174 F.3d 1036, 1047 (9th Cir. 1999); see also 15 U.S.C. 1125(a) (1997). This discrepancy leaves marks that are protectable in real space without the requisite protection in cyber-space.

³⁹ See Management of Internet Names and Addresses, 63 Fed. Reg. 31741-01, at 31,742 (June 10, 1998). Specifically, N.S.I. retains the role of registry administrator, i.e. retains power over the "A" root server, however N.S.I. is no longer the sole registrar, as other companies are now permitted to register names on a competitive basis. See *id.*

⁴⁰ See Internet Corporation for Assigned Names and Numbers, *Uniform Domain Name Dispute Resolution Policy*, (Oct. 24, 1999), at <http://www.icann.org/udrp/udrp-policy-24oct99.html> (last visited October 1, 2000) (hereinafter I.C.A.N.N.).

⁴¹ See Management of Internet Names and Addresses, 63 Fed. Reg. at 31,742.

Department of Commerce.⁴² I.C.A.N.N.'s dispute policies are substantively similar to N.S.I.'s policies, adding only that a person shall not "knowingly use the domain name in violation of applicable laws or regulations."⁴³ In this regard, I.C.A.N.N.'s domain name dispute policy, like N.S.I.'s policy, fails to reach many issues regarding intellectual property rights.⁴⁴

In the middle of 1999, the Internet Ad Hoc Committee recognized the tension existing between domain names and intellectual property rights, and recommended to I.C.A.N.N. specific procedures to resolve conflicts between the two.⁴⁵ Under the mandate of the White Paper, the World Intellectual Property Organization was called upon to assist in the creation of a process whereby intellectual property disputes could be resolved in a uniform manner.⁴⁶ A uniform policy was eventually agreed upon which established a uniform administrative procedure for dealing with complaints concerning intellectual property-infringing domain names.⁴⁷ The policy applies to all registrars and registration authorities.⁴⁸

Procedurally, a complainant is mandated to submit his claim to an administrative board, consisting of a panel of independent persons, appointed by dispute-resolution service providers.⁴⁹ It is important to note that a complainant is not precluded by the policy to bring his claim to court, at any time before, during, or after administrative procedures have commenced.⁵⁰ In order to succeed in a complaint, there must be a finding by the Board that the registration of a domain name is:

[I]dentical or misleadingly similar to a trade or service mark *in which the complainant has rights* . . . the holder of the domain name has no rights or legitimate interests in respect to the domain name . . . and the domain name has been registered or used in bad faith.⁵¹

⁴² See World Intellectual Property Organization, *supra* note 1.

⁴³ I.C.A.N.N., *supra* note 40; see also Network Solutions, *supra* note 16.

⁴⁴ See discussion *infra* Part III.

⁴⁵ See World Intellectual Property Organization, *supra* note 1.

⁴⁶ See *id.* Essentially, WIPO organized a meeting at Georgetown University in Washington, D.C., attended by representatives from various domain name registrars, N.S.I., I.C.A.N.N. and its supporting organizations, and other interested parties. See *id.*

⁴⁷ See World Intellectual Property Organization, *Policy on Dispute Resolution for Abusive Domain Name Registrations*, at <http://wipo2.wipo.int/process1/report/annex.annex04.html> (last visited Nov. 1, 2000).

⁴⁸ See *id.*

⁴⁹ See *id.*

⁵⁰ See *id.*

⁵¹ *Id.* (Emphasis added).

Upon such finding, remedies available include a cancellation of the domain name, the transfer of the domain name to the complainant, and/or the allocation of responsibility for payment of the costs of the proceedings, not including attorney's fees.⁵²

The remainder of this comment will show the deficiencies in the private policies of I.C.A.N.N. and N.S.I., identifying key differences in marks used in real-space and those used in cyberspace. Beginning with a briefing on the scope of real-space trademark protection, it will attempt to show that the geographic and sectoral differences in similar or identical marks used in real-space have not been addressed by the current policies of I.C.A.N.N. Second, this comment will show that these two key differences will begin to have significance in cyberspace because of the Cyberpiracy Prevention Act as it amends federal trademark law. Third, this comment will also address the total ineffectiveness of I.C.A.N.N.'s policies with regards to trademark use in embedded metatags. Finally, it will show that it remains technically impossible to expand the scope of protection afforded to trademarks in real-space to those trademarks used in cyberspace, without impeding enforcement of the Cyberpiracy Prevention Act.

III. AN INTRODUCTION TO THE LANHAM TRADEMARK ACT

In 1870, Congress formally utilized the Constitution's grant of power in the Commerce Clause, and passed the first federal act providing for trademark registration.⁵³ The current statutory protections for trademarks are found in the Lanham Trade-Mark Act.⁵⁴ The Lanham Act defines the term trademark as "any word, name, or symbol" that is used or intended to be used in commerce to distinguish goods from those sold by others and to indicate the source of the goods.⁵⁵ A trademark is protected provided it has

⁵² See *id.*

⁵³ See David E. Rigney, Annotation, *Application of Secondary Meaning Test in Action for Trademark or Tradename Infringement Under § 43(a) of the Lanham Act*, 86 A.L.R. FED. 489, §2(a) (1999). However, this original legislation was struck down as unconstitutional by the Supreme Court. See *id.*

⁵⁴ See 15 U.S.C. §§ 1051-1127 (1997). The general difference between the Lanham Act and the 1870 legislation is that the Lanham Act reaches infringing acts occurring "within commerce," meaning "all commerce which may be lawfully regulated by Congress." See *Steele v. Bulova Watch Co.*, 344 U.S. 280, 284 (1952) (Congress may regulate intrastate commerce that causes a "substantial effect on interstate commerce."); see also *Maier Brewing Co. v. Fleishmann Distilling Corp.*, 390 F.2d 117, 120 (9th Cir. 1968).

