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## The New Cybersquatters: The Evolution of Trademark Enforcement in the Domain Name Space

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# The New Cybersquatters: The Evolution of Trademark Enforcement in the Domain Name Space

## Cover Page Footnote

Wikimedia Fellow, Information Society Project, Yale Law School. Sincere thanks to Kathy Kleiman, Rebecca Tushnet, Zak Muscovitch, and Abraham Drassinower, all of whom offered very helpful feedback in drafting this Article.

# The New Cybersquatters: The Evolution of Trademark Enforcement in the Domain Name Space

Michael Karanicolas\*

*The domain name space has become a particularly contentious area of trademark enforcement as a result of the growth of online commerce, an intense competition for popular domain names, and new conceptual challenges stemming from the borderless and textual nature of the medium. In response, the Internet Corporation for Assigned Names and Numbers (“ICANN”), a global non-profit which oversees the domain-name space, has implemented a highly sophisticated set of rights-protection mechanisms. This Article examines the scope of trademark protections applied under ICANN’s rights protection mechanisms to demonstrate that they have evolved far beyond their traditional consumer protection function; indeed, they have morphed into offensive brand management tools, whose application in the global domain name space vastly exceeds the protections that are available under domestic legal frameworks. The Article begins by introducing ICANN and its main trademark protection instruments, namely the Uniform Dispute Resolution Policy, the Uniform Rapid Suspension, and the Trademark Clearinghouse, before demonstrating the divergence between protections under these systems and the protections under domestic legal frameworks. The result is that trademark owners turn to ICANN for rights and remedies that would not be available from ordinary sovereigns, embodying a major expansion of trademark protections. The Article concludes by outlining the contours of*

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\* Wikimedia Fellow, Information Society Project, Yale Law School. Sincere thanks to Kathy Kleiman, Rebecca Tushnet, Zak Muscovitch, and Abraham Drassinower, all of whom offered very helpful feedback in drafting this Article.

*ongoing discussions re-examining these mechanisms, and the challenges in curbing this maximalist view of trademark law.*

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## INTRODUCTION

The spread of internet access presents challenges across many different fields of legal theory as concepts developed for an offline world have had to be revised and adapted to deal with new digital realities. The most difficult aspects of this revolve around the borderless and international nature of the internet, which can challenge fundamental notions of jurisdiction and sovereignty. Online speech exists simultaneously everywhere and nowhere, and the extra-territorial application of rules on issues such as privacy<sup>1</sup> and hate speech<sup>2</sup> are matters of emerging debate. Trademark law was one of the areas of regulation where these challenges first emerged, as major brands sought to assert ownership over domain names associated with their products. These debates had a significant impact in shaping the modern internet governance space. Moreover, over the past two decades, voices calling for stronger enforcement of trademark rights have been profoundly successful, not only in the establishment of specialized mechanisms to assert their interests,<sup>3</sup> but in developing an emergent area of law that has become almost totally unrecognizable from its traditional origins in consumer protection, and the prevention of confusion in commerce.<sup>4</sup>

This Article examines the trademark protection framework that has developed to apply to the global domain name space, and contrasts that framework against the role and function of trademark law in order to demonstrate that current enforcement mechanisms have moved far beyond the traditional justification for their legal status. The Article demonstrates that enforcement mechanisms have become offensive brand management tools, whose application in the

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<sup>1</sup> See, e.g., *Why and How GDPR Applies to Companies Globally*, PRIVACY INT'L (May 25, 2018), <https://privacyinternational.org/feature/2207/why-and-how-gdpr-applies-companies-globally> [<https://perma.cc/8EYX-2RTH>].

<sup>2</sup> See, e.g., Philip Oltermann, *Tough New German Law Puts Tech Firms and Free Speech in Spotlight*, GUARDIAN (Jan. 5, 2018), <https://www.theguardian.com/world/2018/jan/05/tough-new-german-law-puts-tech-firms-and-free-speech-in-spotlight> [<https://perma.cc/5FT7-2FFA>].

<sup>3</sup> See *Rights Protection Mechanisms (RPMs) & Dispute Resolutions Procedures (DRPs)*, ICANN (Nov. 8, 2019), <https://www.icann.org/resources/pages/rpm-drp-2017-10-04-en> [<https://perma.cc/3D2B-7EDK>].

<sup>4</sup> See *infra* Parts IV, V.

global domain name space vastly exceeds the protections that are available under domestic legal frameworks.

Part I will describe the main international body governing the domain name space, ICANN, and will also address the multi-stakeholder process by which ICANN makes decisions. The Article will pay particular attention to the representation of trademark interests in this ecosystem. Part II will then give a basic introduction to trademark law, particularly as developed and applied in three sample jurisdictions: Canada, the United States, and the European Union (“EU”). Part III discusses the origins of the main trademark protection system in the domain name space, the Uniform Dispute Resolution Policy, before Part IV introduces the newer generation of rights protection mechanisms, in particular the Uniform Rapid Suspension and the Trademark Clearinghouse. The standards of trademark protection enforced under these systems will be contrasted with those established under domestic frameworks, in order to demonstrate the divergence. Under the evolving policy arbitrage, trademark owners turn to ICANN for rights and remedies that would not be available from ordinary sovereigns, with the result that the system favors larger and better-established entities over new entrants. Part V will go on to discuss emerging areas of enforcement, such as through new private-sector-led initiatives, before concluding with a discussion of what this all means for the global domain name space, and the avenue ahead.

## I. BACKGROUND: ICANN AND THE DOMAIN NAME SYSTEM

### A. ICANN

ICANN is a non-profit corporation that oversees a number of critical technical functions underlying the global internet, including managing the generic top-level domain name system (“gTLD”) and the country code top-level domain name system (“ccTLD”).<sup>5</sup> In lay terms, ICANN coordinates the connection between the address or name that people use to navigate to a website, such as “google.com”

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<sup>5</sup> *Welcome to ICANN!*, ICANN (Nov. 8, 2019), <https://www.icann.org/resources/pages/welcome-2012-02-25-en> [<https://perma.cc/M8T9-2XCS>].

or “yale.edu,” and its location on the global network. This global domain name system (“DNS”) is necessary to make the internet accessible and usable, since while computers find places on the global network via a string of numbers, like “192.0.32.7,” domain names create a shorthand that is easy to remember and share.<sup>6</sup> ICANN’s role is to coordinate this global system of identifiers with the goal of ensuring “universal resolvability,” meaning that wherever you are in the world, accessing the network with the same query will return the same results.<sup>7</sup>

ICANN was incorporated to carry out these functions in 1998, taking over management from Network Solutions Inc., a private, U.S.-based company.<sup>8</sup> ICANN carried out this work under a memorandum of understanding from the U.S. Department of Commerce.<sup>9</sup> The U.S. government’s role flowed from the fact that the internet protocols were developed primarily by researchers in the United States, working under grants from the Defense Advanced Research Projects Agency and the National Science Foundation.<sup>10</sup> However, as the internet grew and expanded, there was increasing pressure to “internationalize” the governance of internet identifiers in order to better insulate the process from partisan politics, as well as to safeguard against the erection of global jurisdictional barriers to the free flow of information.<sup>11</sup> It is worth noting that this pressure emanated not only from the technical community, but also from business interests and civil society groups.<sup>12</sup> As a result, between 2014 and 2016, ICANN and the National Telecommunications and Information Administration (“NTIA”) carried out the “IANA

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<sup>6</sup> *What Does ICANN Do?*, ICANN (Nov. 25, 2019), <https://www.icann.org/resources/pages/what-2012-02-25-en> [<https://perma.cc/69FM-9SLT>].

<sup>7</sup> *Id.*

<sup>8</sup> *See* MILTON L. MUELLER, *RULING THE ROOT: INTERNET GOVERNANCE AND THE TAMING OF CYBERSPACE* 194–98 (2002).

<sup>9</sup> *See generally* U.S. DEP’T OF COMMERCE, *MEMORANDUM OF UNDERSTANDING BETWEEN THE U.S. DEPARTMENT OF COMMERCE AND INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS* (1998), <https://www.ntia.doc.gov/other-publication/1998/memorandum-understanding-between-us-department-commerce-and-internet-corporat> [<https://perma.cc/WR8N-KYVN>].

<sup>10</sup> *See* Milton L. Mueller, *Detaching Internet Governance from the State: Globalizing the IANA*, 4 *GEO. J. INT’L AFF.* 35 (2014).

<sup>11</sup> *Id.* at 35–36.

<sup>12</sup> *See id.* at 37.

Stewardship Transition,” under which the agreement between ICANN and the U.S. government was allowed to expire and this function was delegated fully and independently to ICANN.<sup>13</sup>

### 1. Multi-Stakeholder Decision Making

ICANN itself operates as a multi-stakeholder organization, with multiple different layers of decision-making, led by a President and a Board of Directors.<sup>14</sup> However, despite the organization’s pretenses of inclusivity (including the fact that its three annual meetings are open to the public)<sup>15</sup> ICANN’s processes are notoriously difficult for outsiders to wrap their heads around.<sup>16</sup> There are a number of reasons for this, including a heavy reliance on long and unintuitive acronyms,<sup>17</sup> the “byzantine” structure of the organization,<sup>18</sup> and the highly specialized and technically sophisticated nature of the debates.<sup>19</sup>

ICANN’s multi-stakeholder model includes spaces for engagement by governments through the Governmental Advisory Committee,<sup>20</sup> engagement by civil society through the Non-

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<sup>13</sup> *Stewardship of IANA Functions Transitions to Global Internet Community as Contract with U.S. Government Ends*, ICANN (Oct. 1, 2016), <https://www.icann.org/news/announcement-2016-10-01-en> [<https://perma.cc/KG52-E8T8>]. IANA stands for the Internet Assigned Numbers Authority. *See id.*

<sup>14</sup> *See Insperity OrgPlus 2012*, ICANN (Nov. 3, 2019), <https://www.icann.org/en/system/files/files/management-org-01may18-en.pdf> [<https://perma.cc/4TRW-Z83N>].

<sup>15</sup> *See About*, ICANN PUB. MEETINGS (Nov. 8, 2019), <https://meetings.icann.org/en/about> [<https://perma.cc/B2PL-ACLY>].

<sup>16</sup> *See Annemarie Bridy, Notice and Takedown in the Domain Name System: ICANN’s Ambivalent Drift into Online Content Regulation*, 74 WASH. & LEE L. REV. 1346, 1350–51 (2017).

<sup>17</sup> Acronyms are such a part of life in ICANN that the organization created a multilingual tool to help explain them. *See ICANN Acronyms and Terms*, ICANN, <https://www.icann.org/icann-acronyms-and-terms/en/nav/A> [<https://perma.cc/85A9-YBAL>].

<sup>18</sup> Bridy, *supra* note 16, at 1350.

<sup>19</sup> For example, one of ICANN’s more high-profile community-review processes, the Security, Stability, and Resiliency Review, has a mandate to examine “how effectively ICANN is meeting its commitment to enhance the operational stability, reliability, resiliency, security, and global interoperability of the systems/processes (internal/external) that affect the Internet’s unique identifiers.” Pamela Smith, *SSR2 Review*, ICANN (Sept. 30, 2019), <https://community.icann.org/display/SSR/SSR2+Review> [<https://perma.cc/J2TN-79D3>].

<sup>20</sup> *See Governmental Advisory Committee*, ICANN GOVERNMENTAL ADVISORY COMMITTEE (Nov. 8, 2019), <https://gac.icann.org/> [<https://perma.cc/Z4LT-3MCY>].



Commercial Stakeholder Group,<sup>21</sup> engagement by internet end users through the At-Large Advisory Committee,<sup>22</sup> and engagement by business interests through the Commercial Stakeholders Group.<sup>23</sup> This last group includes the Intellectual Property Constituency (“IPC”), which is a constituency specifically for advancing trademark and copyright protections.<sup>24</sup> Although the IPC has been the main driver of proposals aimed to enhance trademark protections in the domain name space, it is also worth noting that the World Intellectual Property Organization (“WIPO”), a United Nations body whose purpose is to promote the protection of intellectual property, has been heavily engaged at ICANN since its foundation.<sup>25</sup>

The engagement of trademark interests generally, and WIPO in particular, was driven by the emerging realization that, in addition to providing a host of business opportunities, the internet could also serve as a mechanism for intellectual property infringement.<sup>26</sup> Early on, WIPO emphasized that the purpose of their engagement was:

not to create new rights in intellectual property, nor to accord greater protection to intellectual property in cyberspace than that which existed elsewhere. Rather, [their] goal was to give proper and adequate expression to the existing, multilaterally agreed standards of intellectual property protection in the context of the multi-jurisdictional medium of the Internet.<sup>27</sup>

However, as the following sections demonstrate, trademark enforcement in the domain name space has grown to vastly outstrip the

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<sup>21</sup> See *Non-Commercial Stakeholder Group*, ICANN (Nov. 8, 2019), <https://gnso.icann.org/en/about/stakeholders-constituencies/ncsg> [<https://perma.cc/KW4Y-45X5>].

<sup>22</sup> See *About Us*, ICANN AT-LARGE, <https://atlarge.icann.org/about/index> [<https://perma.cc/3L22-XZ5P>].

