Domain Names, the Internet, and Trademarks: Infringement in Cyberspace

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I. INTRODUCTION

Over the last few years, legal scholars have devoted a great deal of attention to how the digital transmission of data over the Internet—the world’s largest computer network—has challenged and tested traditional legal concepts and doctrines, especially in the area of intellectual property. The Internet poses unique problems for those trying to protect the goodwill and intangible value encapsulated in a trademark. This paper will address two specific areas in which the Internet has impacted trademark law: the alleged infringement of existing trademark rights by computer users who register allegedly infringing domain names, or computer addresses, as well as the resolution of disputes between two would-be users with legitimate claims to the same domain name.

The Internet is an international, interconnected web of computer networks that links millions of computer users and allows them to share and transfer services and information.1 The Internet is not controlled or regulated by any central authority.2 Each computer connected to the Internet acts autonomously and is regulated only by its own systems administrator; as a result, “there is no central authority to govern Internet usage, no one to ask for permission to join the network, and no one to complain to when things go wrong.”3 The Internet was initially conceived by the U.S. Department of Defense to link geographically dispersed researchers.4 Today, however, the Internet connects millions of users across the globe, providing a high-speed, efficient, and powerful communications medium through which individuals can access, share, and transmit a

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2. Burk, supra note 1, ¶ 4.
3. Id. ¶ 4.
4. Id. ¶ 7.
vast array of information and services. Commercial usage of the Internet has exploded in recent years, transforming the network system from a research tool to a global marketplace with the potential to serve millions of customers across the world. As a result, many companies have positioned themselves to offer their goods and services over the Internet, in order to reach a market that can deliver 30 million users. In December, 1994, only 30,000 companies utilized the Internet, but by February 1996, 175,000 companies had some form of presence on the Internet. By January 1996, over 300,000 individuals and companies had set up home pages for other users to peruse on the World Wide Web, a subset of the Internet that provides a hypertext-based distributed-information system through which users can create, browse, or edit hypertext documents. This flurry of activity has quickly transformed the Internet from the “cozy, non-commercial environment” that characterized its early years to a medium through which commercial vendors can advertise, sell goods and services, distribute software and other products, and offer on-line services.

A domain name is a computer address through which a company or an individual can be located by any other user with Internet access. Domain names serve to distinguish and locate the various computers, users, files, and resources accessible over the Internet. Without a domain name, a company would be practically invisible on the Internet, as customers would not know where to find it. Because companies are free to choose their domain names from those that are available, they tend to select names that are easy for

5. See, e.g., Hamilton, supra note 1, at 1.
10. Scott, supra note 6, at 2.
customers to remember and which are often common, everyday words or well-known trade names. The problem arises when a company chooses a name that has already been registered as a trademark by another company, or when two or more companies, each with legitimate claims to the name, want to use the name in their domain names. Trademark law, which forbids the use of another's trademark when such use would be likely to confuse a potential customer as to the true source of the product or service, has been invoked to resolve disputes between computer users that obtain Internet domain names and the owners of the registered trademarks.\(^\text{15}\)

Section II of this paper will explain basic tenets of trademark law, such as what constitutes a legally protected trademark and what standards are used to establish two types of infringement—likelihood of confusion and trademark dilution.

Section III of the paper will introduce domain names and their significance to companies establishing on-line Internet sites. It will then examine several disputes that have arisen between owners of valid trademarks and registrants of potentially infringing domain names. Next, the paper will examine the policy articulated by InterNIC, the organization responsible for assigning domain names, to govern their registration, as well as how this policy has attempted to address the issues raised in the trademark/domain name disputes.

Section IV of the paper will address the questions of whether trademark law is the appropriate legal mechanism through which the use of Internet domain names should be regulated, and of how—and by whom—disputes over domain name usage and trademark infringement should be resolved. It will also compare Internet domain names to two types of legally protected marks—mnemonic telephone numbers and radio broadcast identifiers.

Section V will discuss the special challenges that the Internet poses to the application of traditional trademark law. Finally, section VI will conclude the treatment of the trademark/domain name debate by evaluating the strengths and weaknesses of the InterNIC policy regarding the registration of domain names and possible solutions offered by the International Ad Hoc Committee on domain names.

\(^{15}\) See generally Burk, supra note 1, at 6-7; Raskopf, supra note 14, at 1054.
II. BASIC TENETS OF TRADEMARK LAW

A. Trademarks Defined

A trademark is any "word, name, symbol, or device, or any combination thereof... used by a person... to identify and distinguish his or her goods... from those manufactured or sold by others and to indicate the source of the goods...." The "more important part" of the definition is the requirement that the mark identify and distinguish the user's goods from the goods of others. The ability of a mark to identify and distinguish goods—its "distinctiveness"—varies with the mark. Four levels of distinctiveness have been recognized: (1) generic terms, such as "thermos" or "aspirin," which are simply products, and do not distinguish one brand from another or identify the source of the good; (2) descriptive marks, such as "raisin bran," which merely describe the products and can only identify the products after the public comes to associate the product with a particular producer; (3) suggestive marks, such as "Coppertone" or "Slimfast," which suggest the purpose of the product and serve to indicate its source; and (4) arbitrary or fanciful marks, such as "Snapple" or "Kodak," which have little or no relationship to the product. Generic terms are never entitled to trademark protection. Descriptive marks are not entitled to trademark protection either, unless the mark has acquired secondary meaning, which occurs when its primary significance to consumers is that of a product source identifier, rather than its descriptive meaning. Arbitrary/fanciful and suggestive marks are...
inherently distinctive and are, therefore, immediately protected by trademark law, regardless of secondary meaning.\textsuperscript{24}

Trademarks are protected at the federal level, through the Lanham Act,\textsuperscript{25} at the state level, through state trademark and unfair competition statutes,\textsuperscript{26} and at common law.\textsuperscript{27} If state trademark laws conflict with federal trademark protection under the Lanham Act, the Lanham Act will prevail, preempting the state law.\textsuperscript{28} A trademark owner who has registered a mark under a state trademark law may not prevent a federal trademark owner from protection in that state.\textsuperscript{29} “Thus, state law cannot narrow the rights of a federal registrant or permit confusion of customers which federal law seeks to prevent.”\textsuperscript{30}

State trademark law can confer certain benefits on state trademark holders, however. First, some state laws offer broader protection than the Lanham Act.\textsuperscript{31} Second, some state laws provide that registration of a trademark under state law is “prima facie evidence of ownership,”\textsuperscript{32} while others consider registration prima facie evidence of validity as well.\textsuperscript{33} Finally, state trademark registrations “may have a valuable defensive effect in that they are on the public record and will easily be found by others who make a nationwide search. Finding such a state registration or registrations may deter others from adopting and using a similar mark.”\textsuperscript{34} However, it has been observed that “a state registration may have little more than a psychologically soothing effect on the owner,” given the strength and prominence of the Lanham Act.\textsuperscript{35}

\begin{itemize}
\item \textsuperscript{24} Id. § 18.
\item \textsuperscript{26} See generally 1 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 22 (3d ed. 1994)[hereinafter McCarthy]. Most states provide for state trademark protection, which is separate from the protection conferred by the Lanham Act.
\item \textsuperscript{27} See, e.g., Yale Elec. Corp. v. Robertson, 26 F.2d 972 (2d Cir 1928) (Hand, J.)
\item \textsuperscript{28} McCarthy, supra note 26, § 22.02[1].
\item \textsuperscript{29} Id.
\item \textsuperscript{30} Id.
\item \textsuperscript{31} Id.
\item \textsuperscript{32} Id. § 22.01.
\item \textsuperscript{33} Id. Compare 15 U.S.C. § 1115 (“[A federal registration] shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the registered mark in commerce . . .”).
\item \textsuperscript{34} Id.
\item \textsuperscript{35} Id. However, should a federal registration be invalidated, such as for failure to renew or fraud in the obtaining or renewal of the registration, state and common law protection will still be available to protect the mark.
\end{itemize}
B. Infringement: Likelihood of Confusion and Dilution

To ensure that consumers can identify the actual source of their products and are protected from fraud and confusion, and to allow producers and manufacturers to establish reputations and protect their goodwill, trademark law protects trademarks from infringement by others. There are two basic types of infringement that are relevant to the trademark/domain name dispute: infringement that causes a likelihood of confusion, and infringement that dilutes the value of a trademark.

The first type of infringement is more common. In order to prevail against a defendant in a likelihood-of-confusion case, a plaintiff must show that the defendant’s mark is so similar to his or her own mark that use of the defendant’s mark in commerce is likely to result in consumer confusion as to the source of the goods. A court evaluating a claim of likelihood of confusion will review a number of factors, none of which is dispositive on its own. These factors include: the strength or weakness of the marks; the similarity in appearance, sound, and meaning of the marks; the similarity of the goods in question; the defendant’s intent or bad faith in adopting a similar mark; the proximity of the advertising, marketing, and distribution channels of the goods; the sophistication of the consumers of the goods; and actual evidence of confusion on the part of consumers. These factors are not exhaustive; any evidence that a mark has influenced the overall impression conveyed to a potential purchaser of a given product is relevant in determining the likelihood of confusion between two marks.

Trademark dilution, "the lessening of the capacity of a famous mark to identify and distinguish goods or services," is another form of infringement forbidden under federal law. Dilution law protects

37. Joshua Quittner, Billions Registered: Right Now, There Are No Rules to Keep You From Owning a Bitchin' Corporate Name As Your Own Internet Address, WIRED, Oct. 1994, at 54.
39. See id.
43. See generally 15 U.S.C.A. § 1125(c) (West Supp. 1996). Many states have anti-
against the diminishing of the distinctive character of a mark and does not require a likelihood of confusion. Traditionally, dilution was recognized as occurring in two ways: blurring of a mark's product identification or the tarnishment of the affirmative associations a mark has come to convey. Dilution by blurring is "the whittling away of an established trademark's selling power through its unauthorized use by others upon dissimilar products." Dilution by tarnishment generally occurs when plaintiff's mark is associated with goods of inferior quality or is depicted in an unwholesome or unsavory context. Dilution may also be found by the alteration of a mark.

