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Victoria Holstein-Childress

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Lex Cyberus: The UDRP as a Gatekeeper to Judicial Resolution of Competing Rights to Domain Names

Victoria Holstein-Childress*

I. Introduction.....	566
II. Background.....	569
A. The Functional Conflict Between Domain Names and Trademarks.....	569
B. Expanding Trademark Protection: Towards an Absolute Property Right.....	572
III. New Alternatives—Public and Quasi-Public Resolution of Domain Name Disputes	576
A. Anti-Cybersquatting Consumer Protection Act	576
B. Uniform Domain Name Dispute Resolution Policy.....	579
IV. Misuse of the UDRP to Suppress Legitimate Fair or Noncommercial Use of Marks.....	585
A. Introduction.....	585
B. UDRP Decisions in Favor of Complainants	588
C. UDRP Decisions in Favor of Respondents	596
V. A Proposal for Substantive and Procedural Reform of the UDRP.....	600
A. Substantive Modification	600
B. Procedural Modification	601
C. Alternative Proposals	604
VI. Conclusion	606

*A trademark does not confer a right to prohibit the use of the word or words. It is not a copyright A trademark only gives the right to prohibit the use of it so far as it protects the owner's goodwill against the sale of another's product as his.*¹

* Law Clerk to the Honorable Carl E. Stewart, Circuit Judge, United States Court of Appeals for the Fifth Circuit. J.D., 2002, Tulane Law School, A.B., 1993, Brown University.

1. *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924) (Holmes, J.).

I. Introduction

Notwithstanding Justice Holmes' early recognition of a limitation on the extent to which trademark law may be used by mark holders to assert exclusive ownership of words, legislators, courts, and commentators continue to struggle over where to delineate the appropriate boundary between the spheres of private property and free speech rights protection. This conflict is particularly pronounced in the context of domain name disputes between trademark owners and individuals who register and use domain names incorporating another's marks to direct Internet users to web sites containing critical commentary on the mark owners' enterprises. Trademark law has traditionally embodied the dual policy objectives of preventing consumer confusion and deception and protecting producers' investment in the creation, marketing, and advertising of their products "from pirates and cheats."² Protection of the free dissemination of ideas similarly serves a public interest by fostering robust public debate, which enables consumers to make an informed choice when purchasing goods by alerting them to quality or safety considerations and the relative advantages or disadvantages presented by a particular product.³

However, the peaceful coexistence of these two forms of rights protection has been disrupted recently by two significant developments in the area of trademark law. First, in the United States, trademark protection has undergone judicial and legislative expansion, driven by a shift in underlying policy objectives from consumer protection to the protection of economic investment.⁴ Consequently, the value of trademarks has ceased to be primarily in their use as a source identifier, but rather lies in their value as products in themselves, at times without regard to whether their contested use by another creates a likelihood of consumer confusion.⁵ The corollary is that a premium has been placed on the protection of private property ownership rather than on the dissemination of information to the public. Second, and contemporaneously with this expansion, the Internet's rapid development as a marketplace of both ideas and goods has posed new challenges to

2. S. REP. NO. 79-1333, at 3 (1946).

3. See Shaughnessy, *supra* note 3, at 1103.

4. See Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 371 (1999); Alanna C. Rutherford, *Sporty's Farm v. Sportsman's Market: A Case Study in Internet Regulation Gone Awry*, 66 BROOK. L. REV. 421, 436 (2000); *infra* notes ___-62 and accompanying text.

5. Lunney, *supra* note 4, at 371; William W. Fisher III, *The Growth of Intellectual Property: A History of the Ownership of Ideas in the United States* (1999), available at <http://eon.law.harvard.edu/property99/history.html> (last visited Sept. 13, 2004); FRANK SCHECHTER, *THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADEMARKS* (1925); H. NIMS, *THE LAW OF UNFAIR COMPETITION AND TRADEMARKS* (1909).

trademark protection, which had historically been circumscribed by geography and the categorization of goods corresponding to a particular mark.⁶ While traditionally certain marks could be used by multiple entities operating in different geographic markets or in conjunction with non-competing goods,⁷ a domain name is both global and unique, precluding such concurrent use on the Internet, which itself lacks any discernible geographic boundaries.⁸ Because Internet users tend to intuit web addresses of the companies they seek by merely entering the corporate name followed by a generic top level domain (gTLD) such as <.com>,⁹ both trademark owners and speculators, or cybersquatters, quickly recognized that domain names that match marks are valuable assets that can function as “business identifiers important to offering goods and services on the Internet.”¹⁰ An intuitive domain name, however, may also present the most effective means for members of the public to direct Internet users to a site expressing their views about a trademark owner or its product.¹¹ Further intensifying the competition between these groups for use of particular domain names is a lack of any effective regulatory control over domain name registration; domain names are assigned primarily on a first-come first-served basis by non-governmental bodies without any inquiry into potential conflicts between the requested domain name and registered trademarks.¹²

In response to concerns expressed by businesses that traditional trademark and unfair competition remedies afforded inadequate protection against the bad faith registration of their marks as domain names by non-trademark owners for commercial gain (cybersquatting), Congress intervened in 1999 by enacting the Anti-Cybersquatting

6. Margaret Jane Radin & R. Polk Wagner, *The Myth of Private Ordering: Rediscovering Legal Realism in Cyberspace*, 73 CHI.-KENT L. REV. 1295, 1304 (1998).

7. *E.g.*, 15 U.S.C. § 1052(d) (1997); J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 25:73, at 25-149 (4th ed. 2001) (noting that the Lanham Act section 2(d) allows “more than one registrant [to] obtain registration of the same or similar mark, but for different parts of the nation [provided] that such concurrent registration cannot be likely to cause confusion of buyers or others”).