<sup>23</sup> See *Commercial Stakeholder Group*, ICANN, <https://gnso.icann.org/en/about/stakeholders-constituencies/csg> [<https://perma.cc/CT4R-FM77>].

<sup>24</sup> See *About the IPC*, ICANN INTELL. PROP. CONSTITUENCY (Nov. 8, 2019), <https://www.ipconstituency.org/about-the-ipc> [<https://perma.cc/H5AF-HWWK>].

<sup>25</sup> See MUELLER, *supra* note 8, at 138, 166.

<sup>26</sup> *Final Report of the WIPO Internet Domain Name Process*, WORLD INTELL. PROP. ORG. ¶¶ 22–23 (Apr. 30, 1999), <https://wipo.int/amc/en/processes/process1/report/final-report.html> [<https://perma.cc/8ZDZ-8KDK>].

<sup>27</sup> See MUELLER, *supra* note 8, at 231.

protections that are offered even in the world's most trademark-friendly jurisdictions.

## II. TRADEMARK LAW AND THE DOMAIN NAME SPACE

### A. *The Origin and Purpose of Trademark Law*

The basic function of a trademark is to distinguish the goods of one enterprise from those of another.<sup>28</sup> Traditional scholarship on the purpose of trademark law, which draws heavily from law and economics,<sup>29</sup> views them as a matter of consumer protection, insofar as they reduce consumers' search costs in obtaining products of a reliable quality, while simultaneously incentivizing companies to invest resources in developing a product of consistent quality.<sup>30</sup> In short, trademarks impose a measure of accountability upon producers for the products they generate, allowing them to cultivate a reputation—for good or for ill—that accurately reflects the outputs that they have delivered. In this respect, trademarks are something of an anomaly in intellectual property law, as the Supreme Court of Canada noted in *Mattel, Inc. v. 3894207 Canada Inc.*:

Unlike the patent owner or the copyright owner, the owner of a trade-mark is not required to provide the public with some novel benefit in exchange for the monopoly. . . . The trade-mark owner . . . may simply have used a common name as its "mark" to differentiate its wares from those of its competitors. Its claim to monopoly rests not on conferring a benefit on the public in the sense of patents or copyrights but on serving an important public interest in assuring consumers that they are buying from the source from whom they think they are buying and

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<sup>28</sup> See *Trademarks*, WORLD INTELL. PROP. ORG., <https://www.wipo.int/trademarks/en/> [<https://perma.cc/8ZDZ-8KDK>]. For the sake of simplicity, this Article will use the term "trademarks" to include service marks as well.

<sup>29</sup> Barton Beebe, *The Semiotic Analysis of Trademark Law*, 51 *UCLA L. REV.* 621, 623 (2004).

<sup>30</sup> *Id.*; see also William M. Landes & Richard Posner, *Trademark Law: An Economic Perspective*, 30 *J.L. & ECON.* 265, 270 (1987).

receiving the quality which they associate with that particular trade-mark.<sup>31</sup>

Like other forms of intellectual property protection, trademark rights are limited. In crafting the level of protection to afford to trademark holders, policymakers must carry out a careful balancing “between the hardships to a competitor in hampering the use of an appropriate word and those to the owner who, having invested money and energy to endow a word with the good will adhering to his enterprise, would be deprived of the fruits of his efforts.”<sup>32</sup> Granting a monopoly to a single company over the use of a particular word or symbol may give them an unfair advantage over their competitors, particularly if it is commonly used to describe a particular product or category of products, or if it is generic.<sup>33</sup> Providing trademark protection to generic terms also undermines a basic function of trademark law as a result of the terms’ lack of inherent distinctiveness.<sup>34</sup> For example, a restaurant that marketed itself under the name “Restaurant” would have difficulty distinguishing itself on this basis. By contrast, the strongest protections typically attach to fanciful words, like Exxon or Xerox.<sup>35</sup>

### *B. Dilution and Tarnishment*

In contrast to the traditional theory of trademarks as a vehicle for consumer protection and economic efficiency, the doctrines of dilution or tarnishment allows owners of trademarks to take action against a much broader category of uses of their protected words or symbols.<sup>36</sup> Unlike traditional trademark claims, actions for dilution or tarnishment may target infringements where there is no competition between the parties, if the use of the mark is likely to cast it in an unflattering light, cause it to be identified with

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<sup>31</sup> *Mattel, Inc. v. 3894207 Canada Inc.*, [2006] 1 S.C.R. 722, 788, para. 21 (Can.).

<sup>32</sup> *Abercrombie & Fitch Co. v. Hunting World Inc.*, 537 F.2d 4, 10 (2d Cir. 1976).

<sup>33</sup> WORLD INTEL. PROP. ORG., INTRODUCTION TO TRADEMARK LAW AND PRACTICE: THE BASIC CONCEPTS 21 (2d ed. 1993), available at [https://www.wipo.int/edocs/pubdocs/en/wipo\\_pub\\_653.pdf](https://www.wipo.int/edocs/pubdocs/en/wipo_pub_653.pdf) [<https://perma.cc/L7EH-CZNP>].

<sup>34</sup> *Id.*

<sup>35</sup> *Id.* at 17.

<sup>36</sup> Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 828 (1927).

dissimilar goods, dilute its distinctive quality, or otherwise reduce its “selling power.”<sup>37</sup>

The earliest appearance of the doctrine of dilution was in 1898, when an English court upheld a claim by the owner of the “KODAK” trademark for cameras against the use of the same word for the sale of bicycles.<sup>38</sup> Although the judge in that case justified his decision by finding a “great . . . connection between the two classes of business,”<sup>39</sup> which would lead to a likelihood of confusion, the case nonetheless broke new ground insofar as it allowed for a trademark’s protection to carry over into an entirely new category of goods.<sup>40</sup> The judge ruled against the junior user because allowing them to do business under the established name would grant an improper benefit.<sup>41</sup>

Approaches to trademark dilution or tarnishment vary significantly between jurisdictions. In the EU, dilution is defined as any instance where goods or services are marketed under a trademark for which an identical or similar sign is used by a third party and where the goods or services may be perceived by the public in such a way that the senior trademark’s power of attraction is diminished.<sup>42</sup> This does not have to be connected to inferior products and may be found to have taken place when the goods or services being offered by the junior user possess some quality that is liable to have a negative impact on impressions of the mark.<sup>43</sup> For example, the Benelux Court of Justice found in favor of a complainant Dutch gin company (Claeryn) against a liquid detergent maker whose product (Klarein) was pronounced identically, on the

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<sup>37</sup> See *id.* at 818–19.

<sup>38</sup> Christine Haight Farley, *Why We Are Confused About the Trademark Dilution Law*, 16 *FORDHAM INTELL. PROP., MEDIA & ENT. L.J.* 1175, 1179, 1179 n.18 (2006).

<sup>39</sup> *Eastman Photographic Materials Co. v. John Griffiths Cycle Corp.* (1898) 15 R.P.C. 105, 110 (UK).

<sup>40</sup> Farley, *supra* note 38, at 1179.

<sup>41</sup> *Eastman Photographic Materials Co.*, 15 R.P.C. at 112.

<sup>42</sup> Case NVC-487/07, *L’Oréal SA v. Bellure NV*, 2009 E.C.R. I-5185, I-5203, I-5246 (Eng.).

<sup>43</sup> *Cour de Justice Benelux [Benelux Court of Justice] Case A 74/1*, Jan. 3, 1975, *Colgate-Palmolive BV v. Koninklijke Distilleerderijen Erven Lucas Bols NV* (Mar. 3, 1975) 7 I.I.C. 420, at 472 (Claeryn v. Klarein), available at [http://www.courbeneluxhof.be/arresten/FR/A/A\\_74\\_1\\_379.pdf](http://www.courbeneluxhof.be/arresten/FR/A/A_74_1_379.pdf) [<https://perma.cc/7WYY-SLKB>].

basis that the similarity might cause consumers drinking the alcohol to think of liquid detergent.<sup>44</sup>

In the United States, dilution is protected at the federal level under the Federal Trademark Dilution Act of 1995<sup>45</sup> and the Trademark Dilution Revision Act of 2006.<sup>46</sup> The 2006 Act was passed to overrule a requirement, read in by the U.S. Supreme Court in *Moseley v. V Secret Catalogue, Inc.*, that complainants demonstrate actual dilution of their brand, rather than merely the likelihood of dilution.<sup>47</sup> This “judicial nullification”<sup>48</sup> is not the only example of the chilly reception this concept received in American courts. In *Ringling Bros.-Barnum & Bailey Circus Combined Shows, Inc. v. Utah Division of Travel Development*, an early dilution case, the trial judge opined to the attorney for the trademark holder: “boy you must have some lobby to get a law like that passed.”<sup>49</sup> Academic reception to dilution has been similarly frosty, with scholars claiming that dilution “provides a remedy without a supportable theorization of the harm,”<sup>50</sup> that the doctrine was “undermining market efficiency and consumer welfare,”<sup>51</sup> and that it “should be found unconstitutional under the Supreme Court’s existing commercial-speech jurisprudence.”<sup>52</sup> Justice Thomas McCarthy, while not rejecting the principle of dilution outright, opined that it should be held to a very strong evidentiary standard, and only applied in “unusual and extraordinary cases.”<sup>53</sup>

In Canada, even though no statute provides a basis for a claim of trademark dilution, section 22(1) of the Trade-marks Act does, in

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<sup>44</sup> *Id.*

<sup>45</sup> Pub. L. No. 104-98, 109 Stat. 985 (1996) (codified as amended at 15 U.S.C. §§ 1125, 1127 (2006)).

<sup>46</sup> Pub. L. No. 109-312, 120 Stat. 1730 (2006).

<sup>47</sup> *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 419, 433 (2003).

<sup>48</sup> Farley, *supra* note 38, at 1178.

<sup>49</sup> *Id.* at 1177 (quoting Transcript of Oral Argument, *Ringling Bros.-Barnum & Bailey v. Utah Div. of Travel Dev.*, 935 F. Supp. 763 (E.D. Va. 1996)).

<sup>50</sup> *Id.* at 1184.

<sup>51</sup> Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. PITT. L. REV. 789, 866 (1997).

<sup>52</sup> Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507, 561 (2008).

<sup>53</sup> J. Thomas McCarthy, *Proving a Trademark Has Been Diluted: Theories or Facts*, 41 HOUS. L. REV. 713, 747 (2004).

effect, allow for an action for tarnishment: “No person shall use a trade-mark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto.”<sup>54</sup> Although this provision does not require confusion, the Supreme Court of Canada in *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée* found that some association in the mind of the consumer between the junior user’s product or display and the senior user’s mark is necessary.<sup>55</sup> Moreover, in that case, as well as in the concurrently released *Mattel, Inc. v. 3894207 Canada Inc.*,<sup>56</sup> the Supreme Court limited the special consideration offered to “famous” marks, with the Supreme Court quoting in *Mattel, Inc.* an earlier Federal Court of Appeal decision in *Pink Panther Beauty Corp. v. United Artists Corp.*:

I do not see how the fame of the mark acts as a marketing trump card such that the other factors are thereby obliterated. . . . Famousness alone does not protect a trade-mark absolutely. It is merely a factor that must be weighed in connection with all the rest of the factors. If the fame of a name could prevent any other use of it, the fundamental concept of a trade-mark being granted in relation to certain wares would be rendered meaningless.<sup>57</sup>

Indeed, in *Adidas AG v. Globe International Nominees Pty Ltd.*, the Federal Court of Appeal held that Adidas’ fame actually worked against it in a claim against a shoe manufacturer that branded their wares with a two-stripe, rather than a three-stripe design, since the iconic nature of the Adidas logo meant that consumers would be likely to spot even this subtle difference.<sup>58</sup>

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<sup>54</sup> Trademarks Act, R.S.C. 1985, c T-13 (Can.).

<sup>55</sup> *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, [2006] 1 S.C.R. 824, 827–28 (Can.).

<sup>56</sup> *See generally* *Mattel, Inc. v. 3894207 Canada Inc.*, [2006] 1 S.C.R. 722 (Can.).

<sup>57</sup> *Id.* at 809, 810 (quoting *Pink Panther Beauty Corp. v. United Artists Corp.*, [1998] 3 F.C. 534 (Can.)).

<sup>58</sup> *Adidas AG v. Globe Int’l Nominees Pty Ltd.*, 2015 F.C. 443 (Can.), at 20–21, available at <https://decisions.fct-cf.gc.ca/fc-cf/decisions/en/item/109229/index.do> [<https://perma.cc/CAG2-Q7A3>].

### C. Trademark Law and the Domain Name Space

The rise of the internet and the expansion of trademark law into the domain name space have brought additional legal challenges, particularly when combined with the burgeoning rules around dilution. As noted in the previous section, traditional understandings of trademarks were rooted in confusion, leading to their applicability as being limited to the specific class of product that the mark applied to, as well as the jurisdiction where it was being marketed.<sup>59</sup> For example, no conflict arises between a company marketing Delta brand faucets and other “Delta” companies in different industries, such as Delta Airlines, Delta Bank, or Delta Hotels, since there is little realistic likelihood of confusion between these brands.<sup>60</sup> Similarly, a quick search for the “Hotel California” turns up businesses in Thailand, Nepal, India, Italy and the Philippines, none of which appear to be affiliated with one another (or, presumably, with The Eagles).<sup>61</sup> However, while these businesses can comfortably co-exist in the offline world, with little possibility that any might be poaching customers from the others, in the online space, there can only be one website located at: “HotelCalifornia.com.”