Effective January 1996, Congress amended the sections of the Lanham Act regulating unfair competition to include trademark dilution. 15 U.S.C. § 1125(c) provides that "[t]he owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark." A court evaluating whether or not the defendant's trademark dilutes the dilution statutes. See Restatement (Third) of Unfair Competition § 25 (1995) (describing state anti-dilution statutes and cases). The federal law does not preempt the state laws, however, a federal trademark registration acts as a bar against suit under a state statute. 15 U.S.C.A § 1125(c)(3) (West Supp. 1996).

44. 15 U.S.C.A. § 1125(c) (West Supp. 1996)
45. 15 U.S.C § 1127 (West Supp. 1996) (defining dilution as diminishing of a mark's distinctive quality regardless of whether there is a likelihood of confusion).
47. Id. at 1031 (giving as examples such "hypothetical anomalies' as 'DuPont shoes, Buick aspirin tablets, Schlitz varnish, Kodak pianos, Bulova gowns, and so forth').
48. See, e.g., Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183 (E.D.N.Y. 1972) ("Enjoy Cocaine" poster); Chemical Corp. of America v. Anheuser-Busch, Inc., 306 F.2d 433 (5th Cir. 1962) (plaintiff's slogan, "Where there's life . . . there's Bud," diluted by defendant's use of slogan "Where there's life . . . there's bugs" for insecticidal floor wax); Academy of Motion Picture Arts and Sciences v. Creative House Promotions, Inc., 944 F.2d 1446, 1457 (9th Cir. 1991) (Oscar award diluted by competing award statue because "If the Star Award looks cheap or shoddy, . . . the Oscar's distinctive quality as a coveted symbol of excellence . . . is threatened").
49. Deere & Co. v. MTD Prods., Inc., 41 F.3d 39 (2d Cir. 1995) (depiction in an advertisement of majestic John Deere deer logo as fearful, diminutive, and being chased by competitor's lawn tractor was actionable dilution).
51. Id.
53. Id.
plaintiff's may consider the following factors to determine if the plaintiff's mark is "distinctive and famous": (1) the degree of inherent or acquired distinctiveness of the mark; (2) the duration or extent of use of the mark in connection with the goods or services with which the mark is used; (3) the duration and extent of advertising and publicity of the mark; (4) the geographic extent of the trading area in which the mark is used; (5) the channels of trade for the goods with which the mark is used; (6) the degree of recognition of the mark in the trading areas and channels of trade used by the mark's owner and the person against whom the injunction is sought; and (7) the nature and extent of the use of the same or similar marks by third parties.54

The statute does not require a likelihood of confusion between the two marks.55

III. INTERNET DOMAIN NAMES AND TRADEMARK INFRINGEMENT

A. What is a Domain Name?

Every computer or user connected to the Internet must be distinguished and located by other users. Thus, every user is assigned an Internetworking Protocol Address (IP Address), a unique combination of numbers separated by periods to represent different fields,56 such as 123.101.23.128.

These strings of digits contain a network portion that locates the specific network to which the user is connected, as well as a local address that identifies the user within the network.57 IP addresses are, unfortunately, unwieldy and difficult to remember. As a result, the IP Address system has been overlaid with a more user-friendly system of domain names, in which IP Address holders are given an easily remembered mnemonic designation.58 Computer programs that connect users to the Internet have been programmed automatically to look up the numeric IP Address that corresponds to the designated mnemonic domain name address.59

54. Id.
55. Most state anti-dilution statutes do not require that the public be confused as to the source of the marks, but relief under state laws is often not granted unless there is a likelihood of confusion. Palladino, supra note 16, at 65.
56. See generally Burk, supra note 1, ¶ 10.
57. Id. ¶ 4.
58. Id.
59. Id.
Domain names are made up of a number of characters separated by periods to designate fields. Often, domain names consist of a word that will easily identify the holder of that address, such as an individual’s or organization’s name, a brand name or trademark, or a nickname, followed by a three letter abbreviation that designates the user’s type of organization. For example, a user’s domain name could be:

clinton.whitehouse.gov

From right to left — most general to most specific — in the domain-name above, the “gov” portion is the top-level domain name which describes the purpose of the organization or institution. The next element, “whitehouse” is the second-level domain and is chosen by the domain name registrant. The last item, “clinton” is the name of the host computer itself. A domain name may include additional components between the host name and the second-level domain; these are called subdomains. There are several top-level domain identifiers currently used in the domain name system: “gov,” which identifies government networks; “com,” which identifies commercial organizations; “mil,” which identifies military users; “net,” which identifies an organization running a computer site or network; “edu,” which identifies an educational institution; and “org,” which identifies non-profit organizations. Sometimes, a final designator is added to locate the country in which the address is located, such as “us” (the United States), “uk” (the United Kingdom), or “ca” (Canada).

For a company doing business on the Internet, a domain name is an extremely valuable tool for reaching and maintaining communication with customers. Because there is no effective alternative method of finding a company’s Internet location, having a domain name that corresponds to a well-known trademark may be a prerequisite for a company that wants to establish an Internet presence. Indeed, “for businesses to communicate effectively on the Internet, it is essential that they have a unique ‘address’ that is easily recognizable to customers.” Consequently, Internet domain names

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60. See Hamilton, supra note 1, at 3.
61. Raskopf, supra note 14, at 1050-51.
62. See, e.g., Panavision Int’l, L.P. v. Dennis Toeppen, 945 F. Supp. 1296, 1297 (C.D. Cal. 1996) (explaining the components of an IP address); InterNIC Registration Services: DNS Background Materials (last modified April 1, 1996) <http://rs.intemic.net/help/domain/dns.html> (describing components of a domain name and the domain name system).
63. Hamilton, supra note 1, at 2. See also Lori Hawkins, The Name Game, AUSTIN
represent more than just addresses to on-line vendors; they are "the electronic signs on the virtual storefronts." Internet domain addresses have been referred to as "postal addresses, vanity license plates and billboards, all rolled into one digital enchilada," as a "corporate identity in the information age," and as "electronic mailboxes for companies and their employees."

Domain names are assigned to companies and individuals by the Internet Network Information Center (InterNIC), under contract with the National Science Foundation, through Network Solutions, Inc. (NSI). Users who wish to obtain a domain name may do so by contacting InterNIC via e-mail and requesting a particular domain name. InterNIC serves potential registrants on a first-come, first-served basis; if a name has not yet been assigned, InterNIC will assign it to the user that requests it first. InterNIC itself does not question or verify the rights of the user to choose a particular name. Given the sheer number of requests that InterNIC processes per day, it simply does not have the resources to investigate each name it assigns or to consider any potential trademark infringement issues that might arise from the assignment of those names. As of April 1996, InterNIC was registering 35,000 domain names per month, and

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American-Statesman, July 3, 1995, at El (noting that a domain name is an "important marketing tool").

64. David P. Krivoshik, Intellectual Property: Paying Ransom on the Internet, N.J.L.J., Oct. 23, 1995, at 10. See also Steve Higgins, What's in an Internet Name? To On-Line Marketers, Lots, INVESTOR'S BUS. DAILY, Oct. 17, 1995, at A10 ("Canny addresses are as important to on-line merchants as prime retail space is to conventional merchants, cybernauts say. It's easier to order jewelry from a business that can be reached by typing 'gold.com,' for example, than it is to buy it from another vendor with a forgettable address.").


68. Abel, supra note 12, Part I.D. InterNIC can be accessed on the World Wide Web at the following address: <http://www.internic.net>. InterNIC has delegated the actual responsibility for assigning Internet domain names to Network Solutions, Inc. (NSI), a private organization located in Alexandria, Virginia. Country designators, such as "us" or "ca" are not assigned by InterNic or NSI, but by separate institutions in each country. For example, the "us" domain is registered through the US Domain Registry at the Information Sciences Institute of the University of Southern California. See The US Domain, (last modified Feb. 13, 1997) <http://www.isi.edu/in-notes/usdnr>.


70. Hamilton, supra note 1, at 3-4.

71. See generally Baum & Cumbow, supra note 69, at C17.
through the end of March 1996, had assigned over 310,000 names to date.\textsuperscript{72}

Traditionally, domain name addresses were assigned to registrants free of charge.\textsuperscript{73} However, given the increased number of daily requests received by InterNIC over the last few years "due mostly to the connecting of commercial organizations to the Internet,"\textsuperscript{74} coupled with the National Science Foundation's budgetary constraints, InterNIC was forced to adopt a policy in September 1995 requiring registrants to pay a $100 fee to register a name for two years, and a $50 fee each year thereafter to maintain registration of that name.\textsuperscript{75} The fee applies to those names registered in the "com," "org," "net," "edu" and "gov" domains.

The InterNIC policy of charging a fee to register a domain name is only further evidence of the commercialization of the Internet, a development which has ruffled the feathers of long-term users who resent the direction in which Internet usage has headed.\textsuperscript{77} Other observers have taken a different stance, however. For businesses hoping to set up shop on the Internet, the fee has been seen as "a negligible price to pay for the privilege of hanging out a shingle in cyberspace... [T]he Internet is rapidly turning into a toll road, and companies that want to ride it are going to have to get used to paying their way."\textsuperscript{78}

\textsuperscript{72} Telephone interview with David Graves, Internet Business Manager, NSI (Apr. 12, 1996).


\textsuperscript{75} InterNIC Press Release, \textit{supra} note 74.

\textsuperscript{76} Id.

\textsuperscript{77} See Kate Gerwig, \textit{Putting Your Mark on the Web}, NETGUIDE, Feb. 1, 1996, at 87.

\textsuperscript{78} Resnick, \textit{supra} note 73. See also Greg Notess, \textit{The Internet Goes Commercial}, DATABASE, Dec. 1995, at 72:

For years, some academics and researchers have bemoaned the impending commercialization of the Internet, while others have argued its benefits. Some have been concerned that the free or inexpensive access that many researchers and academics enjoy would disappear, that the collaborative nature of the Net would vanish, and that the information resources would all become popular and less useful. None of that has happened, yet. Instead, the cash that the commercial sector has pumped into the Internet and its software and hardware developments has helped spark improvements and more growth. For good or for ill, the Internet has gone commercial.
B Trademark Skirmishes on the Internet

The commercialization of the Internet has led to a number of skirmishes between trademark owners and Internet users who have registered domain names that potentially infringe the rights of those trademark owners. These disputes illustrate vividly the competing interests at stake and the types of controversies that the system of domain name registration has caused.