8. Radin & Wagner, *supra* note 6, at 1304.

9. H.R. REP. NO. 106-412, at 5 (1999); *Brookfield Communications, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1045 (9th Cir. 1999) (“Web users often assume, as a rule of thumb, that the domain name of a particular company will be the company name followed by <.com>.”); MCCARTHY, *supra* note 7, at § 25:73.

10. *Sallen v. Corinthians Licenciamentos LTDA*, 273 F.3d 14, 15 (1st Cir. 2001); *Cardservice Int'l v. McGee*, 950 F. Supp. 737, 741 (E.D. Va. 1997), *aff'd*, 129 F.3d 1258 (4th Cir. 1997).

11. See Milton Mueller, *Rough Justice: An Analysis of ICANN's Uniform Dispute Resolution Policy* (2000), available at <http://dcc.syr.edu/report.htm>.

12. *Sallen*, 273 F.3d at 19-20 (citing G.B. DELTA & J.H. MATSUURA, LAW OF THE INTERNET § 5.04[B], at 5.58.2 (2001)); *Sporty's Farm v. Sportsman's Mkt.*, 202 F.3d 489, 493 (2d Cir. 2000), *cert. denied*, 120 S. Ct. 2719 (2000).

Consumer Protection Act (ACPA).¹³ That same year, the Internet Corporation for Assigned Names and Numbers (ICANN), a private non-profit organization authorized by the U.S. Department of Commerce (DoC) to manage the domain name system, implemented the Uniform Domain Name Dispute Resolution Policy (UDRP) to afford trademark owners an additional non-judicial avenue of recourse against clear cases of abusive cybersquatting in the form of an expedited administrative proceeding.¹⁴

Although both of these schemes purport to protect the property interests of trademark owners while preserving the rights of Internet users to engage in fair or non-commercial use of others' marks,¹⁵ this article contends that the UDRP enables trademark owners to abusively bypass judicial resolution of "legitimate disputes over trademark rights."¹⁶ Specifically, by facilitating the overassertion of trademark rights by businesses in order to strip domain names from their rightful owners, the UDRP provides trademark owners with an end-run around the countervailing fair use and free speech limitations posed by state and federal trademark law and the U.S. Constitution. Moreover, neither the UDRP provision permitting independent judicial resolution of domain name disputes nor its reciprocal ACPA provision allowing injunctive relief to a domain name registrant erroneously deprived of a domain name by a UDRP panel afford adequate recourse for an aggrieved domain name registrant.

Part II of this article describes the overlapping source identifying capacity of domain names and trademarks and their functional dissimilarities which have generated proprietary disputes between mark owners and registrants that lie at the confluence of trademark and First Amendment law. Part II also discusses the judicial and legislative expansion of trademark rights to encompass protection against dilution, in order to demonstrate the threat posed by this cause of action to fair use and free speech rights. In Part III, this article contrasts the scope of trademark protection afforded by the ACPA with that conferred by the UDRP, focusing particularly on the interrelationship between their bad faith factors and legitimate non-commercial or fair use defenses to a

13. PUB. L. NO. 106-113, TITLE III, 113 STAT. 1501A-545 (1999) (codified at 15 U.S.C. §§ 1114, 1116-17, 1125, 1127 & 1129 (1994 & Supp. 1999)).

14. See *Uniform Domain Name Dispute Resolution Policy*, available at <http://www.icann.org/dndr/udrp/policy.htm> [UDRP] (last visited Sept. 13, 2004).

15. See *Sallen*, 273 F.3d at 19-20 (quoting 145 CONG. REC. S10, 515 (1999) (Senator Hatch)); ICANN, *Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy*, at ¶ 4.1(c) (Oct. 25, 1999), available at <http://www.icann.org/udrp/udrp-second-staff-report-24oct99.htm> (ICANN Second Staff Report) (last visited Sept. 13, 2004).

16. *Sallen*, 273 F.3d at 17; see 145 Cong. Rec. S15,026 (1999).

cybersquatting claim. Part IV examines recent UDRP panel decisions to illustrate how the UDRP's expansive trademark protection, coupled with its even more expansive construction by panelists, facilitates misuse of the administrative proceedings by trademark owners to deprive registrants of free expression rights. In Part V, this article proposes a framework for harmonizing the competing interests of trademark owners and Internet users that advocates procedural and substantive reform of the UDRP or, alternatively, several changes to the current methods of assignment and use of domain names. Finally, this article concludes that the current use of the UDRP to resolve disputes involving competing legitimate claims to trademark and free expression rights both exceeds the UDRP's mandate and confers upon trademark owners a near absolute property right to their marks that is unsupported by U.S. trademark law and impinges upon fair use and free speech rights protected by the First Amendment.

II. Background

A. *The Functional Conflict Between Domain Names and Trademarks*

A domain name is a hierarchical "alphanumeric designation which is registered or assigned by any domain name registrar . . . as part of an electronic address on the internet"¹⁷ consisting of a generic top level domain (gTLD), such as <.com>, <.net.>, or <.org>, preceded by at least one second level domain consisting of a mnemonic string of letters that pinpoints the corresponding website's location on the Internet.¹⁸ As location identifiers, domain names serve a "non-trademark technological purpose" analogous to a radio station's frequency which, when "used in a utilitarian sense of calling a listener's attention to a location on the FM dial,"¹⁹ is not entitled to trademark protection.²⁰ However, a domain name that ceases to serve only a purely technological function as an address and instead dually functions as an identifier of a source of goods or services may effectively become a trademark and, as such, "can be used to infringe [the] trademark rights [of others]."²¹ It is this source

17. 15 U.S.C. § 1127.