There are not, nor have there ever been, any effective mechanisms to resolve disputes between two entities that have competing legitimate claims to a domain name space, and as a result the traditional doctrine of “first come, first served” is still in place.

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<sup>59</sup> WORLD INTELL. PROP. ORG., *supra* note 33, at 38.

<sup>60</sup> *See, e.g.*, DELTA FAUCET COMPANY, <https://www.deltafaucet.com/> [<https://perma.cc/6TF4-DW4T>]; DELTA AIR LINES, <http://www.delta.com/> [<https://perma.cc/29XF-6N3U>]; *About*, DELTA BANK, <http://en.deltabank.com.ua/> [<https://perma.cc/ZAR4-XU7G>]; MARRIOTT INTERNATIONAL, <http://deltahotels.marriott.com/> [<https://perma.cc/YU5G-3FPT>].

<sup>61</sup> Many of these businesses do not have their own websites, but reviews for their services can be found. *See, e.g.*, *Hotel California*, TRIPADVISOR, [http://www.tripadvisor.ca/Hotel\\_Review-g293916-d3181797-Reviews-Hotel\\_California-Bangkok.html](http://www.tripadvisor.ca/Hotel_Review-g293916-d3181797-Reviews-Hotel_California-Bangkok.html) [<https://perma.cc/4WFG-NLD9>]; *Hotel California*, NEPAL BUS. DIRECTORY, [http://www.nepalyp.com/company/42640/Hotel\\_California](http://www.nepalyp.com/company/42640/Hotel_California) [<https://perma.cc/68TV-3UU9>]; *Hotel California*, TRIPADVISOR, [https://www.tripadvisor.ca/ShowUserReviews-g4053412-d10672622-r436118171-Hotel\\_California-Ernakulam\\_Kochi\\_Cochin\\_Ernakulam\\_District\\_Kerala.html](https://www.tripadvisor.ca/ShowUserReviews-g4053412-d10672622-r436118171-Hotel_California-Ernakulam_Kochi_Cochin_Ernakulam_District_Kerala.html) [<https://perma.cc/LM9P-JK2G>]; *Hotel California*, TRIPADVISOR, [www.tripadvisor.ca/Hotel\\_Review-g298461-d7185333-Reviews-Hotel\\_California-Lapu\\_Lapu\\_Mactan\\_Island\\_Cebu\\_Island\\_Visayas.html](http://www.tripadvisor.ca/Hotel_Review-g298461-d7185333-Reviews-Hotel_California-Lapu_Lapu_Mactan_Island_Cebu_Island_Visayas.html) [<https://perma.cc/8X37-3R54>].

If Finlandia vodka was quicker to register “www.finlandia.com” than Finlandia Cheese, there is nothing the latter can do, other than offer to purchase it from the vodka company, or settle for a different domain and hope that users will still be able to find them.

Complicating the matter still further is the fact that the scope of trademark protection varies significantly across jurisdictions. For example, Canadian and American approaches to registering “offensive” trademarks differ significantly.<sup>62</sup> In Canada, the Trademarks Act includes a number of explicitly prohibited classes of registration, including marks that are “scandalous, obscene or immoral.”<sup>63</sup> By contrast, the U.S. Supreme Court’s decision in *Iancu v. Brunetti* invalidated provisions of the Lanham Act that prohibited the registration of marks which are “immoral, deceptive, or scandalous” on the grounds that this represents viewpoint discrimination.<sup>64</sup>

Geographic indicators are another example of where there are wide divergences in the law.<sup>65</sup> European trademark law recognizes the branding of items like “champagne,” which must be produced in the eponymous region of France.<sup>66</sup> By contrast, the United States’ position is that this term has become generic, and it refuses to enforce this mark against American producers of “champagne.”<sup>67</sup> Legitimate uses of protected marks, including fair use, fair dealing, and parody, also differ substantially in their interpretation across jurisdictions.<sup>68</sup> The universality of the domain name space inevitably leads to situations where a holder of a legitimate trademark in one jurisdiction will seek to enforce rights against a party

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<sup>62</sup> See generally Lauren Blaiwais & Miller Scott, *Offensive Trademarks: The Canadian and American Perspectives*, 30 *INTELL. PROP. J.* 205 (2018).

<sup>63</sup> Trademarks Act, R.S.C. 1985, c T-13, art. 9(1)(j) (Can.).

<sup>64</sup> *Iancu v. Brunetti*, 139 S. Ct. 2294, 2301, 2302 (2019).

<sup>65</sup> See generally Demetra Makris, *Geographical Indicators: A Rising International Trademark Dispute Between Europe’s Finest and Corporate America*, 34 *ARIZ. J. INT’L & COMP. L.* 159 (2017).

<sup>66</sup> Directive 2008/95/EC, of the European Parliament and of the Council of 22 October 2008 to Approximate the Laws of the Member States Relating to Trade Marks, 2001 O.J. (L 299), art. 15(2).

<sup>67</sup> Deborah J. Kemp & Lynn M. Forsythe, *Trademarks and Geographical Indications: A Case of California Champagne*, 10 *CHAP. L. REV.* 257, 257–59 (2007).

<sup>68</sup> See generally Federico Fusco, *The Trademark Fair Use Defense: A Comparative Perspective*, 7 *GLOBAL JURIST* 1 (2007).



where these rights are not recognized, and where it is not easy for these contrasting understandings of the law to simply coexist. Ultimately, only one party may keep the domain name.

### III. THE ORIGINS OF CONFLICT

#### A. *The Rise of Cybersquatting*

In the early days of the internet, a lack of awareness of the business opportunities that were available online, combined with the relatively cheap costs of registering a domain name, allowed some unscrupulous and forward-thinking entrepreneurs an avenue to profit by registering the names of famous brands before their owners did and selling them at a steep markup. Among the most prolific of these early “cybersquatters” was Dennis Toeppen, who registered around 250 domain names which were similar or identical to well-known trademarks, including *deltaairlines.com*, *eddiebauer.com*, and *yankeestadium.com*.<sup>69</sup> These sites were sometimes associated with a thinly veiled legitimate use, such as *Panavision.com*, which he used to host photographs of the city of Pana, Illinois.<sup>70</sup> However, he would also offer to sell these websites to the brand owners at a steep markup.<sup>71</sup> Although these cases were typically resolved in the neighborhood of \$5,000 to \$15,000, the market for valuable domain names went much higher.<sup>72</sup> *Wallstreet.com*, which was registered for \$70 in 1994,<sup>73</sup> sold at auction for \$1 million in 1999.<sup>74</sup> Some brand owners, including Panavision, refused to pay, instead choosing to file suit on the grounds of infringement or dilution.<sup>75</sup>

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<sup>69</sup> THE INTERNET ENCYCLOPEDIA 455 (Hossein Bidgoli ed., 2003).

<sup>70</sup> *Id.*

<sup>71</sup> *Id.*

<sup>72</sup> Michael Berkens, *WallStreet.com Is Back for Sale with Wall-Street.com & 7 Trademark: Starting Bid: \$30M*, DOMAINS (Apr. 1, 2015), <https://thedomains.com/2015/04/01/wallstreet-com-is-back-for-sale-with-wall-street-com-7-trademark-starting-bid-30m/> [<https://perma.cc/E3UQ-TGWK>].

<sup>73</sup> Mairead Moore, *Cybersquatting: Prevention Better Than Cure?*, 17 INT’L J.L. & INFO. TECH. 220, 222 (2008).

<sup>74</sup> Berkens, *supra* note 72.

<sup>75</sup> *Panavision Int’l, LP v. Toeppen*, 141 F.3d 1316, 1319 (9th Cir. 1998).

These cases were typically successful.<sup>76</sup> In addition to findings of dilution, which is ultimately how *Panavision v. Toeppen* was resolved,<sup>77</sup> courts in the United States were willing to find infringement based on confusion, since “an Internet user is likely to assume that ‘.com’ after a corporation’s name will bring her to that corporation’s home page.”<sup>78</sup> Importantly, the judge in *Planned Parenthood Federation of America Inc. v. Bucci* found that Section 1114 of the Lanham Act did not require that the infringement take place in the course of the defendant’s “commercial activity,” and that liability could be triggered by the potential challenge to users in finding the correct website: “Prospective users of plaintiff’s services who mistakenly access defendant’s website may fail to continue to search for plaintiff’s own home page, due to anger, frustration, or the belief that plaintiff’s home page does not exist.”<sup>79</sup>

Despite these cases, which scholars have pointed to as examples of the system working as intended to correct the problem,<sup>80</sup> the U.S. government amended the Lanham Act in 1999 to include the Anticybersquatting Consumer Protection Act (“ACPA”),<sup>81</sup> which prohibits “the act of registering with the bad faith intent to profit, a domain name that is confusingly similar to a registered or unregistered mark or dilutive of a famous mark,” as well as “squatting” on a personal name. However, the ACPA also provides defenses for defendants to assert their own fair use rights to use the protected mark including for “identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.”<sup>82</sup> Furthermore, the ACPA includes

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<sup>76</sup> See McCarthy, *supra* note 53, at 724–25.

<sup>77</sup> See *Panavision*, 141 F.3d at 1316.

<sup>78</sup> *Planned Parenthood Fed’n of Am. Inc. v. Bucci*, No. 97-0629, 1997 WL 133313, at \*8 (S.D.N.Y. Mar. 24, 1997). This case is interesting in retrospect, given the U.S. Supreme Court’s ruling in *National Institute of Family and Life Advocates v. Becerra* supporting the First Amendment rights of “crisis pregnancy centers,” which deliberately masquerade as abortion clinics to talk women out of having the procedure. 138 S. Ct. 2361, 2368 (2018).

<sup>79</sup> *Bucci*, 1997 WL 133313, at \*4.

<sup>80</sup> See Jessica Litman, *The DNS Wars: Trademarks and the Internet Domain Name System*, 4 J. SMALL & EMERGING BUS. L. 149, 155 (2000).

<sup>81</sup> 15 U.S.C. § 1125(d) (2012).

<sup>82</sup> *Id.* § 1125(e)(3)(A)(ii).

a requirement for bad faith intent, which can be demonstrated according to the following factors:

- (i) the trademark or other intellectual property rights of the person, if any, in the domain name;
- (ii) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;
- (iii) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
- (iv) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;
- (v) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;
- (vi) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;
- (vii) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;
- (viii) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of

- registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and
- (ix) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c).<sup>83</sup>

### *B. Developing the Uniform Dispute Resolution Policy*

Under Network Solutions Inc.'s early management of the DNS, its dispute resolution policies were primarily focused on protecting the company from liability.<sup>84</sup> When its first formal dispute resolution policy was released in 1995, it required an exact match to a registered trademark.<sup>85</sup> Defendants could defend themselves by showing that they had their own registered trademark, and if they were unable to do so, they would be offered an alternative domain. If the registrants refused this, the domain would be placed on hold, meaning neither party would be allowed to use it.<sup>86</sup>

In 1998, NTIA, an agency of the U.S. Department of Commerce that oversaw the domain name space, began calling for trademark enforcement policies to be improved.<sup>87</sup> However, in response to fears that this process would lead to an imposition of U.S. trademark law over the global internet, the NTIA committed to having the process be led by WIPO.<sup>88</sup>

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<sup>83</sup> *Id.* § 1125(d)(1)(A)(i).

<sup>84</sup> Kevin Eng, *Breaking Through the Looking Glass: An Analysis of Trademark Rights in Domain Names Across Top Level Domains*, 6 B.U. J. SCI. & TECH. L. 163, 184–87 (2000).

<sup>85</sup> G. Peter Albert, *Eminent Domain Names: The Struggle to Gain Control of the Internet Domain Name System*, 16 J. MARSHALL J. COMPUTER & INFO. L. 781, 787 (1998).

<sup>86</sup> *Id.* at 788.

<sup>87</sup> See Improvement of Technical Management of Internet Names and Addresses, 63 Fed. Reg. 8826 (proposed Feb. 20, 1998) (to be codified at 15 C.F.R. pt. 23), <https://www.ntia.doc.gov/federal-register-notice/1998/improvement-technical-management-internet-names-and-addresses-proposed-> [<http://perma.cc/R3KU-3JDD>].

<sup>88</sup> Michael Geist, *Fair.com?: An Examination of the Allegations of Systemic Unfairness in the ICANN UDRP*, 27 BROOK. J. INT'L L. 903, 916 (2002).

WIPO began a process of public consultation in July 1998, issuing a final report in April 1999.<sup>89</sup> Although WIPO's role had been established as a way to move the process outside of American dominance, it was criticized by more technically focused academics and civil society voices for viewing intellectual property holders—as opposed to technologists or individual domain name holders—as its main constituency.<sup>90</sup> The single panelist who had been appointed to represent a “civil liberties” position, Michael Froomkin, subsequently criticized the process for its lack of a proper voice for the rights of website registrants.<sup>91</sup> He also claimed that in the process of developing recommendations, WIPO acted “more like an advocate than consensus builder.”<sup>92</sup>

Although it was subject to some revisions by an ICANN working group in 1999—including, most notably, the addition of a section on the rights and legitimate interests of domain registrants—the final WIPO report formed the core of what became the Uniform Dispute Resolution Policy (“UDRP”).<sup>93</sup> The Board of Directors of ICANN approved the UDRP on October 24, 1999.<sup>94</sup> The UDRP is effectively imposed on anyone who registers a domain, since its applicability is included within domain name registration agreements as a mandatory condition of the accreditation agreement that

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<sup>89</sup> See generally *Final Report of the WIPO Internet Domain Name Process*, *supra* note 26.