1. MTV v. Adam Curry

In October 1994, MTV Networks (MTV) sued one of its former video disc jockeys, Adam Curry, alleging trademark violations in connection with Curry’s use of the name “mtv.com” to locate his Internet site. The two parties went to court in the Southern District of New York to determine who had legal rights to the use of the mark. Curry claimed that he had been given permission, while he was employed by the network, to use the name to develop an Internet site which dispatched daily reports of gossip regarding the entertainment and music industries. Curry registered the name “mtv.com” under his own name, with his own money, and continued issuing his daily reports from the Internet site even after his employment at MTV was terminated. Curry’s site was a popular one, with millions of Internet users accessing the site in the first ten months of its operation. After several unsuccessful requests that Curry cease using the “mtv.com” name for his site, MTV sued Curry for trademark infringement, as well as for breach of his employment contract.

Despite Curry’s pledge to take the case “all the way to the Supreme Court” and his characterization of the dispute as the “Roe v. Wade of the Internet and the information superhighway,” the contentious case never reached final judgment in the district court. The two parties settled the dispute in March 1995, with Curry relinquishing the “mtv.com” domain name to MTV on undisclosed terms. Yet the importance of this dispute was unquestioned; it

80. The only court document issued in the case was an order denying Curry’s motion to dismiss two of MTV’s counterclaims and an order granting Curry’s motion for a more definite statement as to one of MTV’s counterclaims. Id. at 208.
81. Hamilton, supra note 1, at 6.
82. Id.
83. 867 F. Supp. at 204.
84. Video Disc Jockey Butts Heads With MTV Over Internet, CLEV. PLAIN DEALER, May 25, 1994, at 6C.
represented one of the first, and most notorious, attempts to address the potential for trademark infringement in cyberspace.

2. Stanley Kaplan v. Princeton Review

In October 1994, two rival test-preparation companies, Stanley Kaplan and Princeton Review, agreed to arbitrate the first widely publicized case of "Internet address poaching and speculation," the practice of hoarding valuable trademarked names for use as Internet addresses and holding them for ransom. Stanley Kaplan attempted to register the domain name "kaplan.com" in May 1994 in order to develop an Internet site to advertise its services, only to learn that the name had already been registered by its main competitor, the Princeton Review. Although the president of the Princeton Review claimed that his company registered the site "kaplan.com" only to "mock and annoy" Stanley Kaplan, the name poaching did have the potential to impact negatively Stanley Kaplan's business. Users who visited Princeton Review's "kaplan.com" site were "offered electronic materials disparaging the quality of Kaplan Review's services and extolling the comparative advantages of the Princeton Review courses." Furthermore, users were not alerted to the fact that the site was run by Princeton Review and not Stanley Kaplan, thus increasing the likelihood that users would be confused as to the true source of the information posted at the Internet site.

Stanley Kaplan officials, who claimed that Princeton Review "hijacked [Kaplan's] name" and likened Princeton Review's actions to a "second grade prank," charged its rival with trademark infringement and unfair competition. Kaplan sued Princeton Review for attempting to capitalize on "a whole bunch of positive attributions" that stand behind the Kaplan name. Princeton Review, in response, told Stanley Kaplan that the registration of the name "kaplan.com" had been done primarily as a joke, and offered to sell

85. Burk, supra note 1, ¶ 16.
86. Company Must Alter Name on Internet, ORANGE COUNTY REGISTER, Oct. 7, 1994, at C01.
87. Burk, supra note 1, ¶ 19.
88. Id.
89. Id.
91. Mitch Betts, Internet Name Game Gets Specific, COMPUTERWORLD, Oct. 10, 1994, at 6A.
92. Sandberg, supra note 67.
the name back to Stanley Kaplan for a case of beer. Stanley Kaplan turned down the offer, and the two parties submitted the matter to an arbitrator, who ruled that Princeton Review had to give up the address, grant it to Stanley Kaplan, and switch its own site to a location with the address “review.com.”

The Stanley Kaplan/Princeton Review skirmish yielded no legal precedent, but it alerted companies to the practice of address poaching, which had become widespread as the Internet became more commercialized and valuable to large companies. By October 1994, “domain names suitable for 14 percent of the Fortune 500 companies had already been registered by someone else, and a sizable chunk of the Fortune 500’s domain names were still unclaimed, as well.” Indeed, several well-known companies were dismayed to learn that the names “coke.com,” “fox.com,” “abc.com,” and “polo.com” were already taken by the time they tried to register them with InterNIC—evidence that the Internet had begun to impact the trademark realm. However, it must be noted that in many of these cases, the names were not taken by would-be address poachers, but were registered to other companies who shared an acronym or a name with a more well-known counterpart, and therefore shared a legitimate claim to the name.

3. McDonald’s v. Quittner

Another colorful and well-publicized case of Internet domain name poaching involved a magazine writer who, in October 1994, decided to test McDonald’s reaction to his registration of the domain name of the famous fast-food chain. Joshua Quittner, a writer for Wired and Newsday, researched and wrote about the phenomenon of domain name poaching, a trend he termed the “Net Name Gold
Rush." He decided to test the trend, and contacted McDonald's to see whether or not the corporation had registered its world-famous name as an Internet address. Upon learning that it had not, he did it himself; two weeks later, he received an e-mail notification from InterNIC that he was now the registrant on file for the domain "mcdonalds.com." He activated his site and circulated his new e-mail address as "ronald@mcdonalds.com". Quittner registered the name in jest, as a way to generate entertaining and topical material for his column. He asked viewers for suggestions as to what he should do with the site, and even offered a few himself:

I'd like to see if Burger King is interested in buying mcdonalds.com, taking it off my hands . . . .

... I could auction it off. I could hold on to it as a trophy, à la Curry and mtv.com. I could set up a . . . home page, explaining the difference between McDonald's and Josh "Ronald" Quittner.

In the end, however, Quittner proved to be a serious adversary for McDonald's. Although he was not after a cash settlement in exchange for the name, Quittner refused to transfer the name to McDonald's unless the corporation donated $3,500 to a junior-high school class in a Bedford-Stuyvesant, NY public school that badly needed improved computer equipment to maintain access to the Internet. At first, the company was not interested in settling with Quittner, and threatened instead to sue the writer to gain ownership of the domain name. Ultimately, the company quietly relented, donated the $3,500 to the school, and put an end to the dispute.


In another dispute that illustrated simply and vividly the interests at stake in Internet domain name conflicts, the Council of Better Business Bureaus (CBBB) in May 1995 sued a Kansas City man named Mark Sloo who had registered the domain names

100. Quittner, Billions Registered, supra note 37.
101. Id.
102. Id.
103. Burk, supra note 1, ¶ 21.
104. Quittner, Billions Registered, supra note 37, at 54.
105. Quittner, Life in Cyberspace, supra note 65.
107. Id.
“bbb.com” and “bbb.org.” CBBB, the umbrella organization for the country’s 138 Better Business Bureaus, owned the “BBB” trademark, and wanted to establish an Internet site through which consumers could file complaints about businesses electronically and access information about businesses on-line. It was told by InterNIC, however, that the names “bbb.org” and “bbb.com” had already been registered by Mark Sloo, who was not connected to CBBB in any way. CBBB tried unsuccessfully to negotiate with Sloo, beginning in November 1994, but was forced to file suit in May 1995 to retrieve the domain names.

According to CBBB’s general counsel, the organization was concerned about protecting “the substantial good will and public recognition of what the BBB stands for,” and was afraid that “consumers and businesses would be misled into thinking that by contacting ‘bbb.org’ and ‘bbb.com’ they would obtain information from one of our member Better Business Bureaus.” The president of CBBB summed up the challenge faced by companies who want to establish an on-line presence using their protected trademarks:

Responsible marketers wanting to use this promising medium realize that they will never be successful unless they develop and maintain consumer confidence by adhering to ethical business practices. We see this lawsuit not simply as an effort to reclaim our trademark rights, but as a demonstration of support for these responsible marketers.

CBBB’s suit against Sloo included trademark infringement and unfair competition claims, alleging that Sloo’s “registration of the ‘bbb’ name prevent[ed] the Better Business Bureau system from using its own famous identifier as an Internet address.” CBBB also charged Sloo with name poaching, alleging that Sloo’s only real

111. See Better Business Bureau Sues For Internet Address, supra note 108.
113. Rosenberg, supra note 109, at D3.
114. See PR NEWSWIRE, supra note 112.
115. Id.
interest was in bartering the name for compensation. Indeed, Sloo told CBBB that he would be willing to "donate" the name to the non-profit organization so that he could receive a tax deduction. CBBB refused to comply with Sloo's request, and was forced to file suit against him when he continued to demand compensation for the domain names. The case is still pending in federal court in Kansas City, MO.

5. WIRED v. Wire

One trademark/domain name dispute that considered a different issue—the registration of a domain name similar to one already in use—pitted Wired magazine against WIRE, a computer network that used the domain name wire.net. Although the two companies offered very different services—Wired is a monthly magazine that covers computer technology-related topics and WIRE is a computer network devoted to women's issues—Wired thought that WIRE's domain name was too similar to its own: wired.com. Although both sides hired lawyers to resolve the issue, the parties reached a settlement in February 1994 without stepping into a courtroom. Wired agreed to split the cost of changing WIRE's name to Women's Wire and also ran several ads for the network, while the newly-dubbed Women's Wire changed its Internet address to wwire.net. However, even though the dispute was resolved peacefully, it raised an issue that had not yet been addressed in the trademark/domain name controversy: whether or not the registration of similar domain names caused such a likelihood of confusion that one of the names needed to be changed.

116. Better Business Bureau Sues For Internet Address, supra note 108. According to Steven Cole, the general counsel of the CBBB, Sloo represents another example of "an entrepreneur hoping to make a quick profit from selling [a domain name] back to the company." Id.