18. For example, in the domain name *www.law.tulane.edu*, ".edu" is the gTLD; "tulane" is the second level domain; and "law" is the third level domain.

19. *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 956 (C.D. Cal. 1997) (quoting *Walt-West Enters., Inc. v. Gannett Co., Inc.*, 695 F.2d 1050, 1059-60 (7th Cir. 1982)).

20. *Id.*; MCCARTHY, *supra* note 7, § 7:17:1.

21. *Lockheed*, 985 F. Supp. at 956 (citing *Accuride Int'l v. Accuride Corp.*, 871 F.2d 1531 (9th Cir. 1989)).

identifying function shared by trademarks and domain names²² that makes domain names valuable to both trademark owners and non-owner domain name registrants: A domain name that incorporates a particular mark facilitates the ability of the intuitive Internet browsing individual to locate a web site devoted to the trademark holder's enterprise.

Yet, the current conflict between trademark owners and cyber commentators²³ over their respective entitlements to assert exclusive ownership of such domain names stems more from the dissimilar functions served by trademarks and domain names than from their overlapping capacity to identify the origin or sponsorship of a good or service. Trademarks also serve as valuable "merchandising short-cut[s]" which induce consumers to select particular products that they desire, or which they have been led to believe they desire through advertising and promotion of the corresponding goods.²⁴ Distinctively, domain names have the additional capacity to convey a communicative message, and as such can constitute protected speech.²⁵ Indeed, the Second Circuit has observed that domain names may be used for a variety of communicative purposes with elements of source identifying functionality and expression "ranging from the truly mundane street address or telephone number-like identification of the specific business that is operating the website, to commercial speech and even core political speech squarely implicating First Amendment concerns."²⁶ Accordingly, courts have generally ruled that the First Amendment protects a defendant's right to the use of another entity's mark when that person's use of the mark "is part of a communicative message," but not when the mark "is used to identify the source of a product."²⁷ Whether the mix of functionality and expressive elements is "sufficiently imbued with the elements of

22. See Radin & Wagner, *supra* note 6, at 1303.

23. This article uses the term "cyber commentators" rather than the more common "cyber grippers" to include legitimate non-commercial and fair usage such as parodist and fan sites, neither of which necessarily criticizes the targeted mark owner's entity.

24. *Mishawaka Rubber & Woolen Mfg. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942) (Frankfurter, J.) (observing that "[t]he protection of trademarks is the law's recognition of the psychological function of symbols"); Andrew Beckerman-Rodau, *Prior Restraints and Intellectual Property: The Clash Between Intellectual Property and the First Amendment*, 12 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 1, 44-45 (2001).

25. *E.g.*, *Name.Space, Inc. v. Network Solutions, Inc.*, 202 F.3d 573, 584 (2d Cir. 2000).

26. *Name.Space, Inc.*, 202 F.3d at 584 (rejecting the district court's conclusion that domain names exclusively serve a source identifying function akin to telephone numbers rather than as communicative messages).

27. *Planned Parenthood Federation of Am. v. Bucci*, No. 97 Civ. 0629, 1997 WL 133313, at *10-11 (S.D.N.Y. Mar. 24, 1997), *aff'd*, 152 F.3d 920 (2d Cir. 1998) (unpublished table decision), *cert. denied*, *Bucci v. Planned Parenthood Federation of Am.*, 525 U.S. 834 (1998) (citing *Yankee Publ'g, Inc. v. News Am. Publ'g, Inc.*, 809 F. Supp. 267, 275-76 (S.D.N.Y. 1992)).

communication” to be entitled to First Amendment protection “depends on the domain name in question, the intentions of the registrant, the contents of the website, and the technical protocols that govern the [domain name system].”²⁸

Until recently, federal trademark protection under the Lanham Act and supplemental state trademark infringement and unfair competition remedies aimed to protect the *source identifying* function of marks by conferring upon trademark owners the right to exclude others from the unauthorized commercial use of their distinctive marks “in connection with any goods or services” only to the extent necessary to prevent consumer deception and confusion.²⁹ Thus, absent a showing that a defendant’s use of the mark created a likelihood of consumer confusion as to the source or sponsorship of its related goods; the unauthorized use would not constitute trademark infringement.³⁰ Factors weighed in assessing whether the contested use of a mark creates a likelihood of confusion include: (1) the strength of the plaintiff’s mark; (2) the similarity between the parties’ marks; (3) the similarity between the parties’ products; (4) the likelihood that the senior mark owner will bridge the gap; (5) actual confusion; (6) the junior user’s good or bad faith in adopting its mark; (7) the quality of the defendant’s product; and (8) the sophistication of the relevant consumer group.³¹ No single factor is dispositive; rather, courts rely upon a fact-intensive examination of the totality of the circumstances.

Notably, while a defendant’s showing of fair use may overcome a finding of likelihood of confusion in a trademark infringement action, such a fair use defense is restricted to the defendant’s good faith use of a term that matches a mark “only to *describe* the goods or services of such party, or their geographic origin,” but not when the term is used in its trademark capacity to identify the origin of the goods.³² As long as

28. *Name.Space, Inc.*, 202 F.3d at 585 (citing *Spence v. Washington*, 418 U.S. 405, 409-10 (1974)).