<sup>90</sup> See, e.g., Milton Mueller, *ICANN and Internet Governance: Sorting Through the Debris of 'Self-Regulation,'* 1 J. POL'Y, REG. & STRATEGY FOR TELECOMM. INFO. & MEDIA 497, 506 (1999); see also generally Michael Froomkin, *A Commentary on WIPO's The Management of Internet Names and Addresses: Intellectual Property Issues*, WIPO PANEL EXPERTS (May 19, 1999), <http://personal.law.miami.edu/~amf/commentary.htm> [<https://perma.cc/GNB9-FZVY>].

<sup>91</sup> See generally Michael Froomkin, *Semi-Private International Rulemaking: Lessons Learned from the WIPO Domain Name Process*, in REGULATING THE GLOBAL INFORMATION SOCIETY 212 (Christopher T. Marsden ed., 2000).

<sup>92</sup> *Id.* at 225.

<sup>93</sup> See KONSTANTINOS KOMAITIS, THE CURRENT STATE OF DOMAIN NAME REGULATION 82–84 (2010).

<sup>94</sup> See *Rules for Uniform Domain Name Dispute Resolution Policy*, ICANN (Oct. 24, 1999), <http://www.icann.org/udrp/udrp-rules-24oct99.htm> [<http://perma.cc/KS9Z-H42J>].

ICANN signs with registrars, which certifies them in their role of selling domain names to consumers.<sup>95</sup>

*C. How the UDRP Works*

A brand owner who wishes to proceed with a UDRP complaint must have a trademark that is identical or confusingly similar to a registered domain name, and must make the case for why the respondent should be considered as having no rights or legitimate interests in respect of the domain name, and that the domain name has been registered and is being used in bad faith.<sup>96</sup> The UDRP includes a non-exclusive list of circumstances for determining bad faith, including:

- (i) circumstances indicating that you [the respondent] have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or
- (ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
- (iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other

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<sup>95</sup> *2013 Registrar Accreditation Agreement*, ICANN 17 (June 27, 2013), <https://www.icann.org/resources/pages/approved-with-specs-2013-09-17-en> [<http://perma.cc/2WML-PRFW>].

<sup>96</sup> *Rules for Uniform Domain Name Dispute Resolution Policy*, ICANN § 3(b)(ix) (Sept. 28, 2013), <https://www.icann.org/resources/pages/udrp-rules-2015-03-11-en>.

on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.<sup>97</sup>

However, the UDRP also includes a set of non-exclusive factors by which registrants may demonstrate their legitimate interest in the domain name, including:

- (i) before any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or
- (ii) you (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or
- (iii) you are making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.<sup>98</sup>

The UDRP processes themselves are carried out by ICANN-accredited dispute resolution service providers ("providers").<sup>99</sup> These providers, which assemble their own teams of arbitrators, compete with one another for business from complainants, who bear the costs of paying for the process, and are able to select which provider to use.<sup>100</sup>

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<sup>97</sup> *Uniform Domain Name Dispute Resolution Policy*, ICANN § 4(b) (Oct. 24, 1999), <https://www.icann.org/resources/pages/policy-2012-02-25-en#4b> [<https://perma.cc/JX3S-9E74>].

<sup>98</sup> *Id.* § 4(c).

<sup>99</sup> *Id.* § 4(d).

<sup>100</sup> *Id.*

*D. The UDRP in Action*

Almost from its inception, opinions on the UDRP's efficacy and fairness differed dramatically. Representatives of the trademark industry typically exhorted the system's successes. For example, in September 2000, Masanobu Katoh, a senior trademark lawyer with Fujitsu Limited, a Japanese global information technology company, and an ICANN board member, said:

I have extensive experience with both Japanese and the U.S. court systems, as well as Alternative Dispute Resolution Proceedings. Never, and I mean never, have I seen a dispute resolution mechanism work so well. In less than a year, over 1,000 arbitrations have been initiated under the UDRP. In more than two thirds [sic] of those cases, there already have a disposition. These cases have been handled quickly, inexpensively, and most important of all, fairly. Without question, the UDRP is an important model for Dispute Resolution in other e-Commerce areas.<sup>101</sup>

In a paper published in 2002, the Internet Committee of the International Trademark Association called the UDRP process “an efficient and effective process for resolving domain name disputes.”<sup>102</sup> More recently, the current (as of September 2019) President of ICANN's IPC, Brian Winterfeldt, called the UDRP system “low-cost and efficient” in comparison with traditional litigation or arbitration.<sup>103</sup>

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<sup>101</sup> Geist, *supra* note 88, at 904 n.4.

<sup>102</sup> NED BRANTHOVER, INTA INTERNET COMM., UDRP—A SUCCESS STORY: A REBUTTAL TO THE ANALYSIS AND CONCLUSIONS OF PROFESSOR MILTON MUELLER IN “ROUGH JUSTICE” 1 (2002), <http://www.inta.org/advocacy/documents/intaudrpsuccesscontramueller.pdf> [<https://perma.cc/V9UC-5PZJ>].

<sup>103</sup> Brian J. Winterfeldt & Griffin M. Barnett, *Trademark Rights Protection Mechanisms in the Domain Name System: Current Landscape and Efforts to Diminish Protection*, 29 *INTELL. PROP. & TECH. L.J.* 17, 18 (2017).



On the other hand, academic and civil society voices were heavily critical of the system as being unbalanced in favor of trademark interests.<sup>104</sup> Early statistical analyses of UDRP findings showed that the overwhelming majority of cases (around eighty percent) were decided in favor of the complainant.<sup>105</sup> The UDRP's defenders responded by noting that since the system was designed to target clearly abusive cases, a relatively high winning percentage by complainants is to be expected.<sup>106</sup> However, far more troubling, from a procedural fairness perspective, are accusations that the system lends itself to forum shopping. A study of UDRP cases arbitrated between 1999 and November 1, 2000 found that, of the major providers initially accredited by ICANN, WIPO and the National Arbitration Forum (subsequently rechristened as the ADR Forum) awarded domains to the complainants around eighty-two percent of the time, while eResolutions awarded domains to the complainant only sixty percent of the time.<sup>107</sup> Tellingly, an assessment of market share carried out at the same time showed that, from December 1999 to October 2000, eResolutions' market share shrunk from ten percent of filings to just four percent.<sup>108</sup> eResolutions went out of business in 2001, accusing WIPO of having created a competitive advantage by tilting the system in favor of complainants.<sup>109</sup>

An exacerbating factor in having a system which leaves itself open to domain shopping is that it incentivizes providers to develop a reputation for deciding cases in favor of complainants.<sup>110</sup> Michael Geist, writing in 2001, noted that press releases from the National Arbitration Forum took on a "distinctly pro-complainant tone," including titles such as "Arbitrator Delivers Internet Order for

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<sup>104</sup> See generally Milton Mueller, *Rough Justice: A Statistical Assessment of ICANN's Uniform Dispute Resolution Policy*, 17 INFO. SOC'Y 151 (2001).

<sup>105</sup> *Id.* at 156.

<sup>106</sup> BRANTHOVER, *supra* note 102, at 6.

<sup>107</sup> Mueller, *supra* note 104, at 157.

<sup>108</sup> *Id.* at 159.

<sup>109</sup> Kieren McCarthy, *eResolution Quits Domain Arbitration*, REGISTER (Dec. 4, 2001, 4:31 PM), [https://www.theregister.co.uk/2001/12/04/eresolution\\_quits\\_domain\\_arbitration/](https://www.theregister.co.uk/2001/12/04/eresolution_quits_domain_arbitration/) [<https://perma.cc/94BX-6PYJ>].

<sup>110</sup> KOMAITIS, *supra* note 93, at 97 (citing Michael Fromkin & David Post, *Letter to the ICANN Board*, ICANN WATCH (Jan. 26, 2000), [http://www.icannwatch.org/archive/post\\_froomkin\\_udrp\\_letter.htm](http://www.icannwatch.org/archive/post_froomkin_udrp_letter.htm) [<https://perma.cc/GXJ5-VLHG>]).

Fingerhut,” “May the Registrant of magiceightball.com Keep the Domain . . . Not Likely,” “Kevin Spacey Prevails Against Usual Suspect in Domain Name Case,” and “Skateboard Magazine Thrashes Spanish Double.”<sup>111</sup>

The UDRP system also faced criticism for a lack of transparency since decisions were published but party submissions are not.<sup>112</sup> Without access to submissions, observers faced great difficulty in determining whether cases were being reasonably decided. As a result, while an overall analysis of whether or not the system has been fair to registrants is difficult to carry out, observers were quick to notice complaints that would have been unlikely to succeed in a judicial proceeding but nevertheless did succeed under the UDPR. One notable early example was the case of crew.com, which was successfully challenged by the clothier J. Crew, despite the fact that the word is clearly generic, and there was no evidence of any attempt to divert users, exploit confusion, or sell the name onwards to the brand owner, in line with the enumerated signs of bad faith.<sup>113</sup> However, the panel in this case pushed the onus onto the respondent, finding that he had “failed to show demonstrable evidence of plans to use the domain name in good faith” since they had “no specific use in mind at the time of registration or acquisition,” and that their registration of the domain name absent a demonstrable good faith use was constructively held to be a bad faith use since their action “precludes others who have a legitimate desire to use the name from doing so.”<sup>114</sup> Notably, the registrant in this case was a re-seller of domain names.<sup>115</sup>

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<sup>111</sup> Geist, *supra* note 88, at 907–08 & 908 nn.22–24.

<sup>112</sup> Orna Rabinovich-Einy, *The Legitimacy Crisis and the Future of Courts*, 17 *CARDOZO J. CONFLICT RESOL.* 23, 54 (2015).

<sup>113</sup> See Mueller, *supra* note 104, at 154.

<sup>114</sup> J. Crew Int’l, Inc. v. crew.com, WIPO Case No. D2000-0054 (Apr. 20, 2000), available at [www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0054.html](http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0054.html) [<https://perma.cc/9WUA-6XJY>].

<sup>115</sup> *Id.* The WIPO decision refers to the registrant as a “speculator,” though within their industry they are generally referred to as “domain name investors” or simply “domainers,” and are a widely recognized part of the domain name ecosystem. *Id.* For more information about this industry, see generally James Dorman, *The Beginner’s Guide to Domain Name Investing*, *MEDIUM* (Jan. 14, 2017), <https://medium.com/@james.dorman/the-beginners-guide-to-domain-name-investing-c7ebcec27547> [<https://perma.cc/7VH2-Z55S>].

Although one may argue, as a majority of the panel did, that the registration of domains for the purpose of resale is bad for the domain name industry, or for freedom of expression or commerce online,<sup>116</sup> none of these interests are related to the purpose of the UDRP as a trademark enforcement mechanism. This argument also fails to explain why the domain, even if it was improperly registered, should be transferred over to a company whose trademark bears a vague similarity to it, as opposed to leaving it available for registration by Crew (the maker of athletic equipment),<sup>117</sup> Crew (the maker of cleaning or polishing products),<sup>118</sup> Crew (the award program for diesel engines),<sup>119</sup> Crew (the rental service for apartments, cabins, and houseboats),<sup>120</sup> or Crew (the spyware maker).<sup>121</sup> In effect, the panel's interpretation of the UDRP Policy legitimizes a new form of cybersquatting, whereby brand owners can claim generic spaces that are vaguely similar to their protected marks and thus make those spaces inaccessible to other actors for legitimate uses.

While the *crew.com* case attracted particular scrutiny from academics and civil society observers, it was not an isolated incident of panelists seeking to expand the applicability of the rules beyond their plain language interpretation, or beyond what might fall within the boundaries of traditional trademark enforcement. There have been other examples of generic word registrations being transferred, where the only evidence of "bad faith" was the fact that they were not being utilized, including for *current.com*,<sup>122</sup> *jt.com*,<sup>123</sup>

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<sup>116</sup> J. Crew Int'l, Inc. v. crew.com, WIPO Case No. D2000-0054 (Apr. 20, 2000).

<sup>117</sup> CREW, Registration No. TMA582054 (Can.).

<sup>118</sup> CREW, Registration No. TMA139145 (Can.).

<sup>119</sup> CREW, Registration No. TMA645144 (Can.).

<sup>120</sup> CREW, Registration No. TMA972749 (Can.).

<sup>121</sup> CREW, Registration No. TMA919049 (Can.).

<sup>122</sup> Current USA, Inc. vs. Current Event, ADR Case No. FA94300 (Apr. 17, 2000), available at <http://www.adrforum.com/domaindecisions/94300.htm> [<https://perma.cc/686E-A8YX>].