⁵⁵ See 15 U.S.C. § 1127. It is important to note that trademarks can also be stylized forms of the identical words that constitute a protected trademark of another, so long as there is no consumer confusion present. See *Data Concepts, Inc. v. Digital Consulting, Inc.*, 150 F.3d 620, 623 (6th Cir. 1998)

first been used in interstate commerce or an "intent to use" statement has been filed with the Patent and Trademark Office ("PTO").⁵⁶ Marks that can be shown to be used "first-in-commerce" are given priority in registration, and are given the same scope of protection that a registered trademark holder gets.⁵⁷ In addition, section 43(a) of the Lanham Act provides protection to unregistered marks that have acquired "secondary meaning."⁵⁸

Trademark protection generally serves two functions: first, to protect consumers from being confused about the source of goods and services,⁵⁹ and second to protect a trademark holder's goodwill and investment by prohibiting the misrepresentation of one person's goods and services as belonging to another.⁶⁰ A person may be liable for using in commerce any mark in connection with goods or services when the mark is likely to confuse, mistake, or deceive another as to the origin of the goods or services.⁶¹ However, companies that operate in separate lines of business or different geographic regions have been allowed to use similar or identical marks because consumer confusion about the source of goods or services will be minimal.⁶² These are referred to as sectoral and geographic distinctions,

(discussing that a mark can be seen as being used in commerce as early when it is legally equivalent to an earlier mark, a determination of which may be based on "the visual or aural appearance of the marks themselves.").

⁵⁶ The trademark application filed with the PTO requires that the applicant explain how the mark is used in commerce. See 15 U.S.C. § 1051(a) (1997). An applicant may also register a mark that has not yet been used in commerce by filing an intent-to-use ("ITU") application. See 15 U.S.C. § 1051(b). However, an ITU registrant does not receive complete privileges until the mark is actually used. See *id.*

⁵⁷ See *Sampson Crane Co. v. Union Nat'l Sales*, 87 F. Supp. 218, 222 (D. Mass. 1949), *aff'd per curiam*, 180 F.2d 896 (1st Cir. 1950). The court stated:

It is clear . . . that the primary purpose of the Act was to eliminate deceitful practices in interstate commerce involving the misuse of trademarks, but along with this it sought to eliminate other forms of misrepresentations which are of the same general character even though they do not involve any use of what can technically be called a trademark.

Id.; see also *Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 844, 858 (1982) (finding section 43(a) "prohibits a broader range of practices than does section 32," which applies to registered trademarks).

⁵⁸ Secondary meaning has been defined as the association of a product with a single source in the minds of the public, although it is not necessary that the public know who or what that source really is. See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 767 (1992); see also *Blumenfeld Dev. Corp. v. Carnival Cruise Lines, Inc.*, 669 F. Supp. 1297, 1318 (E.D. Pa. 1987) (secondary meaning exists where consumers seeing trademark assume that product it labels comes from a particular source).

⁵⁹ See generally S. Rep. No. 515, 100th Cong. (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5605 (1988 amendment).

⁶⁰ See *id.*

⁶¹ See 15 U.S.C. § 1125(a)(1)(A) (1997). However, in some cases an action may be brought under the Federal Trademark Dilution Act of 1995 even where there is no likelihood of confusion and the mark is used on non-competing goods. See 15 U.S.C. § 1127 (1997).

⁶² See *Weiner King, Inc. v. Weiner King, Corp.*, 615 F.2d 512, 515-16, 521-22 (C.C.P.A. 1980) (permitting concurrent use of "Weiner King" as a mark for restaurants featuring hot dogs in New Jersey

respectively. These distinctions result in differing levels of protection.⁶³ Further, companies have been allowed to use technically identical words as trademarks even in the same sector or geographical area if there is a "stylized" difference in the particular mark that limits any likelihood of confusion.⁶⁴ It is clear that the prohibition against improper trademark usage, whether registered or not, is based upon the Act's overall purpose of stemming unfair competition,⁶⁵ through misrepresentations that a product comes from the mark holders.⁶⁶

A. "In -Commerce" and the Basics of Protection

In order to acquire protection under the Lanham Act, a mark must be first used "in commerce."⁶⁷ A mark used purely in intrastate commerce is subject only to the unfair competition laws of the state, and not subject to federal trademark law as a matter of jurisdiction under the Constitution.⁶⁸ The phrase "in commerce" as used in the Lanham Act has been construed to mean that "jurisdiction lies where [the mark] has had a substantial effect on

and "Weiner King" as a mark for restaurants in North Carolina); *Pinocchio's Pizza, Inc. v. Sandra Inc.*, 11 U.S.P.Q.2d 1227, 1228 (T.T.A.B. 1989), available at 1989 WL 297867 (permitting concurrent use of "PINNOCHIO'S" as a service mark for restaurants in Maryland and "PINNOCHIOS" as a service mark for restaurants elsewhere in the country). These cases reiterate the understanding that consumers of different products or consumers in different markets are less likely to be confused about the true source of a particular product, and correspondingly a trade-mark holder enjoys protection "[i]nto whatever markets the use of a trade-mark has extended, or its meaning has become known." See *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 415-16 (1916).