118. Id.


120. Elizabeth Weise, Feud Highlights Growing Importance of Internet, B. GLOBE, Feb. 22, 1994, at 42.

121. Id.

122. Brunel, supra note 90, at 6.

123. Weise, supra note 120, at 42.

124. It is also interesting to note at this point in the analysis that the current technology does not allow companies to differentiate their domain names through the use of capitalization, stylized formats, or fonts. While the names "Wired" and "WIRE" look quite different on

In 1994, an Illinois-based computer consulting company called KnowledgeNet attempted to obtain a domain name address using its trademarked name, only to learn that the name “knowledgenet.com” had already been registered by David Boone, a Virginia man who was using the name for an Internet site for a “fledgling trade association of independent business consultants.” KnowledgeNet filed suit against Boone in December 1994 for trademark infringement, demanding that he return the name and pay between $25,000 and $50,000 in damages. Boone claimed, in defense, that he never used the mark to sell goods or services, nor did he ever intend to sell the type of services offered by the computer consulting firm. In the end, the parties were able to reach settlement, so no legal precedent was set by the dispute. Boone, whose rising legal fees drained his energy and his budget, agreed to the following: to transfer the name to KnowledgeNet; to send copies of the consent decree to all of the members of his trade association; to send up to four certified letters to members, including a return postcard asking the members not to use the name “KnowledgeNet”; and to send a copy of the decree to the publications which had written about his association.

The KnowledgeNet dispute was particularly significant because, for the first time, InterNIC and Boone’s Internet access providers were named as defendants in the suit. KnowledgeNet’s suit contended that, “by allowing Boone to register [knowledgenet.com], and by refusing to revoke it, InterNIC assisted, aided, and abetted Boone’s illegal activities.” KnowledgeNet also sued Boone’s access provider, Digital Express Group, who hosted Boone’s World Wide Web pages that mentioned the name of his Internet site. Although both InterNIC and Digital Express Group settled with paper, the technology of the Internet cannot yet allow this differentiation to translate to domain name addresses. See Brunel, supra note 90.

127. Id.
128. Retreat and Surrender, supra note 125.
129. Id.
131. Id. at 7.
KnowledgeNet on undisclosed terms, had the case gone to trial, its outcome would have been instructive for InterNIC and the companies who provide Internet access services to parties in domain name trademark infringement actions.

7. Hasbro v. Candyland

A recent Seattle case expanded the legal options available to a trademark owner who wants to protect his goodwill in cyberspace. In February 1996, toymaker Hasbro, Inc., the manufacturer of the popular children’s board game “Candyland,” sued Internet Entertainment Group Ltd. (IEG), a Seattle company who was using the address “candyland.com” for an Internet site featuring sexually explicit material, nudity, and cybersex. Hasbro alleged, in the U.S. District Court for the Western District of Washington, that IEG had diluted the value of Hasbro’s CANDYLAND trademark through its use of the name to identify its Internet site. Further, Hasbro charged that IEG’s conduct was causing irreparable injury to Hasbro through its use of the domain name, as the “pornographic Internet site [was diluting] the wholesome nature of the name.”

Hasbro petitioned the court for a temporary restraining order preventing IEG from “directly or indirectly using the name CANDYLAND, or the Internet domain name ‘candyland.com,’ or any similar name which is likely to dilute the value of Hasbro’s CANDYLAND mark, in connection with the advertising, operation, or maintenance of any Internet site, including but not limited to any Internet site containing sexually explicit material or other pornographic content.”

In defense of its use of the name “candyland.com” for its Internet site, IEG claimed that it did not intend to capitalize on the toy maker’s trademarked name. According to one IEG official, “We’ve never had a customer complain, ‘Oh, I thought I was going to get the Candy Land board game of my childhood.’ We’ve never attempted to confuse anyone into thinking they would get a child’s


134. For an explanation of the federal anti-dilution statute, see supra Part II.B.


Judge Dwyer of the Western District of Washington, who issued the temporary restraining order for Hasbro, was not convinced by IEG's defenses. In addition to restraining the company from using the “candyland.com” address, he ordered the company to post a referral notice at the original site providing the new location of IEG’s Internet site, and forbade the company from establishing a “hyperlink” to any site. After ninety days, IEG was to remove the referral notice and discontinue all use of the “candyland.com” domain name. The ninety-day referral period was a concession by Judge Dwyer to IEG, who had invested substantial amounts of money in advertising and promoting the “candyland.com” site. But the decisive tone of his restraining order clearly indicated that the claim of trademark dilution could be an effective and persuasive legal doctrine to enforce trademark rights on the Internet.

8. Intermatic v. Toeppen

The Northern District of Illinois recently applied the federal trademark dilution act to a domain name registrant in Intermatic v. Toeppen. In Intermatic, the plaintiff, a manufacturer and distributor of electronic products, sued Dennis Toeppen, an individual who had registered the domain name “intermatic.com,” alleging that his use of the name for his website constituted trademark dilution of its registered trademark INTERMATIC. The court agreed with Intermatic, holding that Toeppen had violated the

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138. Shukovsky, supra note 133, at B1. See also Toy Maker Takes on Cyberporn on the Internet, BUS. WIRE, Feb. 1, 1996, available in LEXIS, Nexis library (“[IEG] insists there is no likelihood that consumers will be confused as to the affiliation, connection or association of IEG with Hasbro or as to the toy maker’s sponsorship or approval of the ‘candyland.com’ adult-oriented Internet site.”).

139. Shukovsky, supra note 133, at B1.


141. Hasbro, Inc., 1996 U.S. Dist. LEXIS 11626, at *4. A hyperlink would allow users who accessed the “candyland.com” site to be transferred automatically to the new site without having to direct their Web browsers to a new address.

142. Id. at *4.

143. IEG requested the referral period from the judge, noting that “[g]iving up the location without notice ... would be like moving from a house without leaving a forwarding address. And that would mean lost business.” Haines, supra note 135, at B1.

trademark anti-dilution act because his registration of Intermatic's trademarked name "lessen[ed] the capacity of Intermatic to identify and distinguish its goods and services by means of the Internet."\textsuperscript{145} The defendant's conduct diluted the plaintiff's trademark by hindering Intermatic's ability to "identify its goods to potential customers who would expect to locate Intermatic on the Internet through the 'intermatic.com' domain name."\textsuperscript{146} The court permanently enjoined Toeppen from using or infringing the INTERMATIC trademark, and specifically from using the "intermatic.com" domain name or preventing Intermatic to register it for itself.

These disputes highlighted several important, recurring issues: (1) How can Internet domain name poaching be avoided?; (2) What happens when two companies own an identical trademark, and both want to use the mark as a domain name?; (3) How should disputes be resolved when two domain names are similar, but not identical?; and (4) Can domain names dilute registered trademarks? Many of these issues were addressed more extensively in InterNIC's registration policy, which it issued in July 1995,\textsuperscript{147} and revised in September 1996.

C. InterNIC's Revised Domain Name Registration Policy

Prompted by the volume of domain name/trademark disputes, and fearful of being named as a defendant in future suits, InterNIC issued a new policy governing the registration of domain names in July 1995,\textsuperscript{148} which it revised in September 1996.\textsuperscript{149} Pre-July 1995, InterNIC would register any name that had not yet been claimed, regardless of any existing trademark rights in the name.\textsuperscript{150} Its only requirement was that the name had not yet been registered by

\textsuperscript{145} Id. at *38.

\textsuperscript{146} Id. at *39. \textit{See also} Panavision Int'l, L.P. v. Toeppen, 945 F. Supp. 1296 (C.D. Cal. 1996).

\textsuperscript{147} \textit{See} discussion \textit{infra} Part III.C.

\textsuperscript{148} According to the business manager of InterNIC, the policy was implemented "basically to allow [InterNIC] to do [its] business without creating the appearance that [it is] contributing to trademark infringement." \textit{NSI Changes Domain Name Registration Policy}, INTERNET WEEK, July 31, 1995, \textit{available in WESTLAW}, Allnewsplus file (quoting David Graves, Internet business manager for NSI).

\textsuperscript{149} \textit{See infra} note 162 and accompanying text (discussing the modifications to the original policy).

\textsuperscript{150} Carl Oppedahl, \textit{Avoid the Traps in the New Rules For Registering a Domain Name}, N.Y.L.J., Aug. 8, 1995, at 5, col. 1.
The new registration policy, however, took a position on the subject of trademark infringement. According to the July 1995 policy, applicants for a particular domain name must own "the right to the domain name," meaning that the name must not "interfere with or infringe the right of any third party in any jurisdiction with respect to trademark, service mark, tradename, company name, or any other intellectual property right." In the policy, InterNIC stated that it would still issue domain names on a first-come, first-served basis, granting applications for names that have not yet been assigned, but that it would presume, in doing so, that registrants have the legal right to use the name, or that no one else has a legal right to use the name.

The July 1995 policy, in essence, shifted the responsibility for ensuring that trademarks are not infringed onto the applicant. The policy "require[d] each applicant to represent and warrant among other things that it may rightfully use and intends to use on a regular basis the proposed domain name; that use by the applicant of the proposed name would not violate any trademark or other intellectual property right of a third party; and that the applicant does not seek to use the domain name for the purpose of confusing or misleading any person." InterNIC reserved the right to withdraw a domain name from use if an order by a U.S. court or arbitration panel, or a valid foreign or U.S. federal trademark registration, determined that the name rightfully belonged to a third party.