<sup>123</sup> Japan Tobacco Inc. v. Yoshiki Okada, WIPO Case No. D2000-0492 (July 24, 2000), available at [www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0492.html](http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0492.html) [<https://perma.cc/X5LM-J3AW>].

rant.com,<sup>124</sup> and tonsil.com.<sup>125</sup> In the last case, it is worth noting that the panel found other factors as contributing to their finding of bad faith registration, including opaque registration information, and the fact that the registrant had a “high degree of knowledge and sophistication about internet domain name registration,” though none of the factors that they list correspond to those included in Section 4(b) of the UDRP Policy.<sup>126</sup> Prominent trademark attorneys have contributed to this expansive view of what can constitute “bad faith.” In a 2017 article, Brian Winterfeldt described the circumstances for establishing bad faith as including “passively holding the domain name for an extended period of time without making any legitimate use of the domain.”<sup>127</sup>

One particularly egregious example of the abuse of the UDRP is the dispute over rollerblade.net.<sup>128</sup> Although the word is still a registered mark, there is a strong case to be made that it has become genericized.<sup>129</sup> The registrant in this case had registered the domain name “for [his] nephew’s birthday so he and his friends could have a ‘neat’ email address and a website to show off their ‘rollerblading.’”<sup>130</sup> He had made no attempt to sell the domain on to the mark owner, and had no pattern of registering domain names for resale.<sup>131</sup> Instead, he had been using the site to host pictures of family members roller-skating when the company demanded the domain:

If Rollerblade the company would have approached me with the intent of coming to some kind of mutual agreement I would have let them have the site in

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<sup>124</sup> Rant, LLC v. Long, WIPO Case No. D2000-0946, (Oct. 10, 2000), *available at* <https://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0946.html> [<https://perma.cc/23Q2-FCCP>].

<sup>125</sup> Süd-Chemie AG v. tonsil.com, WIPO Case No. D2000-0376, (July 3, 2000), *available at* <https://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0376.html> [<https://perma.cc/DFM8-7NN4>].

<sup>126</sup> *Id.*

<sup>127</sup> Winterfeldt & Barnett, *supra* note 103, at 18.

<sup>128</sup> Rollerblade, Inc. v. McCrady, WIPO Case No. D2000-0429, (June 25, 2000), *available at* <https://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0429.html> [<https://perma.cc/72WC-KAFG>].

<sup>129</sup> *See* WORLD INTELL. PROP. ORG., *supra* note 33, at 48.

<sup>130</sup> *See* Rollerblade, WIPO Case No. D2000-0429.

<sup>131</sup> *Id.*

exchange for an item out of their product line and a tee-shirt for my nephew. Instead, the first communication I got from Rollerblade the company was a threat that I was going to have to pay a bunch of money for their legal fees to sue me for reserving the name. I now have no intentions of relinquishing my domain name ROLLERBLADE.NET.<sup>132</sup>

Somewhat incredibly, the panel found this statement to be indicative that the registrant was “determined to exploit his nuisance value . . . to be bought off.”<sup>133</sup> They ordered the domain transferred, finding that there was not “the slightest indication of a legitimate trademark interest” from the registrant, and that the fact that the registrant had constructive knowledge of the trademark was sufficient to find that it had been registered in bad faith.<sup>134</sup> The panel’s language equating “no legitimate trademark interest” with having “no legitimate right or interest” is telling, as it seems to preclude any legitimate non-brand-owner uses of the word “rollerblade.”<sup>135</sup>

Another problematic trend has been UDRP panelists ordering domain names transferred that are explicitly derogatory of a registered mark. For example, in 2017, a panelist ordered the transfer of the domain name “marlborosucks.com.”<sup>136</sup> Both the registrant and the brand owner were located in the United States, and the registrant cited relevant U.S. case law that dismissed infringement, cybersquatting, and dilution actions against websites featuring protected trademarks, which were being used to criticize those companies’ business practices.<sup>137</sup> The panelist distinguished these cases by pointing to the fact that no website had yet been set up at the address, once again taking the position that, if a domain name

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<sup>132</sup> *Id.*

<sup>133</sup> *Id.*

<sup>134</sup> *Id.*

<sup>135</sup> *Id.*

<sup>136</sup> Philip Morris USA Inc. v. Computer Services, Inc., WIPO Case No. D2017-0847, (June 15, 2017), available at <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2017-0847> [<https://perma.cc/BP7H-STUX>].

<sup>137</sup> *See id.* (citing *Bosley Med. Inst. v. Kremer*, 403 F.3d 672 (9th Cir. 2005); *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806 (6th Cir. 2004); *TMI, Inc. v. Maxwell*, 368 F.3d 433 (5th Cir. 2004); *Cleary Bldg. Corp. v. David A. Dame, Inc.*, 674 F. Supp. 2d 1257 (D. Colo. 2009)).

was in the same neighborhood as a registered mark, the burden shifted to the registrant to demonstrate a non-infringing use.

While the majority of cases involving domains that are overtly critical of protected marks have been resolved in favor of the brand owner, this position has not been universal. In 2000, a panelist refused to order the transfer of *ihatebridgestone.com*, *ihatefirestone.com*, and *bridgestonesucks.com*, after all three had been registered by a disgruntled former employee, who had been engaged in a dispute with the company over pension payments.<sup>138</sup> While a complaint against *walmartblows.com* was upheld,<sup>139</sup> another complaint against *boycottwalmart.com* was denied, even though the registrant failed to mount any defense, with the panelist noting that:

[M]embers of the public wishing to find a website associated with the Complainant [Walmart] would not be confused as to whether the Complainant owned or operated the website at ‘*www.boycottwalmart.com*.’ It would be perfectly clear to anyone who recognized the Complainant’s trademarks that the disputed domain name would not resolve to a site used by the Complainant to promote its own goods or services.<sup>140</sup>

In *America Online, Inc. v. Johuathan Investments, Inc.*, in a dispute over the domain name *fucknetscape.com*, the panelist stated their position even more emphatically, finding that it was “manifestly, on its face, a name which can have nothing whatever to do with the Complainant. It is a name which, by its very nature, declares

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<sup>138</sup> *Bridgestone Firestone, Inc. v. Myers*, WIPO Case No. D2000-0190, (July 6, 2000), available at <https://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0190.html> [<https://perma.cc/7VM6-5F2L>].

<sup>139</sup> *Wal-Mart Stores, Inc. v. xc2*, WIPO Case No. D2006-0811, (Aug. 29, 2006), available at <https://www.wipo.int/amc/en/domains/decisions/html/2006/d2006-0811.html> [<https://perma.cc/3TAL-YXFK>].

<sup>140</sup> *Wal-Mart Stores, Inc. v. Traffic Yoon*, WIPO Case No. D2006-0812, (Sept. 20, 2006), available at <https://www.wipo.int/amc/en/domains/decisions/html/2006/d2006-0812.html> [<https://perma.cc/CMP5-UJSQ>].

that it is hostile to Netscape,” and that the potential for confusion was “inconceivable.”<sup>141</sup>

Intuitively, one would assume that this sentiment should be true for any of the “-sucks” domain names. It is beyond credibility to suggest that even the most unsophisticated consumer would navigate to “marlborosucks.com” in the expectation of finding the official company page. At this point, though, we are clearly far beyond any traditional understanding of the role of trademark, in terms of preventing customer confusion, or allowing a producer to distinguish their products. Indeed, we have even moved beyond a dilution or tarnishment doctrine, where enforcement is used to prevent unfair degrading of a mark, or attempts to unjustly freeload off of the goodwill accumulated by a well-known brand. Instead, brand owners are employing trademark enforcement in the domain name space as an offensive strategy to ensure that they retain total control over not just the word itself, but also any words or phrases that even sound similar. With this strategy, brand owners seek to stifle not just misuses of their mark, but also legitimate criticism of their companies. As the next section demonstrates, these expansive uses have become even further entrenched with the new generation of rights protection mechanisms.

#### IV. THE NEXT GENERATION OF RIGHTS PROTECTION MECHANISMS

##### A. *The gTLD Expansion*

When ICANN was first created, there were seven top-level domains available: .com (for commercial businesses), .edu (for educational institutions), .int (for intergovernmental and treaty organizations), .gov (for U.S. government entities), .mil (for the U.S. Department of Defense), .org (for non-profit organizations), and .net (for general umbrellas sites).<sup>142</sup> However, as early as 1995,

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<sup>141</sup> America Online, Inc. v. Johuathan Investments, Inc., WIPO Case No. D2001-0918, (Sept. 14, 2001), available at <https://www.wipo.int/amc/en/domains/decisions/html/2001/d2001-0918.html> [<https://perma.cc/F524-PVC9>].

<sup>142</sup> Daniela Michele Spencer, *Much Ado About Nothing: ICANN's New GTLDs*, 29 BERKELEY TECH. L.J. 865, 870 (2014). An eighth top-level domain, .arpa, was also used for administrative purposes. *Id.*

the head of the Internet Assigned Numbers Authority was discussing the creation of new gTLDs, and these proposals were revisited after ICANN was created, with the launch of seven new gTLDs between 2001 and 2004: .biz, .info, .museum, .name, .coop, .pro, and .aero.<sup>143</sup>

Shortly after this, ICANN began discussing the idea of opening up the gTLD space more broadly for new proposals, effectively allowing potential registry operators to submit applications for the creation of as many new gTLDs as the market might support. On the one hand, this presented an opportunity for the brand industry, insofar as it allowed new explicitly branded top-level domains, such as .target, .nike, and .bananarepublic.<sup>144</sup> However, trademark interests at ICANN, as concentrated in the IPC, expressed vocal opposition to a wide expansion of the gTLD system, fearing that the new real estate would make trademark enforcement more difficult.<sup>145</sup> This view was echoed by the International Trademark Association, which maintains a close relationship with the IPC.<sup>146</sup>

Since the UDRP was first established, it has remained an active venue for resolving conflicts over domain names connected to trademarks.<sup>147</sup> It is easy to understand why the trademark protection industry might be alarmed by the concept of the domain space expanding to include a virtually unlimited number of new domains,

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<sup>143</sup> *Id.*

<sup>144</sup> See Andrew Allemann, *Will .Amazon Ever See the Light of Day? There's Some Movement*, DOMAIN NAME WIRE (Sept. 19, 2018), <https://domainnamewire.com/2018/09/19/dot-amazon-domain/> [<https://perma.cc/257P-REW5>]. A particularly heated argument ensued after the retail company Amazon applied to register .amazon, a move that was vociferously opposed by the nations of Brazil and Peru, who claimed the gTLD for themselves, essentially pitting ICANN's business stakeholders against its governmental stakeholders. As of November 2018, the matter still has not been fully resolved. See *id.*

<sup>145</sup> ICANN INTELL. PROP. CONSTITUENCY, THE INTELLECTUAL PROPERTY CONSTITUENCY IMPACT STATEMENT REGARDING THE INTRODUCTION OF NEW gTLDs 1 (2007), available at <https://www.ipconstituency.org/assets/ipc-position-papers/2007/IPC%20Impact%20Statement%20re%20new%20gTLDs.pdf> [<https://perma.cc/DS28-RXUJ>].

<sup>146</sup> Jacqueline D. Lipton & Mary Wong, *Trademarks and Freedom of Expression in ICANN's New gTLD Process*, 38 MONASH U. L. REV. 188, 197 (2012).

<sup>147</sup> *Total Number of Cases Per Year*, WORLD INTELL. PROP. ORG., <https://www.wipo.int/amc/en/domains/statistics/cases.jsp> [<https://perma.cc/ZR25-4MVM>]. There was a period of decline from 2001–2003, though this can be explained as a result of the initial flood of cases that were filed when the system was first established. *Id.*



as they might be faced with having to file thousands of new “defensive” registrations to retain exclusivity over their marks. Of course, it is important to note that the level of “exclusivity” to which trademark owners are entitled varies enormously based on jurisdictional and contextual factors. One of Canada’s leading cases on trademark law, which found no infringement in a chain of “Barbie” branded restaurants, is a good example of this.<sup>148</sup> Indeed, one of the selling points of the gTLD expansion was that it might allow an opportunity for companies that had missed out on a .com domain to find an alternative that matched their brand. So, rather than having every company compete over delta.com, Delta Airlines could exist at delta.fly, Delta Hotels at delta.hotel, Delta Bank at delta.bank, etc.

### *B. From Cybersquatting to Typosquatting*

Wariness on the part of trademark interests towards the gTLD expansion was compounded by a shift in the dynamic that brand owners faced in seeking to protect their image online, as traditional cybersquatting gave way to broader challenges. Where early cybersquatters like Dennis Toeppen benefitted from an ignorance among many established businesses of the commercial possibilities of the internet, following the dot-com bubble at the end of the 1990’s, those days were over. By explicitly including attempts to sell a domain to the brand owner at an inflated price as evidence of bad faith, the UDRP significantly limited the financial viability of the business model which Toeppen and his ilk had followed.

Instead, new challenges arose in the form of “typosquatting,” where a slight variation of a common or famous trademark (e.g., “Facbook.com”) would be registered with the intention of catching users who made a spelling or typing error in their browser.<sup>149</sup> These sites would often be used for clickfarming, hosting banner advertisements and collecting revenues as a result of users who mistakenly navigated to them and clicked on these ads, and sometimes for more overt forms of passing off, such as by imitating the

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<sup>148</sup> *Mattel, Inc. v. 3894207 Canada Inc.*, [2006] 1 S.C.R. 722, 820 (Can.).