⁶³ See 15 U.S.C. § 1125 (c)(1); see also *Polaroid Corp. v. Polaroid Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (developing a series of eight factors to evaluate the likelihood of confusion between goods and services).

⁶⁴ Stylized differences can be word(s) used in script compared to the same word in all lower-case letters. See, e.g., *Data Concepts, Inc. v. Digital Consulting, Inc.*, 150 F.3d 620, 622 (6th Cir. 1998) (distinguishing marks where both companies used "DCI" in differing forms, but where registration as domain names could only be represented as "DCI.com").

⁶⁵ See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 780 (1992) (Stevens, J., concurring). Justice Stevens stated "Section 43(a) . . . has been widely interpreted to create, in essence, a federal law of unfair competition. *Id.* (quoting The United States Trademark Ass'n Trademark Rev. Comm'n Report and Recommendations to USTA President and Board of Directors, 77 TRADEMARK REP. 375, 426 (1987)).

⁶⁶ See James W. Marcovitz, ronald@mcdonalds.com- "Owning a Bitchin' Corporate Trademark as an Internet Address - Infringement?", 17 CARDOZO L. REV. 85, 98 (1995).

⁶⁷ See 15 U.S.C. § 1114 (1)(a) (1997).

⁶⁸ Prior to the enactment of the Lanham Trademark Act in 1946, a federal remedy for trademark infringement would only lie if the infringing acts occurred in interstate commerce. See *Franchised Stores of New York, Inc., v. Winter*, 394 F.2d 664, 669 (2d. Cir. 1968).

interstate commerce."⁶⁹ A domain name and its corresponding I.P. address monopolize a given word or words on the global medium of the Internet, falling squarely within the meaning of "substantial effect on interstate commerce."⁷⁰ Thus, the P.T.O. determined that domain names are protectable as trademarks.⁷¹ However, they left open the question of how to deal with trademarks, and their corresponding protections, used as domain names. It is necessary here to make a distinction between registering the domain name and using it in commerce. Mere registration of a domain name does not create any trademark rights.⁷² Use of the domain name on the Internet likewise does not create any trademark rights, unless that mark is legitimately first used in cyberspace commerce, or in real-space commerce, by the domain name registrant.⁷³

B. *Real-Space: Geographical Differences in Similar or Identical Names*

Federal trademark law allows concurrent use of a mark on different goods or services in different markets as long as the use does not create confusion about the source of the goods or services.⁷⁴ In some cases, marks used concurrently in separate and distinct geographic areas have been held to be outside the jurisdiction of federal courts, as these marks may not be "in commerce" within the meaning of the Lanham Act.⁷⁵ In addition to the rule that protection is afforded to the first user of a trademark wherever he can

⁶⁹ See *id.*

⁷⁰ See *id.* "A substantial effect on interstate commerce is present when the trademark owner's reputation and good will, built up by the use of the mark in interstate commerce, are adversely affected by an intrastate infringement." *Id.*

⁷¹ See Mark Partridge, *Internet, Address Before the 1996 Spring Meeting- Plenary Session* (May 3, 1996), in AM. INTELL. PROP. L. ASS'N. BULL., May-June 1996, at 595.

⁷² See James W. Morando & Christian H. Nadan, *Can Trademark Law Regulate the Race to Claim Internet Domain Names?*, COMPUTERLAW., Feb. 1996, at 11; see also *Panavision Intn'l, L.P. v. Toeppen*, 141 F.3d 1316, 1324 (9th Cir. 1998) (stating "[r]egistration of a trade[mark] as a domain name, without more, is not a commercial use of the trademark and therefore is not within the prohibitions of the Act.").

⁷³ See *Acad. Motion Picture Arts & Scis. v. Network Solutions, Inc.*, 989 F.Supp. 1276, 1279 (C.D. Cal. 1997) (stating "the mere registration of a domain name does not constitute a commercial use"); *Brookfield Communications, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1052 (9th Cir. 1999) (stating "[a]n intent to use a mark creates no rights a competitor is bound to respect . . . nor through mere preparation to use a term as a trademark") (citations omitted).

⁷⁴ See generally *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403 (1916) (addressing the territorial extent of trademark rights under common-law principles of general applicability).

⁷⁵ See 15 U.S.C. § 1114(1)(a) (1997); see also Joseph E. Edwards, Annotation, *What Constitutes "In Commerce" Within Meaning of §32(1)(a) of Lanham Trade-Mark Act (15 USC § 1114(1)) Giving Right of Action for Infringement of Trademark "In Commerce"*, 15 A.L.R. FED. 368, 379 (1973); *supra* Part III.A. (discussing "substantial effect on interstate commerce" as "in commerce" within the meaning of the Lanham Act).

show actual competition with an alleged infringer, a senior appropriator is also entitled to a natural field of legitimate trade expansion.⁷⁶ The precise limits of a geographical area, and a corresponding field of legitimate trade expansion,⁷⁷ can be determined as an evidentiary matter by looking at the level of impact a particular mark may have.⁷⁸

Where it is sought to protect the use of a word . . . only within that area wherein the word . . . is understood in its secondary sense, that evidence entitling the user protection in the first instance will be sufficient to define the geographic limits of the area within which the user is entitled protection.⁷⁹