29. See 15 U.S.C. § 1125 (a)(1)(A). The Lanham Act provides, in pertinent part: Any person who, . . . in connection with any goods or services . . . , uses in commerce any word, term, name, symbol, or device . . . which . . . is likely to cause confusion [or] . . . mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . , shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

Id.

30. *Id.*; see, e.g., *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161, 1163 (C.D. Cal. 1998).

31. *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (Friendly, J.).

32. Lanham Act § 33(b)(4), 15 U.S.C. § 1115(b)(4) (1994) (providing that fair use

trademark law primarily aimed to protect the *source identifying* function of trademarks by preventing consumer deception and confusion, the “likelihood of confusion” standard and its attendant fair use defense implicitly balanced the competing property rights of trademark holders against the free expression rights of the public by precluding trademark owners from having a monopoly on their preferred words.³³ Specifically, consumer confusion-predicated relief limits the trademark owner’s right to appropriate words from the commons for his or her exclusive use by effectively allowing the imposition of infringement liability only when the public interest in avoiding consumer confusion outweighs the public interest in fostering free expression.³⁴

B. Expanding Trademark Protection: Towards an Absolute Property Right

Increasing support for the notion that “trademarks serve primarily as a marketing tool and only secondarily as a [source identifier]”³⁵ has gradually generated demand for expansion of trademark rights in order to protect the positive association and “drawing power of . . . congenial”³⁶ marks from dilution. This trend developed in recognition that even *non-confusing* concurrent usage of marks by others on *non-competing* goods could cause the “gradual whittling away or dispersion of the trademark’s identity and hold upon the public mind.”³⁷ In contrast to trademark infringement relief, dilution relief “shifts the focus away from consumer protection and towards the protection of an owner’s property right”³⁸ in the “potency” of a famous mark itself, by guarding the mark’s “selling power” and the economic investment that that magnetism represents.³⁹

requires (1) use of a term other than as a mark, (2) use in a descriptive sense, and (3) use in good faith).

33. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. c (1995).

34. See *Charles Atlas, Ltd. v. DC Comics, Inc.*, 112 F. Supp. 2d 330, 337 (S.D.N.Y. 2001) (citing *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Group*, 886 F.2d 490, 494 (2d Cir. 1989); see also *Yankee Publ’g Inc. v. News Am. Publ’g Inc.*, 809 F. Supp. 267, 279 (S.D.N.Y. 1992)).

35. Robert J. Shaughnessy, Note, *Trademark Parody: A Fair Use and First Amendment Analysis*, 72 VA. L. REV. 1079, 1086 (1986); see RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. b (1995).

36. *Mishawaka Rubber & Woolen Mfg., v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942) (Frankfurter, J.).

37. Frank L. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 818 (1927).

38. *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 955 F. Supp. 605, 613 n.7 (E.D. Va. 1997), *aff’d*, 170 F.3d 449 (4th Cir. 1999), *cert. denied*, 120 S. Ct. 286 (1999).

39. *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 473 (6th Cir. 2001) (citing *Ringling Bros.*, 170 F.3d at 456), *rev’d on other grounds sub. nom.*, *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003); see RESTATEMENT (THIRD) OF UNFAIR

To that end, traditional dilution doctrine extends to conduct that either blurs or tarnishes a famous mark. Blurring occurs when a junior user's unauthorized use of a senior user's famous mark on dissimilar goods or dissimilar services lessens the mark's capacity to function as a "unique identifier" of the mark owner's goods or services.⁴⁰ The underlying rationale is that if a strong mark such as Kodak were used on "pianos, shaving cream, and fountain pens," the mark would "inevitably be lost in the commonplace words of the language," notwithstanding "the originality and ingenuity in [its] contrivance, and the vast expenditures in its advertis[ement]."⁴¹ Dilution resulting from tarnishment occurs when a famous mark is used with an unwholesome association that diminishes the mark,⁴² harming the "positive, quality-connoting associations the holder has labored to create through advertisement and promotion."⁴³ Thus, although "conceptually distinct," both blurring and tarnishment "reduce the value of the mark to the trademark owner," the former "by disturbing the conditioned association of the mark with the prior user and the [latter] by displacing positive with negative associations."⁴⁴

Historically, courts and commentators cautioned against the adoption of dilution theory to protect trademark rights, fearing that "the uncertain limits of the antidilution cause of action would unduly expand the ability of trademark owners to monopolize language and inhibit free competition."⁴⁵ Tarnishment protection poses the greatest threat to free expression. Both trademark usage of another's mark as a source identifier and nontrademark, expressive usage of such a mark to comment on, criticize, disparage, or parody the mark owner's goods or services can tarnish the positive quality-connoting associations of a mark.⁴⁶ "Kmart sucks," when stated by an unauthorized user of the mark, may very well damage "the mental images associated with [the] mark" as much as that user's trademark usage of the mark to identify his or her own goods that "suck."⁴⁷ Yet, extension of tarnishment to prohibit such nontrademark use "raises substantial free speech issues and duplicates other potential remedies better suited to balance the relevant interests."⁴⁸ For that reason, the Restatement (Third) of Unfair

COMPETITION § 25 cmt. a (1995).

40. Ronald Abramson, *Internet Domain Litigation*, 1999, 558 PLI/PAT 7, 19 (1999).

41. Schechter, *supra* note ___, at 830; see *Moseley*, 259 F.3d at 473.

42. See *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 31 (1st Cir. 1987).

43. Elliot B. Staffin, *The Dilution Doctrine: Towards A Reconciliation with the Lanham Act*, 6 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 105, 131 (1995).

44. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. c (1995).

45. *Id.* cmt. i.