<sup>149</sup> Jacqueline D. Lipton, *Bad Faith in Cyberspace: Grounding Domain Name Theory in Trademark, Property, and Restitution*, 23 HARV. J.L. & TECH. 447, 474 (2010).

intended website but providing links to competing products.<sup>150</sup> However, more nefariously, in some instances these sites are used to distribute malware, or support phishing, spamming, and online fraud.<sup>151</sup> In comparison to traditional cybersquatting, which relied on registering a domain that exactly matched an existing trademark, these domains were more disposable, since they were planted on common misspellings, of which there is a virtually endless supply. This allows them to be set up in bulk, compounding the challenge facing trademark holders in seeking to protect the exclusivity of their brand.

As part of the negotiations for approving the gTLD expansion in ICANN's multi-stakeholder policymaking process, ICANN instituted a set of new rights protection mechanisms that would apply to the new top-level domains, notably including the Uniform Rapid Suspension ("URS") and the Trademark Clearinghouse, the latter of which is used to support the sunrise registration period and the trademark claims period.<sup>152</sup>

### *C. The Uniform Rapid Suspension*

The URS is a "rights protection mechanism" that was designed to complement the existing UDRP by offering a streamlined "path to relief for rights holders experiencing the most clear-cut cases of [trademark] infringement."<sup>153</sup> This is achieved by substantially stripping down the procedure attached to the UDRP, including quicker timelines.<sup>154</sup> However, rather than a transfer of the domain over to the mark holder, as is required by the UDRP, the URS merely

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<sup>150</sup> Paul Ducklin, *Typosquatting—What Happens When You Mistype a Website Name?*, NAKED SECURITY, <https://nakedsecurity.sophos.com/typosquatting/> [<https://perma.cc/5EHM-C5RU>].

<sup>151</sup> *Id.* It is unclear as to whether these activities are more prevalent in new gTLDs than in the traditional TLDs.

<sup>152</sup> ICANN, TRADEMARK CLEARINGHOUSE 1, § 1.2 (June 4, 2012), <http://newgtlds.icann.org/en/applicants/agn/trademark-clearinghouse-04jun12-en.pdf> [<https://perma.cc/9C6G-UHQ8>] [hereinafter ICANN, TRADEMARK CLEARINGHOUSE].

<sup>153</sup> *Uniform Rapid Suspension (URS)*, ICANN (May 17, 2018), <https://www.icann.org/resources/pages/urs-2014-01-09-en> [<https://perma.cc/T8D7-XZ2W>].

<sup>154</sup> *5 Things Every Domain Name Registrant (That's You!) Should Know About ICANN's Uniform Domain Name Dispute Resolution Policy (UDRP) and Uniform Rapid Suspension (URS) System*, ICANN, <https://www.icann.org/resources/pages/5-things-registrants-know-udrp-urs-2019-09-25-en> [<https://perma.cc/7B23-GNCK>].

allows for the domain to be suspended for the duration of its registration term. In other words, while it is not an effective avenue for a brand owner to target a domain that it wants to obtain for itself, as was the case with *crew.com*, the URS can be useful in dealing with “typosquatting,” where the sites are less valuable.

The URS is also substantially quicker than the UDRP, with processes that typically only last fourteen days from filing to determination, and typically start at less than \$400,<sup>155</sup> as opposed to UDRP actions, which cost at least \$1,500 with WIPO, the largest provider.<sup>156</sup> Like the UDRP, URS claims are adjudicated by accredited dispute resolution service providers, of which there are three, as of November 2018: the Asian Domain Name Dispute Resolution Centre (“ADNDRC”), ADR Forum, and MFSD.<sup>157</sup>

The URS standards for bad faith are largely identical to those found in the UDRP.<sup>158</sup> However, the URS has broader considerations for legitimate use, in recognition of the idea that it is meant to be used only for extremely clear-cut cases.<sup>159</sup> It also specifically says that trading in domain names for profit, holding a large portfolio of domain names, and sale of traffic (such as through click-per-view revenue) are not, in and of themselves, indicia of bad faith.<sup>160</sup>

Although the URS does not represent a further expansion of the scope of trademark protection, the existence of this “streamlined” procedure for enforcing trademark claims in the domain name space raises additional concerns nonetheless. As discussed in the previous section, the scope of protection offered by the UDRP goes far

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<sup>155</sup> See, e.g., *Uniform Rapid Suspension (URS)*, ASIAN DOMAIN NAME DISP. RESOL. CTR., <https://www.adndrc.org/urs> [<https://perma.cc/V9D5-HTYL>] (showing the fee schedule of the Asian Domain Name Dispute Resolution Center).

<sup>156</sup> *Schedule of Fees Under the UDRP*, WORLD INTELL. PROP. ORG. (Dec. 1, 2002), <https://www.wipo.int/amc/en/domains/fees/> [<https://perma.cc/FE2C-CDUJ>]. It is also worth noting that UDRP fees scale up substantially where multiple panelists or multiple domain names are involved whereas they remain much flatter for the URS. *Id.*

<sup>157</sup> *Uniform Rapid Suspension (URS)*, *supra* note 153.

<sup>158</sup> ICANN, UNIFORM RAPID SUSPENSION SYSTEM (“URS”), § 1.2.6 (Mar. 1, 2013), <http://newgtlds.icann.org/en/applicants/urs/procedure-01mar13-en.pdf> [<https://perma.cc/9YMK-QY89>].

<sup>159</sup> *Id.* § 5.8.

<sup>160</sup> *Id.* § 5.9.

beyond the trademark protections available under the ACPA or in comparable EU law, to say nothing of how it compares with trademark law in countries like Canada, which follow a narrower interpretation of tarnishment. While the URS, by demanding a stronger standard of evidence for a finding of bad faith, is a small step back from the version of trademark rights established under the UDRP, it achieves this more demanding evidentiary standard by stripping out core procedural protections.<sup>161</sup> Thus, while defendants have an easier burden of proof, they have less space to operate.<sup>162</sup>

A case review carried out by Rebecca Tushnet of Harvard University, which was distributed to the ICANN Rights Protection Mechanism Working Group, found that suspensions were granted in the vast majority of cases (ninety-two percent).<sup>163</sup> Registrants defending against URS claims defaulted around seventy-four percent of the time, presenting no defense to the claim.<sup>164</sup> However, supporters of the URS could offer two responses to these statistics. Firstly, they could posit that a high rate of affirmative findings is the natural result of a system designed to only address clear cut cases of infringement. Secondly, they could argue that given the disposable nature of clickfarming sites, and considering that it is relatively easy to register a dozen new slight misspellings of well-known brands, the disinclination of proprietors to mount efforts to defend these claims is not surprising.<sup>165</sup>

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<sup>161</sup> *Id.* §§ 1.2.6.2, 1.2.6.3, 8.2, 8.5.

<sup>162</sup> *Id.* §§ 1.2.6.2, 1.2.6.3, 8.2, 8.5. The URS rules provide the registrant with only fourteen calendar days to provide a response. *Id.* § 5.1. URS processes also do not allow respondents the possibility of opting for a three-member panel, rather than a single adjudicator. *Id.* § 7.1.

<sup>163</sup> Rebecca Tushnet, *2018-05-30 Review of all Rights Protection Mechanisms (RPMs) in All gTLDs PDP WG*, ICANN (May 30, 2018), <https://community.icann.org/display/RARPMRIAGPWG/2018-05-30+Review+of+all+Rights+Protection+Mechanisms+%28RPMs%29+in+all+gTLDs+PDP+WG> [<https://perma.cc/3TLG-BFHD>] (follow Dropbox URL under Step 2 of the “Proposed Agenda”; then click on the “Summary Tables” tab of the spreadsheet; the percentage of suspensions was calculated by dividing the total suspensions, 727, into 787, the total number of cases (833) less the withdrawn cases (46)).

<sup>164</sup> *Id.* (The percentage of defaults was obtained by dividing the number of defaults, 581, into 787, the total number of cases (833) less the withdrawn cases (46)).

<sup>165</sup> *See, e.g.*, E-mail from Georges Nahitchevansky to Nat Cohen, [GNSO-RPM-WG] [gns0-rpm-wg] ‘Lack of Cause of Action’ Followup (URS Proposals #18, #19, #20), ICANN (Oct. 12, 2018, 3:22 PM UTC), <https://mm.icann.org/pipermail/gns0-rpm-wg/2018-October/003404.html> [<https://perma.cc/9JNJ-4TPF>].

A more troubling finding from Professor Tushnet's research is that, of 787 cases examined, adjudicators in 105 of them (thirteen percent) provided no evidence or rationale whatsoever in their written decision: they merely certified that the URS standard had been met, with no further explanation.<sup>166</sup> Moreover, an ICANN working group looking into the implementation of the URS discovered that ADNDRC, one of the three certified adjudication providers, had procedures in place which failed to fulfil the requirements spelled out in the URS rules.<sup>167</sup>

This Article's scope does not extend to evaluating whether URS procedures as applied meet an appropriate standard for procedural fairness in stripping a registrant of their property.<sup>168</sup> However, in considering the URS' function as a quicker, cheaper, and easier mechanism for enforcement than the UDRP, it is important to bear in mind that the UDRP itself was designed to be a quicker, cheaper, and easier enforcement mechanism than traditional judicial remedies. Moreover, every indication from representatives of the trademark industry, from INTA to the current head of the IPC at ICANN, is that it has in fact served this function well.<sup>169</sup> In this context, the continued paring down of procedural protections for website registrants facing trademark claims is troubling. However, as the next section indicates, a much more significant expansion in the applicability of trademark rules to the online space occurred with the creation of the Trademark Clearinghouse.

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<sup>166</sup> Tushnet, *supra* note 163.

<sup>167</sup> *Follow-up on Action Items for Providers Sub Team*, ICANN (Aug. 22, 2018), [https://community.icann.org/download/attachments/93127038/Follow-up%20on%20Action%20Items%20for%20Providers%20Sub%20Team\\_%2822%20Aug%202018%29.pdf?version=3&modificationDate=1535467639000&api=v2](https://community.icann.org/download/attachments/93127038/Follow-up%20on%20Action%20Items%20for%20Providers%20Sub%20Team_%2822%20Aug%202018%29.pdf?version=3&modificationDate=1535467639000&api=v2) [https://perma.cc/5E4D-QEDL].

<sup>168</sup> *Tucows.Com Co. v. Lojas Renner SA*, 2011 ONCA 548 ¶ 66 (Can.) (ruling in the affirmative on the question of whether domain names actually constitute "property"). There are also differences of opinion as to this question. *Id.* ¶ 45. Other jurisdictions have viewed the matter differently. *Id.*

<sup>169</sup> See Winterfeldt & Barnett, *supra* note 103, at 18; see also BRANTHOVER, *supra* note 102, at 1.

*D. The Trademark Clearinghouse, Sunrise Registrations, and Trademark Claims Services*

In addition to the URS, the other major change to ICANN's trademark enforcement mechanisms which accompanied the expansion of the top-level domain space was the creation of the Trademark Clearinghouse. The Trademark Clearinghouse is a centralized repository of recognized marks to which brand owners may submit any mark that is nationally or regionally registered, has been validated through a court of law or other judicial proceeding, or is protected by a statute or treaty in effect at the time the information is submitted.<sup>170</sup> The Trademark Clearinghouse may also accept any other "marks that constitute intellectual property."<sup>171</sup> As of November 2018, there were over 44,574 registered trademarks that had been accepted by the Trademark Clearinghouse.<sup>172</sup>

The main function of the Trademark Clearinghouse is to facilitate Sunrise registrations and the Trademark Claims service.<sup>173</sup> The Sunrise is a mandatory thirty-day period that all new top-level domains are required to provide to owners of trademarks, whereby any owner of a mark that is recorded in the Trademark Clearinghouse may pay a special fee to the registry to register a domain matching their mark before it is opened for general sale.<sup>174</sup> So, for example, before domains in the top-level domain .blog were opened for public registrations in 2016, the company that operates the registry, Automattic, was required to allow any company that has a mark registered in the Trademark Clearinghouse to register the domain corresponding to this mark in advance.<sup>175</sup> This ensures that a company like Apple will not have to deal with any other party using apple.blog to clickfarm, route to a fake Apple ID login page, or sell knockoff Apple products. However, this system also prevents

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<sup>170</sup> ICANN, TRADEMARK CLEARINGHOUSE, *supra* note 152, § 3.2.

<sup>171</sup> *Id.* § 3.2.4.

<sup>172</sup> *TMCH Stats November 2018*, TRADEMARK CLEARINGHOUSE (Nov. 7, 2018), <http://www.trademark-clearinghouse.com/content/tmch-stats-november-2018> [<https://perma.cc/KE7S-XR3R>].

<sup>173</sup> ICANN, TRADEMARK CLEARINGHOUSE, *supra* note 152.

<sup>174</sup> *Id.* § 6.2.