In those cases where protection is sought in a wider area, proof such as volume and distribution of sales, advertising within that area, and the character of the user's business may determine the scope of his trading area.⁸⁰

As stated, a domain name must be unique- it is a monopoly on a given word or set of words.⁸¹ Therefore, whereas a mark may be used concurrently in different real-space regions, the same cannot be true for the use of identical marks in cyberspace, which must share the same global region. A local or national⁸² enterprise can register the domain name through traditional N.S.I. registration procedures, to the exclusion of all others, regardless of the geographic location of the trader or of the present geographic use of the mark.⁸³ Thus, where Lanham Act real-space geographic protection existed of both present and "natural field of expansion" marks, these holders may have had this protection removed simply because of the failure to account for these differences under the current domain name

⁷⁶ See 52 AM. JUR., *Trademarks, Tradenames, Etc.* § 112 (1944).

⁷⁷ See *id.* at 590.

⁷⁸ See, e.g., *Faciane v. Starner*, 230 F.2d 732, 738 (5th Cir. 1956) (finding no infringement of identical name to identify identical restaurant, where the alleged infringement took place 300 miles away from complainant's restaurant).

⁷⁹ See Gary Spivey, Annotation, *Unfair Competition: Geographical Extent of Protection of Word or Symbol Under Doctrine of Secondary Meaning*, 41 A.L.R. 3d 434, 438-39 (1972).

⁸⁰ See *id.* at 439.

⁸¹ See generally, *Zen and the Art of the Internet*, *supra* note 26.

⁸² AccTLD describes sites originating in different countries. See *Management of Internet Names and Addresses*, 63 Fed. Reg. 31,741-01, at 31,742 (June 10, 1998). This discussion on geographic distinction remains limited to the United States.

⁸³ Compare I.C.A.N.N., *supra* note 40 with *Polaroid Corp. v. Polaroid Elec. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961). Because of the current organizational policies governing the registration of domain names, no factual inquiry is made into the precise scope of deserved protection of a mark, in contrast to the evidentiary analysis used for the Lanham Act.

structure.⁸⁴ Stated another way, two holders of identical marks used in differing geographic areas can both legitimately register the mark as their domain first, to the exclusion of the other, creating the potential for confusion among Internet consumers as to the source of the goods used in conjunction with the mark.⁸⁵

C. Real-Space: Sectoral Distinctions in Similar or Identical Names

In addition to having geographic protection of a mark, the Lanham Act provides protection for a mark used in the same sector or industry as the goods or services of the primary user. Under the Act, the rights of a trademark holder to prevent the use of a mark not only extends to identical goods, but also to those of the same class of goods, or to those goods to which the business might naturally extend.⁸⁶ The corollary to this protection is that an entity may use an identical mark as another, as long as he does not use that mark within the same sector or industry.⁸⁷ As with geographical protection of a user's mark, the scope of protection is determined as an evidentiary matter, looking at the likelihood of consumer confusion.⁸⁸ An eight factor test has been proposed to evaluate the likelihood of confusion between goods and services, including such characteristics as the strength of the user's mark, degree of similarity between the two marks, proximity of the products, and the sophistication of the buyers.⁸⁹

⁸⁴ Compare *Polaroid Corp.*, 287 F.2d at 495 (listing one important factor in determining the likelihood of confusion as 'relatedness or proximity of the two companies' products or services) with *Comp Exam'r Agency, Inc. v. Juris, Inc.*, No. 96-0213, 1996 WL 376600, at *1 (C.D. Cal. Apr. 26, 1996) (applying a traditional "likelihood of confusion" test in the Internet context, the court considered only the following factors to be important: (1) the virtual identity of the marks, (2) the relatedness of the plaintiff's and defendant's goods, and (3) the simultaneous use of the Web as a marketing channel. It is clear that there can be no consideration for geographic differences as in real space "likelihood of confusion" tests).

⁸⁵ See *Network Solutions*, *supra* note 16; see also *Edwards* *supra* note 75, at 370-71. .

⁸⁶ This principal is frequently called the "Aunt Jemima" doctrine, deriving out of a case where the plaintiff used the name "Aunt Jemima" to market his pancake batter, and the defendant used "Aunt Jemima" to market his pancake syrup. The court stated "the goods, though different, may be so related as to fall within the mischief which equity should prevent. Syrup and flour are both food products, and food products are commonly used together . . ." *Aunt Jemima Mills Co. v. Rigney & Co.*, 247 F. 407, 409-10 (2d Cir. 1917).

⁸⁷ See *Alfred Dunhill of London, Inc. v. Dunhill Tailored Clothes, Inc.*, 293 F. 2d 685, 692 (C.C.P.A. 1961) (the use of a mark to identify tobacco products is sufficiently distinct from an identical mark used to identify tailored clothing).

⁸⁸ See, e.g., *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 205 (2d Cir. 1979).

⁸⁹ See *Polaroid Corp.*, 287 F.2d at 495.