46. *See id.*

47. *See id.*

48. *Id.*

Competition provides that non-trademark use of another's mark that does not create a likelihood of consumer confusion will not be subject to dilution liability unless the defendant's "conduct meets the requirements of a cause of action for defamation, invasion of privacy, or injurious falsehood."⁴⁹ In contrast to trademark infringement and dilution claims, these "alternative torts" require proof that the defendant acted with actual malice, recklessness, or negligence, which are "well-developed limitations [that] can better accommodate the actor's right of free expression," and which may be "constitutionally required in order to subject a speaker to liability."⁵⁰

Despite these concerns, Congress codified the dilution doctrine as an amendment to the Lanham Act with its 1995 enactment of the Federal Trademark Dilution Act (FTDA).⁵¹ That amendment entitles the owner of a famous mark to nationwide injunctive relief "against another person's commercial use in commerce" of his or her famous mark, "if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark,"⁵² and to damages for willful dilution.⁵³ With the FTDA, Congress conferred a near absolute property right upon trademark owners to exclude even non-competitors from the unauthorized dilutive use of their "famous and distinctive" marks in commerce, without regard to whether such use entails a likelihood of consumer confusion, deception, or mistake.⁵⁴ This veritable monopoly on words exists notwithstanding the FTDA's express exemption of noncommercial use, comparative advertising, and parody, because ascertaining the appropriate boundary between trademark and free speech rights requires courts to make a distinction between the source identifying functionality and expressive purposes of marks that is often indiscernible in practice.⁵⁵

In the Internet context, the adoption of a federal dilution action enhanced existing remedies against certain abusive domain name registration practices of cybersquatters that had previously eluded

49. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. i (1995). *Id.* § 25(2); *see id.* cmt. i (citing RESTATEMENT (SECOND) OF TORTS § 623A (1976) (prohibiting false statements harmful to the financial interests of another)); *id.* § 626 (prohibiting false statements that disparage the quality of another's goods).

50. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25, cmt. i.

51. PUB. L. NO. 104-98, 109 STAT. 985 (1996) (codified as amended at 15 U.S.C. § 1125(c)).

52. 15 U.S.C. § 1125(c)(1).

53. *Id.* § 1125(c)(2).

54. *See id.* § 1125(c)(1).

55. *See Name.Space, Inc. v. Network Solutions, Inc.*, 202 F.3d 573, 584 (2d Cir. 2000) (observing that the source identifying and expressive purposes of domain names are not mutually exclusive and thus require a highly context-specific inquiry to ascertain whether they merit free speech protection).

consumer confusion-based infringement theories. For example, while the registration and use of a domain name that matches another's mark in conjunction with a web site that offers to sell "non-competing and non-confusing" goods or that disparages the mark would rarely create the likelihood of confusion requisite to prevail in an infringement action, such usage could constitute dilution under the FTDA by diminishing the capacity of the mark to identify or distinguish its corresponding goods from those of others.⁵⁶ However, the FTDA's incompatibility with the unique challenges posed by the Internet quickly forced courts to stretch the traditional dilution doctrine embodied in the Act to curb conduct by cybersquatters who had "become increasingly sophisticated as the case law . . . developed" in insulating themselves from liability.⁵⁷ In particular, the mere speculative registration of a famous mark as a domain name with the intent to sell it back to the mark's owner, but without linking the contested domain name to a corresponding web site, would neither create a likelihood of consumer confusion for an infringement claim nor would it blur or tarnish the mark to constitute dilution.⁵⁸ In such a case, the consumer does not encounter the allegedly offending domain name, and thus is not impacted by its identity or confusing similarity to a famous and distinctive mark.⁵⁹ Moreover, no consensus existed regarding whether this type of cybersquatting satisfied the requisite "commercial use in commerce" of a famous mark,⁶⁰ or regarding which marks qualified as "famous *and* distinctive" within the meaning of the FTDA.⁶¹ Indeed, while marks listed in the federal register are per se distinctive, "[t]here is no place to go to find out if a particular mark is 'famous.' There is no special register for famous marks. Fame must be determined on a case by case basis in litigation."⁶²

56. See, e.g., *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Celozzi-Ettelson Chevrolet, Inc.*, 855 F.2d 480, 485 (7th Cir. 1988); accord, *Intermatic, Inc. v. Toepfen*, 947 F. Supp. 1227, 1239 (N.D. Ill. 1996).

57. *Sporty's Farm v. Sportsman's Mkt.*, 202 F.3d 489, 4935 (2d Cir. 2000), cert. denied, 120 S. Ct. 2719 (2000) (quoting S. REP. NO. 106-140, at 4 (1999)); see, e.g. *Panavision Int'l, L.P. v. Toepfen*, 141 F.3d 1316, 1326 (9th Cir. 1998)) (concluding in a cybersquatting case that, "[t]o find dilution, a court need not rely on the traditional definitions such as 'blurring' and 'tarnishment'"); see Blackman, *supra* note 57, at 218.

58. See Blackman, *supra* note 57, at 216, 218; see *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 957 (C.D. Cal. 1997).

59. See Blackman, *supra* note 57, at 218.

60. Cf. *Panavision Int'l*, 141 F.3d at 1326 (holding that trading on the value of famous marks by registering them with the intent to sell them back to their rightful owners constituted commercial use under the Lanham Act), with *Lockheed Martin Corp.*, 985 F. Supp. at 957 (ruling that mere registration of a trademark as a domain name, without more, does not constitute commercial use under the Lanham Act).

61. MCCARTHY, *supra* note 7, at § 24:90; cf. 15 U.S.C. § 1125(c)(1) (requiring marks to be both famous *and* distinctive to fall within the scope of the FTDA).