The July 1995 InterNIC policy also set forth a procedure for resolving the disputes that arise when a trademark owner claims that an Internet domain name registrant has infringed his valid trademark. Under the 1995 policy, "when such a claim is made, [InterNIC] compares the date the applicant first used the domain name with the date of first use of a claimant's trademark or the effective date of the claimant's validating trademark registration. If the applicant's domain name is senior to the earliest trademark use, or if the name

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151. Id.
152. NSI Domain Name Dispute Policy Statement (Revision 01, Effective Nov. 23, 1995), <ftp://rs.intemic.net/policy/intemic/intemic-domain-4.txt> [hereinafter InterNIC Policy 1995].
153. NSI Changes Domain Name Registration Policy, supra note 148. A service mark identifies the source of a service, while a trademark identifies the source of a good or product. See 15 U.S.C. § 1127 (1988) (defining trademark and service mark).
155. Keller, supra note 130 at 7.
156. InterNIC Policy 1995, supra note 152; see also Baum and Cumbow, supra note 69, at C18.
applicant offers a validating trademark of its own, the applicant may continue using the mark...”157 If, on the other hand, it appeared that the domain name holder had infringed the trademark owner’s property, then InterNIC would assign the registrant another domain name.158 The applicant would be permitted to use both names simultaneously for 90 days, in order to make a smooth transition to the new name.159 After that period, the name would be placed on hold until the two parties reach agreement, either through a court judgment or a private settlement.160

InterNIC also included provisions in its revised policy that protected itself from liability in trademark infringement actions. According to the policy, an applicant must agree to indemnify InterNIC against any loss arising from trademark claims against InterNIC caused by the applicant’s use of the proposed domain name.161 The policy also stated that InterNIC would not conduct trademark searches, nor did it have the authority or expertise to resolve or settle trademark infringement claims.162 InterNic claims that taking on the responsibility to pre-screen domain names to check for potential infringement would “turn [InterNIC] into a mini-trademark office with costs going through the roof and processing time in months rather than days.”163

157. InterNIC Policy 1995, supra note 152. The InterNIC policy does not address situations where both the domain name registrant and the trademark holder possess identical, valid trademarks. See generally id. The InterNIC policy also fails to address situations where the trademark holder and the domain name registrant use the mark in separate and distinct product areas, or where the domain name registrant is located in a geographic area outside of where the unregistered trademark holder uses the mark.
158. Id.
159. Id.
160. Id.
162. NSI Changes Domain Name Registration Policy, supra note 148. As a result of the new InterNIC policy, several companies now offer search services that survey not only existing trademarks, but domain names as well. For example, Thomson & Thomson, a worldwide trademark and copyright research company, offers its clients a “domain name watch,” which alerts subscribers on a bi-weekly basis to new domain names that might infringe their trademarks. See Trademarks Monitored on Internet, MASS. LAWYERS WEEKLY, Dec. 25, 1995, at Cl; see also Thomson & Thomson Offering Search Service for Internet Domain Names, ONLINE NEWSLETTER, Dec. 1, 1995, available in WESTLAW, Allnewsplus file. Trademark Research Corporation (TRC) also provides Internet domain name searches to help its clients conform to the new policy. See Trademark Research: Internet Domain Registrants Can Avoid Trademark Disputes, M2 PRESSWIRE, Sept. 11, 1995, available in WESTLAW, Allnewsplus file. Information about TRC can be accessed at <http://www.cch-trc.com/trc.html>. TRC charges approximately $70-320 per request, depending on the extensiveness of the search. Gerwig, supra note 77, at 87.
163. Network Solutions Announces Internet Domain Name Policy, InterNIC Press Release
In September 1996, InterNIC announced further revisions to its domain name registration policy. These revisions did not substantially alter the July 1995 version, but three modifications should be noted. First, according to its revised policy, InterNIC now requires trademark owners who wish to challenge the legality of another’s domain name “to notify the domain registrants that their registration and use of the domain name violates the legal rights of the owner.” Second, unless InterNIC receives an order by a federal or state court to suspend or transfer registration of a domain name, InterNIC will only take action on behalf of a trademark owner if it is provided a certified copy of a federal trademark registration certificate and a copy of the written notice given to the domain name registrant. Finally, InterNIC clarified its policy regarding the timing and priority of domain name applications. It stated in the 1996 revisions that it would “accept a domain name registrant’s trademark only if it was registered before the date of [InterNIC’s] request for proof of ownership or any third party’s notification of a dispute to the registrant, whichever is earlier.”

Thus, the domain name holder will be able to keep the domain if the domain holder can prove either (1) that its use of the domain predates the effective date of the registration and the date of first use in the registration submitted by the challenging party, or (2) that the domain name has its own trademark registration. If the domain holder is unable to prove prior domain use or produce its own trademark registration, the domain holder must give up the domain, with a 90 day phase-out period. The domain then goes on “hold” status, where it is not available to anybody, pending resolution of the dispute.

Three earlier policies adopted by InterNIC are also worth noting. First, InterNIC announced in October 1994 its intention to
limit registrations to one domain name per company.\textsuperscript{173} Although the company has not always adhered strictly to this policy,\textsuperscript{174} it recommitted itself recently to maintaining "reasonable" limits on the number of addresses one company may register.\textsuperscript{175} InterNIC did decide, however, not to revoke 200 domain names that were assigned to consumer goods company Proctor & Gamble, including "badbreath.com," "dandruff.com," and "headache.com."\textsuperscript{176} According to InterNIC, the names were issued in error when the company was in the early stages of setting up its procedures, and it decided not to penalize Proctor & Gamble for InterNIC's mistake.\textsuperscript{177}

In its July 1995 Policy, InterNIC also prohibited "warehousing" of domain names, or letting a name remain inactive for more than 90 days.\textsuperscript{178} According to the policy, "if a domain name goes without regular use for a period of 90 days or more, then the domain name must be relinquished to InterNIC upon request, making that domain name available for registration and use by another party."\textsuperscript{179} This requirement prevents registrants from allowing their names to lie dormant.\textsuperscript{180}

Finally, InterNIC has articulated a company policy regarding the registration of racist and offensive domain names. According to InterNIC, "the company has no formal written policy against offensive names. But...the company tries to weed them out using obscenity guidelines followed by the Federal Communication Commission and local departments of motor vehicles."\textsuperscript{181} A spokesman for InterNIC also likened the registration of domain names to the issuance of vanity license plates for cars, noting that the company uses a "common-sense standard" to determine which names will be refused.\textsuperscript{182} For example, a recent attempt to register the domain name "fuck.com" was denied by InterNIC, after the

\begin{footnotesize}
\begin{enumerate}
\item Sandberg, supra note 67, at B8.
\item On the Internet, the Name of the Game is Names, NEWSDAY, Oct. 2, 1994, at 4.
\item Christine Hudgins-Bonafield, InterNIC Seeks Guidance on Name Disputes, NETWORK COMPUTING, Feb. 15, 1996, at 34.
\item Name Game a Virtual Legality on Internet, S. CHINA MORNING POST, Sept. 17, 1995, at 4.
\item Hudgins-Bonafield, supra note 175, at 34.
\item Oppedahl, supra note 150, at 5.
\item Id.
\item Baum and Cumbow, supra note 69, at C18.
\item Laura Evenson, Obscene, Racist Names on Internet, S.F. CHRON., Nov. 8, 1995, at A9; see also Laura Lorek, Don't Overpay for Domain Name, FT. LAUDERDALE SUN-SENTINEL, July 28, 1996, at 1E.
\item Evenson, supra note 181, at A9.
\end{enumerate}
\end{footnotesize}
organization concluded that "a large number of people . . . would be offended."\textsuperscript{183} InterNIC acknowledges that the system is not perfect,\textsuperscript{184} however, as several arguably offensive names have been registered and can be found on-line. One Internet consultant has allegedly registered the domain names "fucked.com," "bullshit.com" and "blowme.com."\textsuperscript{185} One explanation that has been offered by InterNIC for the presence of these names on the Internet is that they were "sneaked through the [InterNIC's] screening system . . . by offering proof that the names are acronyms for real organizations . . . Indeed, fucked.com was requested by that well known organization, 'For Unlawful Cardinal [sic] Knowledge Education Division,' records show."\textsuperscript{186}

IV. TRADEMARK LAW AND DOMAIN NAMES

As disputes over trademark rights and domain names have become more common and more intense, some observers have questioned whether it is even appropriate to apply trademark law to domain names. After all, they argue, "domain names are not trademarks, are not used as trademarks, and should not be open to challenge by the owners of arguably similar registered marks."\textsuperscript{187} Those who oppose protecting domain names further argue that a domain name is simply an address, and should not be subject to cancellation for likelihood of confusion with a registered trademark "any more than a street address or an office building name should be changed if it is too similar to someone else's trademark."\textsuperscript{188}

The reality is, however, that a domain name is not simply an address. As this article has noted, a domain name conveys much more than a location; "Internet users readily interpret a domain name as reflecting the identity of its owner in a way that a postal address does not."\textsuperscript{189} A domain name that includes or invokes a famous trademark or trade name conveys all of the goodwill and intangible value encapsulated in the trademark— even if that domain name is

\textsuperscript{183} Chip Rowe, Censorship Glossary: The Tools of Repression, PLAYBOY, July 1, 1995; see also <http://www.playboy.com/forum/english/archive/glossary.html> (on-line version of glossary).

\textsuperscript{184} Evenson, supra note 181. A spokesman for InterNIC noted that "the system doesn't work perfectly." \textit{Id.}


\textsuperscript{186} Id.

\textsuperscript{187} Baum and Cumbow, supra note 69, at C18.

\textsuperscript{188} Id.

\textsuperscript{189} Id.
not used for commercial purposes — and a company should not lose protection for that mark simply because it is used in cyberspace. Indeed, trademark law "helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product." Trademark law, therefore, appears to be the appropriate legal mechanism through which companies can be assured that their intellectual and commercial property will be protected on the Internet.