The current domain name system does not permit distinguishing a domain based on the sector or industry of the products marketed at that site.⁹⁰ An Internet user provided with a mark, in the form of a domain name, that he normally associates with software development products may actually be sent to a site that sells educational services.⁹¹ Whereas this may not be the source of sectoral violation, the use of the name itself removes the possibility of using a mark, protectable in real-space, for products offered in a different sector or industry.⁹² Further, where the user may be instantly aware that the site he has visited is not the site he intended to visit, the fact remains that the consumer was directed to the site he would not have seen, but for the similarity of the name.⁹³ When this is viewed in the context of a medium, the Internet, that equates eyeballs with money, the effects for mark holders with frequently used names may be significant.⁹⁴

IV. SHORTCOMINGS IN I.C.A.N.N. AND N.S.I. DISPUTE POLICIES

A. Troubling Scenarios: Registration Versus Use "In-Commerce"

The policies set forth by I.C.A.N.N. are, as stated previously, deficient in their scope of protection for intellectual property holders, at least where the United States is the forum for alleged infringement. This is quite clear after understanding the geographic and sectoral distinctions made in real-space under the Lanham Act.⁹⁵ N.S.I. permits registration of a domain name to any entity that states it has legitimate rights to the name existing at the time of registration.⁹⁶ One can imagine an immediate conflict in this policy where the P.T.O. grants the use of an identical mark to two users in, for

⁹⁰ See *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 184 F.3d 1107, 1109 (9th Cir. 1999) (confusion found to exist in the name "epix.com" and the trademark "Epix," though the company that owns the domain name was an Oregon drama group, the "Clinton Street Cabaret," and the company operating under the name "Epix" used its name to market printed circuit boards and computer design services).

⁹¹ See *Data Concepts, Inc. v. Digital Consulting, Inc.*, 150 F.3d 620, 625 (6th Cir. 1998).

⁹² See *Zen and the Art of the Internet*, *supra* note 26; see also KROL, *supra* note 36, at 16.

⁹³ See *Dr. Suess Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1405 (9th Cir. 1997) (identifying what will later come to be known as "initial interest confusion," the court recognized that the use of another's trademark in a manner calculated "to capture initial consumer attention, even though no actual sale is finally completed as a result of the confusion, may still be an infringement.").

⁹⁴ See generally *Morando & Nadan*, *supra* note 72, at 10-11. For example, "ABC Liquor" can compete with "ABC Automotive" and "ABC Child Care" in real-space. However, only one 'sector' will have the advantage of using "ABC.com," and thus having the advantage of customer association to the "ABC" name.

⁹⁵ See discussion *supra* Part III.B.-C.

⁹⁶ See *Network Solutions*, *supra* note 16.

example, two geographic areas, but one of them registers the mark as its domain name. N.S.I. would grant the use of the identical mark to the first domain registrant, as this entity has legitimate, albeit technically shared, rights to the name at the time of registration.⁹⁷ However, does the second entity have a cause of action since the mark is identical and thus confusing for consumers? Other significant shortcomings of N.S.I.'s policies are clarified by examining the following scenarios.

One, an entity uses word(s) as its mark within a geographic area and has filed with the P.T.O. to protect this mark. This same entity does not yet register the mark as its domain name. A second entity, trading identical goods but in a different geographic area, subsequently registers an identical mark as its domain name.

Two, an entity uses word(s) as its mark within a sector or industry, and has filed with the P.T.O. to protect this mark. This same entity does not yet register the mark as its domain name. A second entity, trading in the same geographic area but trading in a completely different sector or industry, subsequently registers an identical mark as its domain name.

Three, as a corollary, an entity trades in a certain sector or in a certain geographic region and does not register with the P.T.O. to protect this mark, but has registered their mark as a domain name. A second entity trades either in an identical sector or geographic area, and subsequently files for real-space protection with the P.T.O.

Four, an entity uses word(s) as its mark within *either* a certain sector *or* a geographic area, and has filed with the P.T.O. to protect this mark. However, instead of registering the mark as its domain name, for instance because the name is quite common, the entity embeds its trademark in metatags describing the content of the entity's web-site. A second entity, trading in *either* a wholly different sector *or* a wholly different geographical area subsequently registers the mark as its domain name.

B. Troubling Solutions: Broadened Rights and Narrowed Protections

A comparison of I.C.A.N.N.'s administrative domain name dispute procedures to traditional trademark protection under the Lanham Act shows significant differences in the resolution of the above scenarios. N.S.I. and I.C.A.N.N.'s policies do not address geographic and sectoral distinctions of marks.⁹⁸ N.S.I. and I.C.A.N.N.'s policies likewise fail to address the concern of trademarks used in metatags, which exacerbate the problems associated

⁹⁷ See *id.*

⁹⁸ See *id.*; see also I.C.A.N.N., *supra* note 40

with the lack of ability to distinguish between geographic and sectoral differences.⁹⁹ Further, the technical constraints of the domain name system exaggerate the shortcomings of N.S.I. and I.C.A.N.N.'s registration and dispute policies.¹⁰⁰

In both the first and second scenario, I.C.A.N.N.'s policy permits the first entity to enjoin the second from using the identical domain name if the first entity filed a complaint under the dispute policies, regardless of the geographic location or the sector of trade of the second entity.¹⁰¹ An allegation that it (the first entity) had legitimate rights to the name at the time the second entity registered the name is sufficient to elect remedy under the administrative procedures.¹⁰² The primary domain name registrant may be no more than one mom-and-pop store in a small town, where the enjoined second entity may be a fast-growing national chain of stores.¹⁰³

In contrast, a federal court applying Lanham Act protection would refuse to permit the first entity to enjoin the use of the mark in a different and distinct geographic area, or an area outside the legitimate scope of expansion.¹⁰⁴ Thus, regardless of the advertising medium in which the mark is used, if the area is different by geography or by sector of trade, there may be concurrent use permitted.¹⁰⁵ Unfortunately, the present domain name system is technically constrained from identifying the geographic source or the trade sector of the entity using a conflicting domain name.¹⁰⁶

In the third scenario, I.C.A.N.N.'s policies suggest that the entity who registered the domain name first would be able to defend itself against a complaint alleging infringement.¹⁰⁷ This is because at the time of the domain name registration, there were no existing rights in the mark.¹⁰⁸ I.C.A.N.N.'s policies fail to address a scenario where an entity other than an existing domain name registrant and user subsequently registers the mark with the P.T.O.¹⁰⁹

⁹⁹ See *Brookfield Communications, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1062 (9th Cir. 1999) (recognizing that trademarks used in metatags may result in, at a minimum, "initial interest confusion").