62. MCCARTHY, *supra* note 7, at § 24:90.

Most significantly, the FTDA's shift to a property-based trademark protection regime that primarily values the marketing function of trademarks—free of any constraint posed by the consumer confusion-based theories—paved the way for subsequent legislation and its UDRP counterpart to further curtail the ability of domain names that match marks to operate as a communicative message unimpeded by overassertive trademark owners.

III. New Alternatives—Public and Quasi-Public Resolution of Domain Name Disputes

Since 1999, the contemporaneous enactment of the ACPA and implementation of the UDRP have afforded trademark owners additional, alternative avenues of relief in order to mitigate the expenditure and uncertainty attendant to litigating cybersquatting claims under previously existing dilution and infringement theories.⁶³ Both the ACPA and the UDRP specifically target the abusive registration of trademarks as domain names by incorporating an expanded cybersquatting dilution doctrine⁶⁴ that retains some vestiges of traditional infringement relief.⁶⁵ However, the absence of previously existing limitations on trademark infringement and dilution protection in these two remedial schemes not only lowered the barrier to relief from cybersquatting, but, in so doing, also facilitated the phenomenon of reverse domain name hijacking by trademark owners seeking to suppress legitimate expressive usage of domain names that otherwise would be lawful under U.S. trademark infringement and dilution law.

A. *The Anti-Cybersquatting Consumer Protection Act*

Intended to protect consumer and American corporate interests, “to promote the growth of online commerce, and to provide clarity in the law for trademark owners,”⁶⁶ the ACPA alleviates the FTDA's substantive

63. H.R. Rep. No. 412, at 6 (1999) (observing that many trademark owners, when faced with the prospect of litigating claims under existing trademark law, simply chose to pay cybersquatters “extortionate prices . . . in order to rid themselves of a potentially damaging headache with an uncertain outcome”).

64. See *infra* notes 69-79 & 101-110 and accompany text.

65. Compare, e.g., 15 U.S.C. § 1125(d)(1)(B)(i)(V) (providing that bad faith intent to profit may be shown by evidence demonstrating the defendant's “intent to divert consumers from the mark owner's web site . . . for commercial gain or with the intent to tarnish . . . the mark, by creating a likelihood of confusion”), with UDRP Rule 4(c)(iv) (providing that bad faith may be demonstrated by evidence that the domain name was used with the intent “to attract” Internet users to the respondent's web site, “for commercial gain . . . , by creating a likelihood of confusion with the complainant's mark”) (emphasis added).

66. S. REP. 106-140, at 13 (1999) (Senator Orrin Hatch).

obstacles to relief by neither requiring that a mark be famous nor that it be used in commerce.⁶⁷ Instead, the ACPA imposes civil liability for the bad faith intent to profit from the registration, trafficking, or use of a domain name that: (1) is identical or confusingly similar to a distinctive mark; or (2) is identical, confusingly similar, or dilutive of a famous mark.⁶⁸

Consistent with the FTDA, the ACPA applies without regard to whether the goods or services of the mark owner and alleged cybersquatter are related, or whether there exists a likelihood of consumer confusion.⁶⁹ Under the ACPA, liability hinges on the presence or absence of the domain name registrant's bad faith intent to profit from the goodwill of another's famous or distinctive mark, determined under a fact-intensive case by case assessment of nine non-exhaustive factors,⁷⁰ the first four of which weigh against a finding of bad faith,⁷¹ while the remaining factors favor such a finding.⁷² The ACPA's enumerated

67. *Id.*

68. 15 U.S.C. § 1125(d)(1)(A).

69. *Compare id.* § 1125(c)(1), with 15 U.S.C. *id.* § 1125(d)(1).

70. *Id.* § 1125(d)(1)(B)(i)(I)-(IX).

71. *Id.* § 1125(d)(1)(B)(i)(I)-(IV). The ACPA lists the following non-exhaustive factors indicating an absence of a bad faith intent to profit:

- (I) any trademark or other intellectual property rights of the defendant in the domain name;
- (II) the extent to which the domain name is the defendant's legal name or commonly used nickname;
- (III) any prior use of the domain name by the defendant in connection with the bona fide offering of any goods or services; [and]
- (IV) the defendant's bona fide noncommercial or fair use of the mark in a site accessible under the domain name.

Id.; S. REP. NO. 106-140, at 13 (1999); H.R. REP. NO. 106-412, at 10 (1999).

72. *Id.* § 1125(d)(1)(B)(i)(V)-(IX). The ACPA lists the following non-exhaustive factors as indicative of the existence of a bad faith intent to profit:

- (V) the defendant's intent to divert consumers from the mark owner's web site 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) whether the defendant has offered to sell the domain name to the plaintiff for financial gain without having used or having intended to use the domain name in connection with a bona fide offering of goods or services; or a prior pattern of such conduct by the defendant;
- (VII) whether the defendant provided false contact information in registering the domain name or intentionally failed to maintain accurate contact information, or a prior pattern of such conduct by the defendant;
- (VIII) the defendant's acquisition of multiple domain names which the defendant knows are identical or confusingly similar to the distinctive marks of others or dilutive of the famous marks of others, which were distinctive or 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 defendant's domain name

scienter factors are calibrated to “balance[]the property interests of trademark owners with the interests of Internet users who would make fair use of others’ marks or otherwise engage in protected speech online.”⁷³ Accordingly, the ACPA lists the use of a domain name in connection with a bona fide offering of goods or services, and the bona fide noncommercial or fair use of the mark in a site accessible by the domain name as indicative of the defendant’s lack of a bad faith intent to profit from the good will of the mark. Moreover, the ACPA acknowledges the legitimacy of non-infringing concurrent use of marks by multiple entities, “such as the use of the ‘Delta’ mark for both air travel and sink faucets,”⁷⁴ by requiring courts to consider whether the defendant has any competing intellectual property rights to the mark.⁷⁵