A. Should Domain Names Be Protected As Trademarks?

As noted above, some scholars have argued that domain names are not equivalent to trademarks, and should therefore not be found to infringe existing trademarks. Likening domain names to addresses, they argue that domain names are not entitled to protection. Others, however, have stressed that domain names serve the same purpose as trademarks: they identify the source of the good, service, or information being offered over the Internet, and they allow companies to transfer their goodwill and name recognition to the computer network medium. Indeed, “[d]omain names might seem to be unusual because they appear to be both names and addresses; they both locate and identify Internet resources.” If trademark law were to acknowledge only the capacity of a domain name to locate an Internet site, then “application of trademark law to domain names . . . might be problematic.” However, the second nature of domain names must be considered — the ability of domain name to communicate the identity of its source. Because domain names serve this important function of identification of the source of a product or service, they should be granted protection as trademarks, and should be recognized as capable of infringing other trademarks. Furthermore, whatever similarity exists between domain names and real-life addresses should not be dispositive; in Qualitex Co. v. Jacobson Products Co., the Supreme Court noted that “[i]t is the source-distinguishing ability of a mark — not its ontological status as color, shape, fragrance, word, or sign — that permits it to serve these

191. See, e.g., Burk, supra note 1, ¶ 34.
192. See, e.g., Brunel, supra note 90, at 2; Hamilton, supra note 1, at 5.
194. Id. ¶ 9.
basic purposes.\textsuperscript{196}

\textbf{B. Comparison to Mnemonic Telephone Numbers}

Domain names can be analogized to two types of marks that have traditionally received protection as trademarks by courts: mnemonic telephone numbers and radio broadcast identifiers. Mnemonic telephone numbers, or "'vanity' telephone numbers,"\textsuperscript{197} are phone numbers whose digits correspond to letters that spell out an easily-remembered word or name connected to the goods or services offered by the company, such as 1-800-FLOWERS. Like domain names, mnemonic telephone numbers make it easy for consumers to locate businesses by overlaying the more unwieldy telephone number system with a catchy, memorable, and perhaps trademarked, name. Many mnemonic telephone numbers have been registered as trademarks, such as 1-800-DENTIST\textsuperscript{198} for advertising services rendered to dentists, and 1-800-RACE-TEAM\textsuperscript{199} for catalogue and mail-order services for pet food and supplies.\textsuperscript{200}

Because mnemonic telephone numbers bear such a close relationship to domain names, the way courts have treated such numbers with respect to their status as trademarks should be instructive in determining whether domain names should be protected or considered capable of infringing. "Courts have almost unanimously held that telephone mnemonics may be protectable as trademarks, and have readily applied the law regarding the likelihood of confusion to such marks."\textsuperscript{201}

In \textit{Dranoff-Perlstein Assocs. v. Sklar},\textsuperscript{202} the plaintiff used the mnemonic telephone number "INJURY-1" to advertise its personal injury legal services. It sought an injunction against another personal injury lawyer who used the mnemonic telephone number "INJURY-9" to advertise its own services.\textsuperscript{203} The trial court denied the motion, "holding that plaintiff's mark was generic or at best descriptive without having been shown to have secondary meaning."\textsuperscript{204} The Third Circuit agreed that the word "INJURY" was a generic term

\textsuperscript{196} Id. at 1304.
\textsuperscript{197} Burk, supra note 1, ¶ 52.
\textsuperscript{198} U.S. Reg. No. 1,663,616.
\textsuperscript{199} U.S. Reg. No. 1,874,394.
\textsuperscript{200} Brunel, supra note 90, at 5.
\textsuperscript{201} Burk, supra note 1, ¶ 53. See also Hamilton, supra note 1, at 9.
\textsuperscript{202} 967 F.2d 852 (3d Cir. 1992).
\textsuperscript{203} Id. at 854.
\textsuperscript{204} Burk, supra note 1, ¶ 53.
because it was “so commonly descriptive of the product.” However, the court did hold that trademarks “must be assessed as a whole,” and that in the instant case, because the numbers varied in their last digit, it “is presumed that the public tends to distinguish the marks on the basis of the non-generic portions.” The court remanded the case to the trial court for an assessment of whether there was a likelihood of confusion between the marks, taken as a whole. Generally, the Dranoff court recognized: (1) that telephone numbers are entitled to trademark protection because providers of services as well as goods frequently use their telephone numbers as a key identifier of the source of their services, and (2) that a mnemonic telephone number could potentially infringe another number. This holding has significance for the debate over whether Internet domain names—even those that incorporate generic terms—should be protected or deemed capable of infringing a trademark. Because domain names serve the double purpose of locating and identifying companies on-line, the holding in Dranoff suggests that they should be entitled to the same protection the court deemed applicable to mnemonic telephone numbers.

In the leading case of Dial-a-Mattress Franchise Corp. v. Anthony Page, the Second Circuit held that “[t]elephone numbers may be protected as trademarks, and a competitor’s use of a confusingly similar telephone number may be enjoined as... trademark infringement.” In Dial-a-Mattress, a retail mattress dealer had used the number “628-8737,” which corresponds to the letters “MATTRES,” in the New York metropolitan area for over 10 years. It sought an injunction against a competitor who had registered the number “1-800-MATRES,” claiming that the competitor had infringed its trademarked name. The Second Circuit upheld the trial court’s finding that the competitor’s telephone number was confusingly similar to the plaintiff’s and that the plaintiff was entitled to protection against defendant’s use of the

205. Sklar, 967 F.2d at 860.
206. Burk, supra note 1, ¶ 53.
207. Id.
208. Sklar, 967 F.2d at 863.
209. Id.
211. Id. at 678.
212. Id. at 676.
213. Id. at 677.
number.\textsuperscript{214} The court recognized that "[c]ompanies doing significant business through telephone orders frequently promote their telephone numbers as a key identification of the source of their products,"\textsuperscript{215} which is also true of marketers offering their services over the Internet. Ultimately, the court in Dial-a-Mattress refused to allow the defendant "to confuse the public with a telephone number or the letters identifying that number that are deceptively similar to those of a first user."\textsuperscript{216}

In American Airlines, Inc. v. A 1-800-A-M-E-R-I-C-A-N Corp.,\textsuperscript{217} the district court held that "the telephone number ‘A-800-263-7422,’ which could be dialed as ‘1-800-AMERICA(N),’ infringed the trademark rights of plaintiff American Airlines."\textsuperscript{218} The court concluded, based on persuasive evidence of the defendant’s intent\textsuperscript{219} to confuse customers into thinking that they had reached American’s reservations service, that the defendant had infringed American’s mark.\textsuperscript{220} This holding, which recognized that a mnemonic telephone number chosen because of its similarity to an existing registered trademark could potentially infringe that trademark if there is a likelihood that consumers would be confused, also has significance for the legal status of domain name addresses.\textsuperscript{221}

It should be noted that, in the cases cited above, the alleged infringer used the telephone number at issue to offer goods and

\textsuperscript{214} Id. at 678.
\textsuperscript{215} Id.
\textsuperscript{216} Id.
\textsuperscript{218} Brunel, supra note 90.
\textsuperscript{219} The defendant marketed a travel reservations system.
\textsuperscript{220} Brunel, supra note 90.
\textsuperscript{221} But see Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619 (6th Cir. 1996). In Holiday Inns, plaintiff had spent considerable expense publicizing its 1-800-HOLIDAY room reservation telephone number. ‘Defendant acquired the right to use the number 1-800-405-4329, which is the representation of 1-800-HOLIDAY with the “O” replaced by a zero, for its independent hotel reservation service. The court rejected plaintiff’s arguments based on Dial-a-Mattress, Sklar, and American Airlines, and interpreted these cases as requiring active promotion of the deceptively similar number. Since the defendant had done very little to foster confusion and was relying on those seeking Holiday Inn’s number to misdial, it “did not create any confusion; the confusion already existed among the misdialing public . . . .” Id. at 625. Reversing summary judgment for plaintiff, the court concluded that “Holiday Inns does not offer, and our own research has not produced, a case in which the defendant neither used the offending mark nor created the confusion and yet was deemed to have committed trademark infringement.” Id. at 626. See also PTO Examination Guide No. 1-94, p. 3 (January 28, 1994), cited in 1 McCarthy, supra note 26, § 7.02[4] (“The fact that the mark is in the form of a telephone number is insufficient, by itself, to render a mark distinctive.”).
services that competed directly with those of the trademark owner. This is not always the case in the trademark/domain name dispute; some domain name registrants are neither selling nor advertising and some registrants are not always competitors, but simply have equally legitimate claims to a name.

C. Comparison to Radio Broadcast Identifiers

Courts have also considered trademark issues that are analogous to those involved in Internet domain names in cases concerning radio broadcast identifiers. Like companies choosing domain names, "[r]adio stations commonly seek a combination of call letters which will form an acronym that is easy for consumers to remember, and which suggests the nature of the music the station plays." When one radio station adopts call letters that are claimed to be confusingly similar to another's call letters, service mark infringement issues are often invoked.

In *Infinity Broadcasting Corp. v. Greater Boston Radio II, Inc.* the district court was called on to determine whether the radio call letters "WBCN," used by a rock radio station, were infringed by the call letters "WBCS," used by a country rock station. Although the court ultimately found that there was no likelihood of confusion between the two broadcast identifiers, it did enter into a traditional analysis to test the likelihood of confusion. The court considered the following: the phonetic similarity of the call letters, the similarity of the types of music played by the two stations, the overall geographic area of broadcast of the two stations, the sophistication of the listeners to the two stations, the defendant's intent, and evidence of actual confusion. The court's adherence to the traditional trademark analysis of possible likelihood of confusion suggests the court's comfort with equating radio call letters with registered service marks for the purpose of determining infringement and protectable rights.

In *Pathfinder Communications Corp. v. Midwest Communications Co.*, the district court enjoined a radio station from using the call letters "WMCZ" because they were likely to be

223. *Id.* at 10.
225. *Id.* at 1932.
226. *Id.* at 1932-35.
confused with another station’s identifier, “WMEE.” The court applied the traditional test for determining infringement based on a likelihood of confusion and determined that the factors “overwhelmingly” suggested a likelihood that listeners would confuse the two stations’ marks. The case is significant because it treated radio broadcast identifiers—which are very similar to domain name addresses—as traditional trademarks worthy of protection, thus suggesting that domain names should be granted that same protection.

V. SPECIAL CHALLENGES TO TRADITIONAL TRADEMARK LAW POSED BY DOMAIN NAME REGISTRATION ON THE INTERNET

Thus far, this paper has argued that domain names should be protected by trademark law, and that domain names should be considered capable of infringing existing trademarks. However, there are certain idiosyncrasies inherent in the use of domain names on the Internet that should be considered in deciding how best to approach domain names and trademark infringement.