¹⁰⁰ See *Ducker*, *supra* note 18, at 493.

¹⁰¹ See I.C.A.N.N., *supra* note 40.

¹⁰² See *id.*

¹⁰³ See Letter from Barbara Simons, President, Association for Computing Machinery, et al., to J. Dennis Hastert, Speaker of the House of Representatives (Oct. 15, 1999), available at <http://www.acm.org/usacm/trademark.html> (last visited Oct. 1, 2000).

¹⁰⁴ See *Spivey*, *supra* note 79, at 440-41.

¹⁰⁵ See *id.* at 447.

¹⁰⁶ See *supra* notes 30 and 35 and accompanying text.

¹⁰⁷ See I.C.A.N.N., *supra* note 40.

¹⁰⁸ See *id.*

¹⁰⁹ See *id.*

Once again, traditional Lanham Act protection suggests a contrary result. As stated, mere registration of a domain name does not create trademark rights.¹¹⁰ Only if a registrant *uses* the mark first in commerce, in real-space or cyberspace, does the registrant receive federal protection.¹¹¹ However, the P.T.O. does not recognize mere domain name registration as "use in commerce" for the purpose of trademark protection.¹¹² The second entity's subsequent registration with the P.T.O. of the mark by the second entity creates rights in the mark, albeit in a limited sector or geographical area.¹¹³ Similar to scenario one and two, this puts I.C.A.N.N.'s registration and dispute policies in conflict with traditional Lanham trademark protection. Again, the present technical constraints of the domain name system exacerbate the conflict- the question remains: "Who has rights to the domain name?"

The fourth scenario presents a situation that departs from the present analysis- because the metatags are hidden, the consumer is not subjected to the same level of "confusion" that could result by typing in a specific domain name.¹¹⁴ Most importantly, neither I.C.A.N.N. nor N.S.I. has addressed the use of protected trademarks in metatags, the sole function of which is to assist a consumer find a particular internet domain.¹¹⁵ Thus, any complaint to I.C.A.N.N. or N.S.I. of an infringement through the use of metatags must be dismissed, as the organization's policies prohibiting "knowing" trademark infringement only apply to domain name registration.¹¹⁶ This seems particularly troubling given the direct and significant impact metatags have as a primary way to divert consumer attention to a particular domain.¹¹⁷ Yet again, I.C.A.N.N. and N.S.I.'s policies fail to provide a remedy for a person

¹¹⁰ See Morando & Nadan, *supra* note 72, at 11.

¹¹¹ See Acad. of Motion Picture Arts & Scis. v. Network Solutions, Inc., 989 F. Supp. 1276, 1279 (C.D. Cal. 1997).

¹¹² See Morando & Nadan, *supra* note 72, at 11.

¹¹³ See generally *Hanover Star Milling v. Metcalf*, 240 U.S. 402, 415-16 (1916) (stating "this is not to say that the proprietor of a trade-mark, good in the markets where it has been employed, can monopolize markets that his trade has never reached . . .").

¹¹⁴ See *Playboy Enters., Inc. v. Welles*, 7 F. Supp. 2d 1098, 1103 (S.D. Cal. 1998). In this case involving trademark infringement claims through the use of metatags, the *Welles* court commented "[t]his . . . is not a standard trademark case and does not lend itself to the systematic application of the eight factor [test for consumer confusion]." *Id.*

¹¹⁵ See *Brookfield Communications, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1061-62 (9th Cir. 1999).

¹¹⁶ See *Network Solutions*, *supra* note 16; *I.C.A.N.N.*, *supra* note 40.

¹¹⁷ See *Playboy Enters., Inc. v. Asiafocus Int'l, Inc.*, No. Civ.A. 97-734-A, 1998 WL 724000, at *3 (E.D. Va. 1998) (infringement held where defendant embedded the trademarks "Playmate" and "Playboy" in the hidden HTML code of the defendant's website in an effort to attract consumer's searching for the legitimate internet domain of "Playboy").

whose legitimate trademark, given real space geographic or sectoral protection, becomes embedded in the source code of an infringer's website.¹¹⁸

V. RESOLVING CONFLICTS UNDER THE CYBERPIRACY PREVENTION ACT

The precise problem can be identified as I.C.A.N.N.'s failure to recognize "real-space" rights, governed by the judicial construction of the Lanham Act to provide protection to all marks that are used "in commerce."¹¹⁹ Trademark rights are potentially infringed where and when another entity uses the mark in a way that substantially impacts the areas in which the original entity has used the mark.¹²⁰ Given the fact that the Internet is a global phenomenon, it follows that federal protection of a mark must extend to its use in any geographical area where there is Internet access.¹²¹ Internet users in a particular geographic region may log on to the Internet, "search" for the identifying mark of an entity conducting business locally, and be presented with the domain name of an entity in another state who registered the mark as its domain name first in the eyes of I.C.A.N.N. That Internet user may be "confused" about just whose site they have accessed—something the Lanham Act is precisely designed to prevent.¹²²