<sup>175</sup> *Sunrise Period for .Blog Set to Open*, WORLD INTELL. PROP. REV. (Aug. 17, 2016), <https://www.worldipreview.com/news/sunrise-period-for-blog-set-to-open-12048> [<https://perma.cc/G7DQ-SF7Z>].

any of the myriad other perfectly legitimate uses that potential registrants might have had in mind for apple.blog, as a common and generic word. One could imagine websites hosting recipes, gardening tips, stories about New York, reviews of Apple products, or any number of other perfectly legitimate uses for that domain name. Instead, as of October 2019, apple.blog merely routes to the company's official Newsroom.<sup>176</sup>

Some registries have rules which mandate that only relevant businesses can reserve domains. For example, .pharmacy is run by the National Association of Boards of Pharmacy, which includes vetting procedures for their applicants.<sup>177</sup> However, these registries are the exception rather than the norm. The rules that allow trademark owners an inside track to protect domains related to their mark make no such categorical distinction.<sup>178</sup> In other words, Apple can use its status in the Trademark Clearinghouse to register domains completely unrelated to its actual business, such as for apple.clothing, or even apple.food. Although the company originally registered the mark for the sale of computer products (an arbitrary use of this common word),<sup>179</sup> the Trademark Clearinghouse makes no such categorical distinction, allowing the company to expand its scope of protection into areas where the word would be considered generic.

The Trademark Clearinghouse has also bolstered companies' ability to use trademark enforcement as an avenue to chill legitimate criticism. When the .SUCKS top-level domain was announced in 2015, the company running the registry, Vox Populi, realized the

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<sup>176</sup> *Newsroom*, APPLE, <https://www.apple.com/newsroom/?cid=oas-us-domains-apple.blog> [<https://perma.cc/A345-BR52>] (entering apple.blog into your search engine automatically redirects you to the Apple Newsroom).

<sup>177</sup> For more information on how this works, see *Program Eligibility and Policies*, NAT'L ASS'N BOARDS PHARMACY, <https://nabp.pharmacy/programs/dotpharmacy/standards> [<https://perma.cc/CZG9-5V9M>]. It is also worth noting that .pharmacy has been criticized by pharmaceutical websites based in Canada who were denied accreditation, apparently due to their cross border sales. See Kevin Murphy, *.Pharmacy TLD Faces Action After Losing Complaint over Canadian Drug Peddler*, DOMAIN INCITE (July 16, 2018), <http://domainincite.com/23181-pharmacy-tld-faces-action-after-losing-complaint-over-canadian-drug-peddler> [<https://perma.cc/7RR9-G7B6>].

<sup>178</sup> ICANN, TRADEMARK CLEARINGHOUSE, *supra* note 152, § 7.

<sup>179</sup> *Apple Trademark List\**, APPLE, <https://www.apple.com/legal/intellectual-property/trademark/appletmlist.html> [<https://perma.cc/3H6N-DLLG>].

temptation for brands to lock out critical uses of their domains, and announced that it would charge a relatively steep price, USD \$2,499, for sunrise registrations. Greg Shatan, a trademark lawyer who at the time was the head of ICANN's IPC, complained that the entire registry was a "shakedown scheme."<sup>180</sup> ICANN responded by requesting that the U.S. Federal Trade Commission consider whether Vox Populi's actions violated U.S. law.<sup>181</sup> In response, while the Federal Trade Commission declined to cite any specific violations of the law, their Chairwoman called on ICANN to consider whether even stronger rights protection mechanisms might be necessary to address the potential for "consumer confusion," as "the public may not be able to discern the real owner behind a .SUCKS site."<sup>182</sup>

In *Mattel, Inc. v. 3894207 Canada Inc.*, Canada's Supreme Court rejected the "moron in a hurry" test for consumer confusion, in favor of the standard of a "casual consumer somewhat in a hurry."<sup>183</sup> However, it is difficult to believe that even a moron might try and locate Apple's official website by navigating to apple.sucks. Returning to the reasoning in *America Online, Inc. v. Johuathan Investments, Inc.*,<sup>184</sup> no reasonable person is likely to go to that domain and, finding it filled with caustic complaints about Apple, assume that the company was somehow endorsing the space. Focusing on Vox Populi's pricing is a distraction from the fact that the entire exercise is predicated on trademark enforcement rights

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<sup>180</sup> *.Sucks Dispute: IPC Backs FTC's Policy Proposals for ICANN*, TRADEMARKS & BRANDS ONLINE (June 1, 2015), <https://www.trademarksandbrandsonline.com/news/sucks-dispute-ipc-backs-ftc-s-policy-proposals-for-icann-4387> [https://perma.cc/WCB6-8NU6].

<sup>181</sup> A letter was also sent to Canada's Office for Consumer Affairs, since Vox Populi is based in Ottawa, but the government declined to intervene. *See* Dean Beeby, *Dot-Sucks Domain Name Not Our Problem, Ottawa Says*, CANADIAN BROADCASTING CORP. (Dec. 18, 2015, 5:00 AM), <https://www.cbc.ca/news/politics/dot-sucks-canada-internet-website-domain-1.3370577> [https://perma.cc/L5V5-UVF8].

<sup>182</sup> Letter from Edith Ramirez, Chairwoman, FTC, to John O. Jeffrey, Gen. Counsel & Sec'y, ICANN (May 27, 2015), <http://pub.bna.com/eclr/FTCsucksresponse.pdf> [https://perma.cc/7TUW-CLGS].

<sup>183</sup> *Mattel, Inc. v. 3894207 Canada Inc.*, [2006] 1 S.C.R. 772, 803 (Can.).

<sup>184</sup> *America Online, Inc. v. Johuathan Investments, Inc.*, WIPO Case No. D2001-0918 (Sept. 14, 2001), *available at* <https://www.wipo.int/amc/en/domains/decisions/html/2001/d2001-0918.html> [https://perma.cc/SQ52-ECMZ].



that have no basis in law. The fact that policy conversations now start from the assumption that a trademark owner has the right to prevent anyone else from setting up a domain declaring that their brand “sucks” is illustrative of just how far down the rabbit hole the debate has gone, as compared to trademark’s traditional roots in consumer protection.

The second major function of the Trademark Clearinghouse is to facilitate the Trademark Claims service.<sup>185</sup> This program, which is also mandatory for all of the new top-level domains, provides a sixty-day minimum period after public sales commence during which time anyone seeking to register a mark that matches one listed in the Trademark Clearinghouse will receive a notification that the brand owner has asserted rights in the name.<sup>186</sup> If the registrant opts to proceed, the brand owner will receive a notification of the registration.<sup>187</sup> Although this service does not actually prevent registrants other than the mark holder from obtaining a domain name,<sup>188</sup> there are concerns as to whether the notifications might pose a chilling effect on legitimate registrants.<sup>189</sup> These concerns are exacerbated by the fact that the Trademark Claims service has been augmented by the “Trademark+50” mechanism, which allows brand owners to add up to fifty additional letter strings to each record they have in the Trademark Clearinghouse, such as common misspellings, which have previously been the subject of a successful UDRP claim.<sup>190</sup> In other words, a person seeking to register “crew” in any of the new top-level domains would likely find themselves faced with a notification that a brand owner had asserted rights in that name. Prominent members of the IPC seem to have

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<sup>185</sup> ICANN, TRADEMARK CLEARINGHOUSE, *supra* note 152, § 6.1.

<sup>186</sup> *Id.*

<sup>187</sup> *Id.*

<sup>188</sup> *Id.* § 6.1.4.

<sup>189</sup> See, e.g., Posting of Paul Keating, paul@law.es, to gnso-rpm-wg@icann.org (June 9, 2017, 11:34 PM), <https://mm.icann.org/pipermail/gnso-rpm-wg/2017-June/002085.html> [<https://perma.cc/5EJC-M8EL>].

<sup>190</sup> Trademark Clearinghouse Verification Service Now Accepting Additional Abused Labels, ICANN (Oct. 11, 2013), <https://newgtlds.icann.org/en/announcements-and-media/announcement-11oct13-en> [<https://perma.cc/53XU-LZ96>].

acknowledged the chilling effect on legitimate registrations, but questioned whether or not it is “intolerable.”<sup>191</sup>

Additionally, civil society and academics have raised two major concerns regarding the operation of the Trademark Clearinghouse.<sup>192</sup> The first is that the Trademark Clearinghouse adopts a “lowest bar” approach to registration, whereby if a mark can be protected under any jurisdiction, and in any context, it is eligible for inclusion globally under a universal standard of protection.<sup>193</sup> For example, the Trademark Clearinghouse accepts geographic indicators that may be registered in Europe but not in the United States.<sup>194</sup> However, of even greater concern is that the Trademark Clearinghouse accepts registration of design marks with no regard to the contextual features that are fundamental to their protected status.<sup>195</sup> Although the rules for the Trademark Clearinghouse suggest that only word marks are eligible, because no global metric is available to differentiate a word mark from a design mark, Deloitte, the company that operates the Trademark Clearinghouse, decided to accept any submission where the words were “predominant” and “clearly separable or distinguishable from the device element.”<sup>196</sup>

In 2017, ICANN’s Rights Protection Mechanism Working Group decided to test the scope of what could be registered in the Trademark Clearinghouse by sending a list of examples of potential marks to Deloitte to inquire as to whether they might be accepted and how these registrations would be applied.<sup>197</sup> The

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<sup>191</sup> Winterfeldt & Barnett, *supra* note 103, at 21.

<sup>192</sup> See Letter from Trademark Scholars to Philip Corwin, J. Scott Evans, & Kathy Kleiman, Co-Chairs, GNSO (Mar. 10, 2017), <https://www.eff.org/document/trademark-scholars-letter-icann-gnso-rpm-working-group> [<https://perma.cc/PVJ5-X9VX>].

<sup>193</sup> ICANN, TRADEMARK CLEARINGHOUSE, *supra* note 152, § 3.2.

<sup>194</sup> See Posting of Mary Wong, [mary.wong@icann.org](mailto:mary.wong@icann.org), to [gnso-rpm-wg@icann.org](mailto:gnso-rpm-wg@icann.org) (Apr. 13, 2017, 2:42 PM UTC), <https://mm.icann.org/pipermail/gnso-rpm-wg/2017-April/001477.html> [<https://perma.cc/QX6X-GV8S>].

<sup>195</sup> *What About Device/Image Marks?*, TRADEMARK CLEARINGHOUSE, <https://www.trademark-clearinghouse.com/content/what-about-deviceimage-marks> [<https://perma.cc/RYB6-YL57>].

<sup>196</sup> *Id.*

<sup>197</sup> For the full list of examples, see *Deloitte Follow Up Questions Annex*, ICANN (Mar. 4, 2017), <https://community.icann.org/download/attachments/64066042/Deloitte%20Follow%20Up%20Questions%20Annex%20-%204%20March%202017.docx?version=1&modificationDate=1488752114000&api=v2> [<https://perma.cc/SK7P-JF8R>].

examples included “Music” by Parallel Music Entertainment, “Cars” by Disney, “Parents” by Gruner + Jahr Printing & Publishing Co., and “A” by Aisha’s Management & Consulting Group.<sup>198</sup> Deloitte confirmed that all these examples would be approved for registration as a word mark under their standards.<sup>199</sup> Once a mark has been accepted, it is protected as a word mark without reference to any distinguishing design features, since domain names are a text-only medium.<sup>200</sup>

The notion of protecting “music” as a word mark, globally, including in the field of music production, is an enormous expansion of the scope of trademark protection that runs counter to the basic balancing that is meant to take place between rewarding established players and promoting fair competition. Although the four examples listed above are hypothetical, journalists were able to uncover a number of generic words that are registered in the Trademark Clearinghouse as protected word marks, including: active, auto, bank, craft, fire, hotel, internet, luxury, natural, pizza, style, texas, and wedding.<sup>201</sup> These registrations, which were found through trial and error, may be the tip of the iceberg in terms of the number of generic or descriptive words that are currently protected. It is impossible to find a more accurate measure of how many of the marks currently included in the Trademark Clearinghouse are generic or descriptive, or whether these marks have been exploited to obtain valuable domain names that are unrelated to the brand

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<sup>198</sup> See *id.*

<sup>199</sup> See *Follow Up Questions for Deloitte from the GNSO’s Review of All Rights Protection Mechanisms (RPM) Review Policy Development Process Working Group 4–5* ICANN, (Mar. 5, 2017), <https://community.icann.org/download/attachments/64066042/Deloitte%20Responses%20to%20Follow%20Up%20Questions.pdf?version=1&modificationDate=1493341766000&api=v2> [<https://perma.cc/Y2VW-6W8G>].

<sup>200</sup> ICANN, TRADEMARK CLEARINGHOUSE, *supra* note 152, at 7.