A. Geographic Overlap in Cyberspace

A basic tenet of traditional trademark law is that two companies are entitled to use the same trademark, as long as their products or geographic markets are diverse enough to ensure that there is no likelihood of confusion. Therefore, Domino’s Pizza may coexist peacefully—and legally—with Domino’s Sugar, because it is highly unlikely that a consumer would confuse the sources of the two products. By the same token, the Acme hardware store in Lewiston, Maine and the Acme hardware store in Portland, Oregon may each legally hold the trademark “Acme,” because their geographic markets are distinct enough to negate the likelihood of confusion between the two companies. In cyberspace, however, one domain name cannot be issued to two people or companies, no matter how distinct their products or markets, because the Internet represents, simply, one large geographic area. There are no

228. Id. at 287.
229. See supra Part IV.
230. See, e.g., Morando and Nadan, supra note 40, at 11.
231. Amstar Corp. v. Domino’s Pizza, 615 F.2d 252 (5th Cir.1980). However, under trademark dilution theory, likelihood of confusion is not necessary for a finding of infringement. See supra Part II.B.
232. Trademarks have been classically viewed as territorial, that is only having effect in
realistic boundaries in cyberspace that allow two companies with the same name to coexist peacefully and profitably.

Also, "as companies begin to use their [Internet] presence to allow customers to order products," use of domain names that double as the famous trademarks of more than one company will become more problematic. Under the existing policy, when two companies use the same trademark, "the first to register may be able to retain the domain name, even if the other party has been using the mark on which it is based for many more years." In cyberspace, where geographic markets that are easily distinguishable in "real space" overlap and merge, the limitations posed by domain name registrations are apparent.

B. Technological Limitations on the Internet

Technical constraints of the Internet impose a 26-character limit on domain name addresses. In addition, "from a 'user-friendly' perspective, companies seeking to register their domain names have an incentive—and are encouraged by InterNIC—to make them significantly shorter than 24 characters." As a result, companies prefer to register acronyms instead of their full names, which only increases the risk that any chosen name will be sought by more than one company. "[C]ompanies that have previously coexisted in the marketplace with different names, but with the same acronym, now face the prospect of another legitimate user of the same acronym registering it first as a domain name."  

C. Interplay of Trademark Law and Domain Name Registration

The interplay of trademark law and domain name registration raises legal issues. First, should registration of a domain name
constitute "use" of a mark sufficient enough to grant the registrant trademark protection for that name? Should a second user be prevented from registering the name as a trademark once the first user has claimed it for a domain name? This issue is basically the converse of the question posed throughout this article: whether domain names may infringe an existing registered trademark. Yet the significance of an Internet presence in determining whether a domain name holder has exercised sufficient use of the name to merit protection is likely to become more and more common as commercial use of the Internet continues to grow.

Second, the use of a domain name on the Internet also raises thorny jurisdictional issues. Can an Internet domain name holder, whose use of the name on-line permits access to national—and international—markets, infringe the trademark rights of a local trademark holder? Further, may that domain name holder be subject to a lawsuit wherever that local trademark holder does business? In September, 1996, the Southern District of New York addressed this issue in Bensusan Restaurant Corp. v. King. In Bensusan, the court considered whether a Missouri jazz club named the Blue Note, who registered and operated an Internet site under the same name, had infringed the trademark rights of the more famous Blue Note jazz club in New York City. The basic issue addressed by the court was "whether the creation of a Web site, which exists either in Missouri or in cyberspace—i.e., anywhere the Internet exists—... is an offer to sell the product in New York." Complicating the case was the fact that the Missouri club offered tickets to its shows over the Internet, and the New York club was able to prove that customers had ordered tickets from the Internet site, assuming that they were ordering tickets to shows at the New York club, not the Missouri club. The court held, however, that the Internet site did not constitute "use in commerce" sufficient to subject the Missouri club to jurisdiction in a New York court for trademark infringement. The court held that "the mere fact that a person can gain information on the allegedly infringing product is not the equivalent of a person advertising, promoting, selling, or otherwise making an effort to

239. Id. at *1.
240. Id. at *9.
target its product in New York.”243 This issue is likely to be raised again and again, however, with facts that are less clear-cut. As smaller companies intentionally seek out national—and even international—markets through the use of Internet sites, infringement of local trademark rights is more likely to occur. Furthermore, as Internet sales become more commonplace, courts situated in geographic areas where those sales have taken place are more likely to exercise jurisdiction over such trademark infringement actions.

VI. STRENGTHS AND WEAKNESSES OF THE INTERNIC POLICY

Given the complexity of the trademark/domain name issue, and the competing interests at stake, criticism of InterNIC’s registration policies has been vociferous and quite extensive.

A. The Dispute Provisions

Some observers contend that InterNIC has too great a role in resolving domain name/trademark disputes. The Internet International Ad Hoc Committee (IAHC), an organization formed to pursue enhancement and use of top level domain name spaces, criticized the policy of putting a domain name on hold if the domain name holder is unable to produce a trademark registration or prove prior registration.244 In particular, the IAHC stated that the policy “unjustifiably confers upon a non-judicial body the discretion to essentially grant an injunction against continued use of a [second-level domain], without any adjudication of the merits of the trademark owner’s claim against the domain holder.”245 The IAHC, instead, recommends “a policy in which registrars are involved in as

243. *Id.* at *10-11.* Other courts have held that personal jurisdiction did exist under similar circumstances. *See, e.g.*, Maritz v. Cybergold, 1996 U.S. Dist. LEXIS 14977 (E.D. Mo. 1996) (holding that defendant could be sued in Missouri because its website had been accessed there). *See also* Playboy Enters., Inc. v. Chuckleberry Publishing, Inc., 939 F. Supp. 1032 (S.D.N.Y. 1996) (“Defendant has actively solicited United States customers to its Internet site, and in doing so has distributed its product within the United States.”).


245. Draft IAHC Recommendations, *supra* note 244; Final IAHC Recommendations, *supra* note 244.
little as possible in trademark disputes.\textsuperscript{246}

InterNIC itself takes the position that it simply cannot consider all of the traditional trademark principles that a court might examine.\textsuperscript{247} For example, InterNIC does not consider common law principles in resolving disputes. Furthermore, at least two provisions of its policy reflect InterNIC's intent to keep the dispute between the parties.\textsuperscript{248} First, InterNIC will now deposit the domain in dispute with the court by interpleader, if either the domain holder or the trademark owner sues the other.\textsuperscript{249} InterNIC intended this provision to allow it to avoid suits where it is named as a defendant solely to ensure InterNIC's compliance with a court order regarding the disposition of the domain.\textsuperscript{250} Second, InterNIC requires the trademark owner to notify the domain holder in writing before submitting the dispute to InterNIC.\textsuperscript{251} This provision attempts to limit the dispute to the parties, by ensuring that neither party brings InterNIC into the dispute until they try to resolve the dispute among themselves first.

Despite InterNIC's efforts to remain independent in domain name disputes, InterNIC has been embroiled in several court battles.\textsuperscript{252} In \textit{Panavision v. Toeppen and Network Solutions, Inc.},\textsuperscript{253} the court granted summary judgment in favor of Panavision, which owned the federally registered trademark, PANAVISION, and held that the domain name registrant violated the Federal Trademark Dilution Act by using the domain name "panavision.com."\textsuperscript{254} The court enjoined the domain name registrant from using the domain name and ordered him to transfer the registration for the domain name to Panavision.\textsuperscript{255} The court also considered a state claim

\begin{itemize}
\item \textsuperscript{246} Draft IAHC Recommendations, \textit{supra} note 244; Final IAHC Recommendations, \textit{supra} note 244.
\item \textsuperscript{247} Abel, \textit{supra} note 12, Part I.C (quoting David Graves of NSI).
\item \textsuperscript{248} \textit{Id.} Part I.D.
\item \textsuperscript{249} InterNIC Policy 1996, \textit{supra} note 164; Abel, \textit{supra} note 12, Part I.D.
\item \textsuperscript{250} Abel, \textit{supra} note 12, Part I.D.
\item \textsuperscript{251} InterNIC Policy 1996, \textit{supra} note 164; Abel, \textit{supra} note 12, Part I.D.
\item \textsuperscript{253} 945 F. Supp. 1296 (D.C. 1996).
\item \textsuperscript{254} \textit{Id.} at 1299.
\item \textsuperscript{255} \textit{Id.} at 1304.
\end{itemize}
against NSI for negligent interference with prospective economic
advantage in another opinion.256 Specifically, Panavision alleged that
because it was reasonably foreseeable to NSI that Toeppen would
injure Panavision with his use of the domain name, NSI violated a
tort duty running to Panavision in registering the domain name.257

The Court denied NSI's motion to dismiss Panavision's claim,
holding that if Panavision could prove that NSI knew at the time that
the trademark registrant registered the domain name that he was
registering the name to injure Panavision economically, NSI would
be liable.258 However, because Panavision failed to present any
evidence that NSI actually knew or should have known that the
registrant was registering the domain name with an intent to harm
Panavision, the court granted NSI's motion for summary judgment.259
According to the court, evidence that NSI knows that a given
registrant could utilize a domain name in a way that violates a
trademark owner's trademark rights was not enough to prove
foreseeability of harm.260

In Roadrunner Computer Systems, Inc. v. Network Solutions,
Inc.,261 the domain name holder, Roadrunner Computer (RCS),
sought to enjoin NSI from placing its domain name
"roadrunner.com" on hold, after Warner Bros., which owns the U.S.
trademark registration for "Road Runner," challenged RCS' domain.262 NSI placed RCS' domain on hold after RCS failed to
produce a certificate of registration within 30 days after NSI notified
RCS of the challenge.263 Warner Bros., however, did not initiate any
legal action against NSI or RCS.264 NSI eventually terminated the
challenge and successfully moved the court to dismiss the case as
moot.

The Panavision and Roadrunner cases indicate that NSI may not
be able to "keep the dispute between the parties"265 no matter how
hard it tries. Although InterNIC maintains that its policy is

257. Id. at 1312.
258. Id. at 1313.
259. Id. at 1313 - 1314.
260. Id. at 1314.
Solutions, Inc., Civil Docket No. 96-413-A (E.D.Va. filed March 26, 1996)).
262. Abel, supra note 12, Part I.C.
263. Id.
264. Id.
265. Id. Part I.D.
successful, given the number of disputes initiated compared to the number of domains InterNIC has assigned, the organization could improve its ability to incorporate traditional trademark law without finding itself the target of a lawsuit.266

B. Other Strengths and Weaknesses

Other critics of the InterNIC policy claim that it “satisfies almost no one,”267 in particular, holders of state or common law trademarks that are not federally registered under the Lanham Act, which are not recognized by the policy,268 and holders of identical marks that are used by many manufacturers without likelihood of confusion. With respect to the former group — holders of state or common law trademarks — the policy does not adequately address how conflicts between state and federal trademark holders should be resolved; it simply affords state trademark holders no protection on the Internet. Regarding the second group — holders of identical marks, such as Domino’s Pizza and Domino’s Sugar — the policy grants domain names to the company that registers it first, regardless of whether the trademark is also held validly by other companies.269 This system creates a “race to registration” that often leaves companies with substantial equity invested in their names unable to use those names to establish an on-line address.