A. *A Closer Look at the Cyberpiracy Prevention Act: It isn't Only a Replacement of Remedies*

Because of the conflict in defining the precise scope of trademark protection afforded to either trademark holders or domain name registrants, Congress was asked to amend the Lanham Act to expressly provide

¹¹⁸ See *id.* at *2. Indeed, the *Asiafocus* court reflects on N.S.I.'s domain registration policy, in particular the integration clause, making no mention of any responsibility for the use of trademarked names in the metatags or source code of a given website. See *id.*

¹¹⁹ See 15 U.S.C. § 1127 (1997).

¹²⁰ See generally *Steele v. Bulova Watch Co.*, 344 U.S. 280 (1952) (where the Supreme Court has liberally construed the "broadened commerce provisions" of the Lanham Act).

¹²¹ See *Brookfield Communications, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1057 (9th Cir. 1999) (finding that utilizing the Web as a marketing and advertising facility exacerbates the likelihood of confusion). See generally *Steele*, 340 U.S. at 286 (In a case involving the pirated use of a registered trademark on goods produced in Mexico, but were accessed and retrieved by residents of the United States, the court upheld jurisdiction over the defendant stating "[the defendant's] operations and effects were not confined within the territorial limits of a foreign nation . . . [and it is not] material that the defendant affixed the mark . . . in Mexico city.").

¹²² See *Brookfield Communications*, 174 F.3d at 1062; see also 15 U.S.C. §§ 1051 – 1127 (1997).

protection for existing trademark holders.¹²³ In general, the proposed amendment may provide real-space trademark holders with security in the use of their marks on the Internet.¹²⁴ On its face, the amendment replaces the administrative remedies offered by I.C.A.N.N. in the case of a domain name dispute with a federal equivalent.¹²⁵ More specifically, the Act provides a remedy when there can be shown:

[A] bad faith intent [of the registrant] to profit from th[e] mark . . . and registers, traffics in, or uses a domain name that in the case of a mark that is distinctive at the time of the registration of the domain name, is identical or confusingly similar to that mark.¹²⁶

However, the Act can be read much broader than just a replacement of remedies. The advantage to having such an amendment is that the scope of protection of marks used in cyberspace could be made equal to marks used in real-space. A closer look at the precise language of the statute indicates that, in fact, a domain name registrant who himself has intellectual property rights, may not be held civilly liable under the Act.¹²⁷ Thus, an entity with real-space rights in a mark in a certain geographic area or a specific sector may not be held liable under the Act for registering the domain name if there is no other bad faith intent to profit shown.¹²⁸ Further, because protection under the pre-existing Lanham Act is distinguished geographically and sectorally, two entities that may have equally legitimate geographic and sectoral real-space rights to a mark may now have those rights extended into cyberspace.¹²⁹

Given the geographic and sectoral distinction applied to cyberspace, it follows that an entity who uses a protected mark not as its domain name, but within the source code of a given site, without the requisite showing of bad faith, likewise cannot be violating the scriptures of the Act. Even though the

¹²³ See H.R. 1255, 106th Cong. (1999) (Amended); see also *Internet Domain Name System: Hearing on H.R. 1255, Before the House Comm. on Courts and Intellectual Property, Judiciary Committee, 106th Cong., (1999)* (testimony of Andrew J. Pincus, General Counsel) available at <http://www.ogc.doc.gov/ogc/legreg/testimon/106f/pincus0728.htm> (last visited October 1, 2000).

¹²⁴ See H.R. 1255, 106th Cong. (1999).

¹²⁵ See *id.* Remedies under both I.C.A.N.N. and the Act include cancellation or forfeiture of the domain name, or transfer of the name to the owner of the mark. See I.C.A.N.N., *supra* note 40; see also Network Solutions, *supra* note 16. In addition, the Act provides corresponding civil damages in an amount between \$1,000 and \$100,000 per violation. See 15 U.S.C. § 1117 (d) (1997).

¹²⁶ 15 U.S.C. § 1125 (d)(1)(a)(i) – (ii)(I) (1997).

¹²⁷ See *id.* at (d)(1)(b)(i) and (iii) (1997).

¹²⁸ See *id.*

¹²⁹ See *id.*

metatags may create initial interest confusion,¹³⁰ the innocent user of trademarked embedded code may use such trademarks since there is no structural limitation to this use as there is with domain names.¹³¹ But, as seen in the I.C.A.N.N./Lanham Act comparison, the technical constraints of the domain name system will not permit an outcome that reflects legitimate trademark rights, at least in the use of a specific domain name, in more than one entity.¹³²

B. *The Domain Name System: The Beginning of Structural Change?*

The Cyberpiracy Prevention Act presents a significant enforcement challenge for existing trademark holders, current domain name holders, and potential domain name holders. Specifically, trademark holders who are granted geographic and sectoral protection of their marks may begin to assert their claims of infringement against domain name users. The Act seems to permit two competing claims to a domain name for a mark used in separate real-space geographical areas or different sectors. The current structure of the domain name system cannot reconcile these competing legitimate claims.¹³³ However, minor changes in the domain name system may, in fact, cure the problems ingrained in the organizational domain name dispute policies.