<sup>201</sup> See Andrew Allemann, *How Common Words Like Pizza, Money, and Shopping Ended Up in the Trademark Clearinghouse for New TLDs*, DOMAIN NAME WIRE (Feb. 10, 2014), <https://domainnamewire.com/2014/02/10/how-common-words-like-pizza-money-and-shopping-ended-up-in-the-trademark-clearinghouse-for-new-tlds/> [<https://perma.cc/V5RZ-LZJP>].

owner's business, due to the second major problem with the Trademark Clearinghouse: it is entirely secret.<sup>202</sup>

Unlike trademark registries, which are generally open and searchable, the Trademark Clearinghouse is kept confidential, apart from aggregate numbers that Deloitte publishes.<sup>203</sup> This is ostensibly to protect the commercial sensitivity of the trademark information which the Trademark Clearinghouse contains, despite the fact that, as registered trademarks, all of the submissions are already publicly available via the domestic databases where they have been filed. The argument for secrecy is essentially that allowing third parties to see which marks have been registered in the Trademark Clearinghouse would grant insight into the companies' prioritization and strategies going forward.<sup>204</sup> Again, this argument seems difficult to defend, since the public availability of most brands' overall trademark portfolios, and the practical ability to query whether an individual word exists in the Trademark Clearinghouse, would seem to make it relatively easy to determine which marks a company has chosen to include. Nonetheless, the secrecy of the database presents a major obstacle to any form of oversight over the operation of the Trademark Clearinghouse, as well as limiting the ability of potential new entrants to determine the amount of open "real estate" around an online marketing avenue they are considering.

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<sup>202</sup> See Email from Julie Hedlund, Policy Director, ICANN, to PDP Working Group, ICANN (Oct. 23, 2019, 1:01 PM), <https://mm.icann.org/pipermail/gnso-rpm-wg/2019-October/004040.html> [<https://perma.cc/T5ZN-Z6XH>].

<sup>203</sup> See *id.*

<sup>204</sup> See Email from J. Scott Evans, Associate Gen. Counsel, Adobe Inc., to PDP Working Group, ICANN (Apr. 11, 2017, 9:17 PM), <https://mm.icann.org/pipermail/gnso-rpm-wg/2017-April/001418.html> [<https://perma.cc/P48H-Y2Q7>].

## V. ONGOING DEBATES

## A. ICANN's Rights Protection Mechanisms Working Group

In 2016, ICANN established a Policy Development Process Working Group to review its rights protection mechanisms, including the URS, the UDRP, and the Trademark Clearinghouse.<sup>205</sup> As of October 2019, its work remains ongoing, under the shared leadership of Brian Beckham, the Head of Internet Dispute Resolution at WIPO; Phil Corwin, Policy Counsel at Verisign (previously known as Network Solutions Inc.); and Kathy Kleiman, co-founder of ICANN's Non-Commercial Users' Constituency and a Practitioner-in-Residence at American University's Glushko-Samuelsan Intellectual Property Law Clinic.

Over the course of the working group's discussions, the overreaching nature of these mechanisms, and the growing gap between trademark enforcement in the domain name space and trademark enforcement as it exists under domestic legal frameworks, have been subject to sustained criticism from civil society and academic observers, as well as by domain name investors.<sup>206</sup> On the other hand, ICANN's IPC, together with other representatives of the trademark industry such as the International Trademark Association, have staunchly defended the systems as necessary to protect against infringement.<sup>207</sup> Indeed, participants from the IPC have made a number of proposals to expand enforcement even more, including by further stripping down procedural protections for defendants in the URS<sup>208</sup> and further expanding the scope of sunrise registrations.<sup>209</sup>

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<sup>205</sup> See generally *Charter for Proposed PDP to Review All Rights Protection Mechanisms in All gTLDs*, ICANN (Mar. 15, 2016), [https://gnso.icann.org/sites/default/files/filefield\\_48755/rpm-charter-15mar16-en.pdf](https://gnso.icann.org/sites/default/files/filefield_48755/rpm-charter-15mar16-en.pdf) [<https://perma.cc/NBF6-E9DQ>].

<sup>206</sup> See ICANN, *Report of Public Comments* 18–19 (Dec. 2, 2015), <https://www.icann.org/en/system/files/files/report-comments-rpm-prelim-issue-02dec15-en.pdf> [<https://perma.cc/6QAY-ASFL>].

<sup>207</sup> *Id.* at 18.

<sup>208</sup> See Ariel Liang, *URS Proposals*, ICANN (Oct. 25, 2019), <https://community.icann.org/display/RARPMRIAGPWG/URS+Proposals> [<https://perma.cc/N8HR-7XB6>].

<sup>209</sup> See Ariel Liang, *Sunrise and Trademark Claims Proposals*, ICANN (July 26, 2019), <https://community.icann.org/pages/viewpage.action?pageId=102146375#SunriseClaims-324377862> [<https://perma.cc/4AL8-BV6H>].

Although ICANN’s consensus-based model of decision-making makes it unlikely these proposals will succeed, they similarly make it difficult for contrary reform proposals—which aim to pare back trademark enforcement—to make any headway.<sup>210</sup> The custom that the status quo prevails in the absence of consensus creates difficulty in pushing back, even where implementation decisions have had the effect of expanding trademark protections beyond the limits formally agreed to through ICANN’s processes. Such has been the case with Deloitte’s decision to begin accepting design marks into the Trademark Clearinghouse, which, while seemingly contrary to the rules as drafted, is difficult to overturn because of significant opposition by the IPC against a major change.<sup>211</sup>

### *B. Private Sector Trademark Protection Initiatives*

In addition to ICANN’s institutional rights protection mechanisms, intellectual property enforcement in the domain name space has been further expanded by private sector initiatives. The most notable of these is the Domain Protected Marks List (“DPML”) that has been implemented by Donuts, the world’s largest registry, which owns around 240 different gTLDs.<sup>212</sup> The DPML is a paid service that allows trademark holders to block registration of any domain that matches their mark, or a misspelling of the mark, or that contains the protected mark, across all of Donuts’ domains, preventing its use by any other party.<sup>213</sup> Although, in some instances, owners of a different matching trademark that is filed in the Trademark Clearinghouse may be able to “unblock” a domain

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<sup>210</sup> Winterfeldt & Barnett, *supra* note 103, at 22.

<sup>211</sup> This is not to suggest that progress is impossible. As of October 2019, debates around the issues discussed here remain ongoing in the Rights Protection Mechanisms Working Group. In particular, there appear to be some signs of an emerging consensus to remove geographic indicators from the Trademark Clearinghouse. This is likely facilitated by the fact that many of the IPC’s active members are from the United States, and are intuitively opposed to the automatic recognition of geographic indicators. Similarly, it seems possible that at least some reforms will be made to address the inclusion of obvious design marks, though there remain strong headwinds against substantial changes that might bring the system into closer alignment with the actual scope of legal trademark protections.

<sup>212</sup> See *What We Do*, DONUTS, <https://donuts.domains/what-we-do/> [<https://perma.cc/SFR6-ATNM>].

<sup>213</sup> See *Enhanced Brand Protection*, DONUTS, <https://donuts.domains/what-we-do/brand-protection> [<https://perma.cc/CW3W-9VWV>] (last visited Nov. 17, 2019).

for their own purposes, Donuts is attempting to revise its rules so that even these will require the approval of the party that purchased the DPML service.<sup>214</sup>

Using ICANN's WHOIS search tool, which flags when domains are covered under a DPML Block, examples of generic words that are protected under this service, such as "mini" and "discovery," are relatively easy to find.<sup>215</sup> In practical terms, the revised rules would mean that the companies will have exclusive use over these words across Donuts' 240 different generic top-level domains. This is unfortunate for the thousands of other companies that have trademarks that contain the words "discovery" or "mini," and who will now find enormous swaths of the domain name space effectively blocked from their use. Moreover, the rules will also make it more difficult to establish new companies using marks that are similar to those in the list. Today's internet might be a very different place had the DPML service existed when Google was founded, assuming that any of the companies with a trademark for some variant of "goggles" had sought protection.

As a private company, one could argue that it is up to Donuts to decide how much deference to show to trademark holders in seeking to control any uses that relate to their protected marks. However, there is a key difference between Donuts' role as a registry and, say, a magazine deciding what stories to publish. Donuts has essentially been granted a monopoly to register uses of certain sections of the domain name space, which is a global public resource. Donuts has public interest responsibilities connected to how they carry out this function, as is evidenced by the fact that, like all registries, they contract with ICANN, and ICANN has the power to approve particular terms in how the registry is governed. Yet, regardless of whether one thinks it is within Donuts' prerogative to offer the DPML service, the additional expansion of trademark protection to the point where brand owners can control virtually any and all uses of

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<sup>214</sup> See ICANN, AMENDMENT TO REGISTRY AGREEMENTS, <https://www.icann.org/sites/default/files/tlds/donuts-proposed-amend-dpml-15aug18-en.pdf> [<https://perma.cc/KSV5-2H4D>].

<sup>215</sup> ICANN WHOIS Search Tool, ICANN, <https://lookup.icann.org/> [<https://perma.cc/KFX2-XV4R>].

their mark, or words similar to their mark, across huge portions of the domain name space, is a major development.

#### CONCLUSION

As early as 2000, academic observers of the domain name space warned that that proposed rules to combat cybersquatting could eventually result in a system where “ownership of a trademark gives one the exclusive right to use the word on the Internet.”<sup>216</sup> Given the established jurisprudence of the UDRP, as well as the growing role of the Trademark Clearinghouse and the Domain Protected Marks List, these words are proving prophetic. In retrospect, the fears of an imposition of U.S. trademark law over the global internet fell far short of the real threat—not that a single country’s rules would dominate, but rather that a hybrid model would develop that borrowed the most restrictive aspects of each framework without adopting the inherent checks, balances, and limitations that have evolved alongside these rules.

The days when a registrant in their basement could defiantly extort some of the world’s biggest companies have given way to a new kind of cybersquatting. Today, the complainants with the sharpest elbows use ICANN’s rights protection mechanisms to secure privileged access to valuable areas of the domain name space, and powerful and well-resourced brand management firms use trademarks as an offensive weapon to close off areas where critical speech might take root. Nevertheless, one of the incredible things about the internet is its resilience to attack and resistance to mechanisms of control. Just as China’s web users have developed an elaborate and growing list of euphemisms in order to evade State censors,<sup>217</sup> people will always find a way to vent their spleen about frustrating experiences with companies. Comcast’s early registration of *comcast.sucks* may have prevented a caustic sight from

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<sup>216</sup> Litman, *supra* note 80, at 164.

<sup>217</sup> See Jeanette Si, *The Chinese Language as a Weapon: How China’s Netizens Fight Censorship*, MEDIUM (July 21, 2017), <https://medium.com/berkman-klein-center/the-chinese-language-as-a-weapon-how-chinas-netizens-fight-censorship-8389516ed1a6> [<https://perma.cc/YT5R-8JM4>].



emerging on that specific domain,<sup>218</sup> but a quick search reveals similar sites have been established at fuckyoucomcast.com, comcast-sucks.com, and comcastsucksballs.blogspot.com, not to mention at least eighteen Twitter accounts<sup>219</sup> and nineteen Facebook pages<sup>220</sup> with titles containing some variation of that phrase. It is ironic that, despite the enormous amounts of money, time, and energy invested by major brands in lobbying at ICANN for exclusivity over their names, their efforts are unlikely to ever make a dent in the flow of angry speech directed their way.

In *Kirkbi AG v. Ritvik Holdings Inc.*, Canada's Supreme Court cautioned that:

The economic value of intellectual property rights arouses the imagination and litigiousness of rights holders in their search for continuing protection of what they view as their rightful property. Such a search carries with it the risk of discarding basic and necessary distinctions between different forms of intellectual property and their legal and economic functions.<sup>221</sup>

This tendency has certainly been on display at ICANN, as trademark enforcement has grown, completely divorced from any notions of confusion or quality assurance. However, beyond its implications for trademark law, the evolution of these enforcement mechanisms into broader tools of brand and reputation control is shaping the future of the domain name space, as well as the degree to which it will be dominated by established commercial interests, at the expense of non-commercial voices, or smaller rivals who may be denied access to common or generic words in their marketing. The careful balance between free competition and fair competition which lies at the heart of trademark law has been lost in favor of a

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<sup>218</sup> ICANN WHOIS Search Tool, *supra* note 214 (search in "Domain Name Registration Data Lookup" search bar for "comcast.sucks").

<sup>219</sup> Twitter Search, <https://twitter.com/search?f=users&vertical=default&q=comcast%20sucks&src=typd> [<https://perma.cc/6XWK-QAUS>] (search for "comcast sucks").

<sup>220</sup> Facebook Search (login required) (search for "comcast sucks" and filter by "Pages" at the top), [https://www.facebook.com/search/pages/?q=comcast%20sucks&epa=SERP\\_TAB](https://www.facebook.com/search/pages/?q=comcast%20sucks&epa=SERP_TAB) (last visited Jan. 13, 2020).

<sup>221</sup> *Kirkbi AG v. Ritvik Holdings Inc.*, [2005] 3 S.C.R. 302 (Can.).

maximalist interpretation of the scope of trademark protection that goes vastly beyond what might be countenanced in any national legal framework.

By illustrating the extent of the gap that has emerged between the traditional function of trademark law, as a mechanism for promoting fair competition, and its current manifestation as an aggressive brand protection tool in the domain name space, this Article presents a cautionary tale in adapting legal concepts to a digital context and highlights the significant potential this approach has to lose sight of the original purpose of these rules. This danger is particularly acute in instances where significant lobbying or business interests are at play. As the commercial sector continues to evolve, academics and policymakers should be wary of the expansive tendency of trademark rights and of the pressing and constant need to ensure that sufficient space remains for innovation and new entrants to distinguish themselves in an increasingly crowded and aggressively policed linguistic landscape.