Suggestions to alleviate the race to registration involve “replacing the current domain name system with domain names consisting of random numbers and letters in which the rule would be that no address could have any meaning in any language,”270 or requiring domain names to include geographic domains, such as state and city codes, to differentiate companies with the same name who are located in different places.271 Yet it is unclear that such suggestions would be an improvement; they might have the effect of

266. Id. Part I.C.


268. See InterNIC Press Release, supra note 74. See also Roadrunner to Network Solutions: Shame on You, INFOR. L. ALERT, June 18, 1996 <http://infolawalert.com/articles/960618.html> (Roadrunner Computer Systems filed suit against InterNIC, alleging that InterNIC’s policy of “taking out of circulation those domain names that a federally registered trademark owner wants, even if the current domain name holder has strong common law rights to the name, is unfair.”). Id.

269. See discussion supra Part III.A.

270. See Hearings, supra note 267.

271. Morando and Nadan, supra note 40, at 10.
making the Internet more cumbersome and difficult to access, thus
discouraging use by the very customers that domain name registrants
are hoping to reach.

Other critics charge that the current domain name registration
system does not adequately address the problem that occurs when
companies register homonyms, such as "codak.com" and
"kodak.com," or when companies register names that are very similar
to existing names, such as "xeroxx.com." In addition, the policy
does not prohibit registration of domain names that are identical
except for their top level domains, such as "smith.com" and
"smith.net." The policy outlines procedures to handle situations
when domain names are identical to trademarked names, but it does
not give any guidance for how to resolve these more complex issues.
One commentator has suggested that, when assessing the likelihood
of confusion between domain names, the domain name as a whole
should be considered, rather than simply the first word before the top
level domain. This would shift the analysis "to whether or not
there is a likelihood of confusion between the top-level domain
designations...when used as part of the full domain names." Because InterNIC does not assume responsibility for resolving
likelihood of confusion issues, however, this suggestion will not
improve or impact the actual registration of problematic domain
names. It may prove useful to a court or arbitrator resolving a
trademark domain name dispute, but it will not help resolve the
fundamental limitations in the InterNIC policy.

Critics also contend that the current Internet address system is
inflexible and short-sighted, in that all commercial organizations are
grouped together under the "com" top-level domain identifier. As
the Internet has become more commercial, "the .com top-level
domain has become inadequate to accommodate the demand for
domain names among commercial entities with similar or identical
names." Critics suggest that adding more specific top-level
identifiers, or new levels (or sub-identifiers), would increase the
number of domain names that could be assigned, and would allow

272. See generally Morando and Nadan, supra note 40, at 10; Brunel, supra note 90;
Hearings, supra note 267.
273. See, e.g., Resnick, supra note 73, at B9; Burk, supra note 1, at 17.
274. Burk, supra note 1, at 17.
275. Id.
276. See discussion supra Part III.A.
277. Baum and Cumbow, supra note 69, at C17.
278. Id.
companies who share trademarks or acronyms to coexist in cyberspace without forcing one to give up its name.\textsuperscript{279} For example, if a new level of identifiers was added that designated the type of product offered by the company, perhaps addresses could be registered to Thrifty Drug Stores and Thrifty Rent-a-Car as follows: thrifty.drug.com and thrifty.transport.com.\textsuperscript{280} Under the current system, only one Thrifty would be permitted to register the name "thrifty" in the ".com" domain. Creating new domain identifiers or sub-identifiers would be a difficult process, as would forcing companies to fit within a narrowly drawn class of products or services. Large companies with diverse subsidiaries or product lines would also pose a challenge to those assigning domain names and identifiers. The IAHC, however, recommends creating seven new top level domain names, such as ".firm," ".store," ".arts," and ".info," to designate addresses offering various categories of services.\textsuperscript{281}

Finally, some observers have complained that the InterNIC is getting rich off of domain name registrants.\textsuperscript{282} Indeed, "[m]any critics in the Internet business, including potential rivals, argue that the government has given [InterNIC] a license to reap windfall profits and that it has unnecessarily denied Internet users the benefits of competition."\textsuperscript{283} Permitting a private company to skim profits off each Internet domain name registration, without permitting other competitors that could lower costs for Internet users, critics charge, is "bizarre."\textsuperscript{284} A system of multiple domain name registrars would be complicated, as separate but simultaneous applications for the same name to several registration services would undoubtedly create confusion and further legal haggling over priority and validity. The IAHC nonetheless envisions a system with more than one domain name registrar.\textsuperscript{285}

The InterNIC policy is not without its supporters, however.

\textsuperscript{279} See, e.g., Morando and Nadan, supra note 40, at 12-13 (suggesting additional geographic domain fields to help differentiate among trademark owners).

\textsuperscript{280} See also Take This Policy and Shove It, INFO. L. ALERT: A VOORHEES REPORT, Sept. 8, 1995 (suggesting an alternative naming structure whereby "eagle.potatochips.com" and "eagle.motoroil.com" could coexist).

\textsuperscript{281} Final IAHC Recommendations, supra note 244, § 3.1. However, IAHC also cautions against an immediate increase in top level domain names. Id. See also www.domains.expand, COMPUTERWORLD, Feb. 10, 1997, at 2.

\textsuperscript{282} David S. Hilzenrath, Holding the Keys to Internet Addresses: As Sole Domain Provider, Network Solutions Does Much Business, WASH. POST, July 22, 1996, at F05.

\textsuperscript{283} Id.

\textsuperscript{284} Id.

\textsuperscript{285} Final IAHC Recommendations, supra note 244, § 3-4.
Some commentators think that the new InterNIC rules “answer substantially all the concerns that had been raised regarding the old rules.” The policy seems to solve the problems of domain name poaching and speculation by permitting challenges to the registration of domain names that are already registered trademarks and by forbidding warehousing of domain names. The policy is also pragmatic, as it shifts the responsibility for ensuring that trademarks are not infringed away from the resource-constrained InterNIC and onto the individual applicants. Finally, supporters of the current domain name system fear the confusion that could result from changing the existing top-level domain identifiers. One commentator wrote:

I'm deeply concerned about the confusion that can and will result if the Internet's domain name registration system is allowed to splinter into dozens of naming organizations. Here are just two potential problems:


[2] Trademark infringement

Imagine what will happen when your company has to slug it out not only with the guy who registered yourcompany.com, but also yourcompany.biz, yourcompany.web, yourcompany.lmtd and so on. The only one to make money on the Net will be your lawyer.

The InterNIC policy may not be flawless, but it represents an initial attempt to address the many competing issues and considerations inherent in the domain name registration system. It attempts to clarify for domain name registrants, as well as to

286. Oppedahl, supra note 150, at col.1.
trademark owners, the order in which seniority of use and ownership will be established, and to alert them to their duties and responsibilities within the system.

C. IAHC Recommendations

In addition to suggesting the creation of new top level domains and new domain name registries, as noted above, the IAHC also recommends that domain name registries such as InterNIC “publish applications for domain names for a period of sixty days prior to assigning the requested domain name to the applicant.” This is in accord with the practice of the U.S. Patent and Trade Office (USPTO) of publishing a mark and opening the application up for challenges before granting the applicant registration. It is also consistent with the Lanham Act, which imposes upon the registration owner a responsibility of monitoring that no one registers or uses a mark confusingly similar to its own. The trademark owners protect their trademark rights while reducing significantly the risk of future tortious interference claims against InterNIC. More importantly, the policy is designed “to encourage early pre-litigation resolution of potential disputes, to provide a domain name holder a stronger defense against a subsequent challenge by a trademark owner and to minimize registry involvement in litigation.”

The IAHC also recommends that domain name assignments be renewed annually, to promote accountability, discourage extortion, and minimize obsolete entries. Again, this is consistent with the USPTO's policy of requiring that trademark owners use their marks in commerce continuously or risk abandonment.

VII. CONCLUSION

As commercial use of the Internet has exploded, on-line domain name addresses have become more and more integral to businesses

289. Final IAHC Recommendations, supra note 244, § 5.4.
291. 15 U.S.C. § 1127 (1988) (providing for abandonment “when any course of conduct of the owner, including acts of omission . . . causes the mark . . . to lose its significance as a mark”). See 2 McCarthy, supra note 26, § 17.05 (discussing the relationship between the failure to prosecute third-party infringers and the loss of trademark rights through abandonment).
292. Final IAHC Recommendations, supra note 244, § 7.2.2.
293. Id. § 6.1.5.
hoping to reach customers through the use of their established trademarks. The number of legal skirmishes that have erupted as a result of this trend is strong and convincing evidence of the need for a clearly articulated policy to govern the registration and assignment of domain names. In addition, the close similarity of Internet domain name addresses to more traditional trademarks—both in their intrinsic value to their owners as well as in the purposes they serve—mandates that traditional trademark doctrines should be applied to determine whether domain names are capable of infringing, and indeed, whether they have infringed, existing trademarks. Courts facing controversies involving infringement of domain names should be encouraged to turn to traditional tenets of trademark law for guidance in resolving such disputes.

The policy InterNIC issued in July 1995, and revised in September 1996, to govern the registration of Internet domain name addresses and potential trademark infringement by such addresses is an initial tool to begin addressing the problems that have arisen thus far in this nascent area of law. Although the policy does have its limitations, it represents a compromise that incorporates competing values and issues, within the cost constraints faced by InterNIC. As commercial development of the Internet increases through new and diverse uses for the network by its millions of users, InterNIC—and ultimately lawmakers—must be alert and creative in anticipating trends and developing potential solutions to the problems that cannot even be imagined today. Courts, too, must remain creative in reshaping and applying traditional trademark laws to the disputes that arise from trademark infringement by domain names.