As stated earlier, the Internet is a global phenomenon.¹³⁴ Thus, advertising on the Internet is similar to advertising within the same region. Further, the simplest domain name that can be associated with a given entity is frequently used, failing to describe in any way what sector that user trades in.¹³⁵ If the current domain name system were to remain in place, the mom-and-pop store with legitimate, albeit limited, rights to use a name may find itself at the mercy of the conglomerate who wished to pursue a claim against it. Although the outcome of such dispute is uncertain, the amount spent to

¹³⁰ See *Brookfield Communications, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1063 (9th Cir. 1999).

¹³¹ See *Bihari v. Gross*, 119 F. Supp. 2d. 309, 316 (S.D.N.Y. 2000). In *Bihari*, the term "Bihari Interiors" was used in the defendant's metatags to divert internet search engine results away from the web-site birahriinteriors.com, and to various web-sites containing complaints about the real Bihari Interiors company. See *id.*

¹³² See *supra* Part IV.B.

¹³³ See *supra* Part II.A.-B.

¹³⁴ See *ACLU v. Reno*, 929 F. Supp. 824, 831 (E.D. Pa. 1996).

¹³⁵ See *Mewes*, *supra* note 19, at 236 (stating that "IP numbers are difficult to remember, Internet users substitute unique domain names . . ."); see also World Intellectual Property Organization, *supra* note 1.

litigate competing legitimate claims is enough to prevent the mom-and-pop store from maintaining its real-space rights in cyberspace.¹³⁶

What might be predicated by enforcement of the Cyberpiracy Prevention Act as it amends the Lanham Trade-Mark Act, is a change in the structure of the existing domain name system.¹³⁷ In order to compensate for existing real-space geographic and sectoral protections, domain names may have to include some recognizable code, which would serve to identify the true source of the trader using the domain name.¹³⁸ This identifier could be a two-letter extension, representative of the state and city in which the trader operates.¹³⁹ An identifier could also be required to indicate the sector in which the domain name user trades in.¹⁴⁰

VI. CONCLUSION

The Cyberpiracy Prevention Act essentially extends federal Lanham Act protection into cyberspace. Conflicts among some registrants and those

¹³⁶ See Query: *Does the United States Own the Internet?*, Cyberia-L@listserv.aol.com (last visited October 1, 2000); see also Simons, et. al., *supra* note 103.

¹³⁷ See generally Mewes *supra* note 19, at 244-45 (arguing the structure of the domain name system will lead to trademark disputes under the Federal Trademark Dilution Act, 15 U.S.C. 1125(c) (1995)). Indeed, during the publication of this article, I.C.A.N.N. granted the establishment of seven new top-level domains to alleviate some of the hardships associated with the limited ".com" TLD. See Ben Charny, *ICANN Names New Dot-Competition; The Internet's Governing Body Approves Seven New Top-Level Domains, Including .biz, .info, and .aero.*, ZDNET NEWS, Nov. 16, 2000, available at <http://www.zdnet.com/zdnn/stories/news/0,4586,2655163,00.html> (last visited Nov. 17, 2000). These new TLD's begin to address the sectoral distinctions applicable to trademarks, however, clearly not all sectors are represented, nor is geographic orientation. Unfortunately though, the addition of the seven new TLD's spawns new questions: Because the new ".biz" and the old ".com" TLD's address a similar need, will the courts utilize a "likelihood of confusion" test for registrants of, for example, mcdonalds.biz? Will companies be implicitly forced into registering, and paying for, their existing trademarked domain names with a new TLD so as to preemptively avoid confusion, even if only initial interest confusion? If a company does not register their trademarked domain name with a new TLD, is the company conceding to dilution? These questions and a myriad of others shall be reserved for future litigants.

¹³⁸ See Management of Internet Names and Addresses, 63 Fed. Reg. 31,741 at 31,748. This is not to be confused with ccTLDs (Country Code Top-Level Domains), which are gTLDs distributed to participating countries.

¹³⁹ Elaborating on an example given previously, the contested domain of "abcautomotive.com" between legitimate rights holders in Florida and Georgia would be changed to "abcautomotive.fl.com" for the user in Florida and "abcautomotive.ga.com" for the user in Georgia.

¹⁴⁰ Elaborating on the *Data Concepts* case previously cited, a contested domain of "dci.com" between an entity that sells software products and an entity that sells educational products would result in the re-distribution of the name as "dci.sw.com" to the software seller and "dci.ed.com" to the educational products dealer. See *Data Concepts, Inc. v. Digital Consulting, Inc.*, 150 F.3d 620 (6th Cir. 1998).

asserting trademark protection may generally be reduced, however the amended Act itself may serve to stimulate litigation. The Act gives protection to real-space trademark holders in cyberspace, but to the extent real-space trademark protection exists in a limited geographical or sectoral sense, there must be corresponding changes made to the present domain name system. Trademark holders using marks in limited real-space areas cannot impose their claims on the global Internet community, and likewise the global Internet community cannot remove the real-space rights to a mark used in a certain geographical area. Similarly, trademark holders using marks to trade in certain sectors cannot impose their claims on the global Internet community, and again, the global Internet community cannot remove the real-space rights to a mark used in a specific sector of trade. This incongruity predicates structural changes in the current domain name system, such as those recommended, in order to prevent additional litigation among legitimate, but competing, trademark holders.