Drafted in response to tactics commonly employed by cybersquatters, the ACPA’s listed indicia of bad faith intent to profit include the registrant’s offer to sell a domain name to the mark owner for commercial gain, but without having used or intended to use the domain name in connection with a bona fide offering of goods or services;⁷⁶ the registrant’s intent to divert consumers from the mark owner’s web site for commercial gain or with the intent to tarnish the mark, by creating a likelihood of consumer confusion;⁷⁷ the registrant’s acquisition of multiple domain names with knowledge that such names are identical or confusingly similar to a distinctive mark or dilutive of a famous mark;⁷⁸ and the registrant’s provision of false contact information.⁷⁹ The ACPA further requires courts to consider whether a mark is both “distinctive and famous” within the meaning of the FTDA, in recognition that such marks should be entitled to a higher degree of protection than marks which are merely distinctive.⁸⁰

Cognizant of the significant free speech implications posed by the

is or is not distinctive and famous within the meaning of the FTDA.

Id. (citing 15 U.S.C. § 1125(c)(1)); S. REP. NO. 106-140, at 14313 (1999); H. R. REP. NO. 106-412, at 10, 11 (1999).

73. S. REP. NO. 106-140, at 9 (1999) (Senator Orrin Hatch).

74. S. REP. NO. 106-140, at 13; *see* 15 U.S.C. § 1125(d)(1)(B)(i)(I).

75. 15 U.S.C. § 1125(d)(1)(B)(i)(I). “Similarly, the registration of the domain name ‘deltaforce.com’ by a movie studio would not tend to indicate a bad faith intent on the part of the registrant to trade on Delta Airlines or Delta Faucets’ trademarks.” S. REP. NO. 106-140, at 13.

76. 15 U.S.C. § 1125(d)(1)(B)(i)(VI).

77. *Id.* § 1125(d)(1)(B)(i)(V).

78. *Id.* § 1125(d)(1)(B)(i)(VIII).

79. *Id.* § 1125(d)(1)(B)(i)(VII). This factor recognizes a ploy commonly used by cybersquatters to escape service of process. *See* S. REP. NO. 106-140, at 15.

80. *Id.* § 1125(d)(1)(B)(i)(IX); H.R. REP. NO. 106-412, at 13 (1999) (noting that “[t]he more distinctive or famous a mark has become, the more likely [its owner] is deserving of the relief available under this Act”).

ACPA, Congress incorporated an “explicit savings clause” providing that bad faith “shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.”⁸¹ While Congress intended this provision to make “clear that [the ACPA] does not affect traditional trademark defenses, such as fair use, or a person’s first amendment rights,”⁸² the ACPA, in contrast to the FTDA,⁸³ does not expressly exempt legitimate noncommercial or fair usages of marks as domain names from its scope.⁸⁴ Instead, the ACPA merely instructs courts to consider such non-trademark uses as indicia of an absence of bad faith,⁸⁵ leaving this defense vulnerable to negation by the presence of other bad faith factors.⁸⁶

B. The Uniform Domain Name Dispute Resolution Policy

In order to afford trademark owners an expedited, inexpensive means of resolving cybersquatting disputes, ICANN implemented the UDRP in 1999 after receiving authorization by the DoC to assume control over the management of the domain name system (DNS).⁸⁷ The UDRP, incorporated by reference in the registration agreements of all accredited registrars, mandates that all domain name registrants in the <.aero>, <.biz>, <.com>, <.coop>, <.info>, <.museum>, <.name>, <.net>, and <.org> top-level domains submit to a non-binding mandatory administrative proceeding upon any trademark owner’s complaint to his or her choice of ICANN-approved dispute resolution service providers⁸⁸ that: (1) the contested domain name is identical or confusingly similar to

81. 15 U.S.C. § 1125(d)(1)(B)(ii).

82. S. REP. 106-140, at 11 (1999).

83. 15 U.S.C. § 1125 (c)(4)(A)-(C).

84. Compare 15 U.S.C. § 1125(d)(1)(B)(ii) (savings clause) and *id.* § 1125(d)(1)(B)(i)(I)-(IV) (fair and noncommercial use factors indicating an absence of bad faith), with *id.* § 1125(c)(4)(A)-(C) (exempting the fair use of a famous mark by another in comparative advertising; noncommercial use of the mark; and news reporting from the scope of the FTDA).

85. 15 U.S.C. § 1125(d)(1)(B)(i)(I)-(IV).

86. See, e.g., *Virtual Works, Inc. v. Volkswagen of Am., Inc.*, 238 F.3d 264, 270 (4th Cir. 2001) (concluding that “[a] defendant who acts even partially in bad faith in registering a domain name is not, as a matter of law, entitled to benefit from the Act’s safe harbor provision” in order to avoid construing that clause “so broadly as to undermine the rest of the statute”).

87. Andrew R. Basile, Jr., *Recent Developments: Intellectual Property Law and the Internet*, 584 PLI/PAT 293, 308-09 (1999).

88. The dispute resolution providers currently authorized by ICANN are the World Intellectual Property Organization (WIPO); The National Arbitration Forum (NAF); the Asian Domain Name Dispute Resolution Centre (ADNDRC); and the CPR Institute for Dispute Resolution (CPR). *UDRP, available at* <http://www.icann.org/dndr/udrp/approved-providers.htm> (last visited Sept. 13, 2004).

a trademark or service mark in which the complainant has rights; (2) the domain name holder has *no* rights or legitimate interest in the domain name; and (3) the domain name was registered and is being used in bad faith.⁸⁹ The complainant must prove all three factors to establish a *prima facie* case against the respondent.⁹⁰

Regarding the third factor, a complainant may demonstrate the respondent's bad faith by proving any one of four non-exhaustive factors, which include a showing of circumstances indicating that the registrant: (1) "acquired the domain name primarily for the purpose of selling . . . the domain name [to the mark owner or the owner's competitor] for valuable consideration"; (2) "registered the domain name in order to prevent the owner . . . from [using its] mark in a corresponding domain name, provided that [the registrant has] engaged in a [prior] pattern of such conduct"; (3) "registered the domain name primarily for the purpose of disrupting the business of a competitor"; or (4) has, "by using the domain name . . .," "intentionally attempted to attract, for commercial gain, Internet users to [his or her] web site . . . , by creating a likelihood of confusion with the complainant's mark." Should a complainant prevail, remedies are limited to the transfer or cancellation of the domain name.⁹¹

The UDRP purports to extend only to a "narrow, special class of domain name disputes" involving clear cases of abusive cybersquatting—in which the complainant has rights to use the mark as part of a domain name and the respondent has none—and allows respondents to overcome a complainant's *prima facie* showing by demonstrating their "rights or legitimate interests" in the domain name.⁹² However, neither the UDRP's jurisdictional or substantive limitations adequately safeguard the legitimate noncommercial or fair use of the mark by a domain name holder that would otherwise be lawful under U.S. law.⁹³ Indeed, the UDRP on its face and as construed by panelists effectively facilitates the overassertion of trademark rights by mark owners to suppress legitimate usage of the marks by others at little cost to the trademark owner.

As a threshold matter, it is important to note that the UDRP itself neither requires panelists to apply the law of any particular nation, nor

89. UDRP Rules 4(a)(i)-(iii), at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Sept. 13, 2004).

90. *Id.*

91. *Id.* Rule 4(b)(i)-(iv), at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Sept. 13, 2004).

92. See *infra* notes 101-103 and accompanying text.

93. See *infra* notes 101-112 and accompanying text.

sets forth any choice of law guidelines for panelists.⁹⁴ Rather, the UDRP merely directs panelists to “decide a complaint . . . in accordance with the [UDRP and its attendant] Rules, and *any rules and principles of law that it deems applicable*,”⁹⁵ conferring broad discretion upon panelists to apply a hodge-podge of governing law.⁹⁶ While some panelists apply the law of the country in which the parties are domiciled,⁹⁷ others either merely apply the law of the *panelists’* country of origin⁹⁸ or, more commonly, refuse to consider any nation state’s law in favor of resolving the dispute exclusively in accordance with the UDRP rules.⁹⁹ In many cases involving competing trademark and fair or commercial use rights to a domain name, the panelists’ ruling on the applicability of U.S. trademark and First Amendment law is dispositive to the outcome.¹⁰⁰ As illustrated below, a decision to consider only the UDRP rules represents a decision to adhere to the lowest common denominator of trademark law, which, as construed expansively by panelists, significantly enlarges

94. See UDRP Rule 15(a), available at <http://www.icann.org/dndr/udrp/uniform-rules.htm> (last visited Sept. 13, 2004).

95. *Id.*

96. See *id.*

97. *E.g.*, Bridgestone Firestone, Inc., v. Jack Meyers, WIPO Case No. D2000-0190 (July 6, 2000) (applying U.S. law in dispute between a U.S. corporation and a U.S. resident), at 2000 WL 33674384; Ass’n of British Travel Agents Ltd. v. Sterling Hotel Group Ltd., WIPO Case No. D2000-0086 (Mar. 29, 2000) (applying English law in case involving English disputants in order to determine when a site is being “used” in bad faith), available at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0086.html> (last visited Sept. 13, 2004); *cf.* Bett Homes Ltd. v. McFadyen, WIPO Case No. D2001-1018 (Oct. 22, 2001) (finding U.S. fair use doctrine and First Amendment jurisprudence inapplicable to a dispute between two residents of Scotland), available at <http://arbitrator.wipo.int/domains/decisions/html/2001/d2001-1018.html> (last visited Sept. 13, 2004).

98. See Tourism and Corporate Automation Ltd. v. TSI Ltd., DeC Case No. AF-0096 (Mar. 16, 2000), available at <http://www.disputes.org/eresolution/decisions/0096.htm> (last visited Sept. 13, 2004).

99. *E.g.*, Estée Lauder, Inc. v. Hanna, WIPO Case No. D2000-0869 (2000) (declining to consider First Amendment issues in a dispute between two U.S. residents, finding such inquiry irrelevant to a determination of whether the UDRP has been violated), available at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0869.html> (last visited Sept. 13, 2004); Compagnie Saint-Gobain v. Com-Union Corp., WIPO Case No. D-2000-0020 (Mar. 14, 2000) (relying exclusively upon the UDRP to resolve a dispute between a French complainant and a U.S. respondent), available at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0020.html> (last visited July 29, 2003).

100. See *id.*; Espirito Santo Financial Group S.A. v. Colman, WIPO Case No. D2001-1214 (Jan. 22, 2002) (distinguishing an earlier UDRP decision that “turn[ed] on [the] application of the US doctrines of fair use and free speech,” the panel observed that “there is a clear divergence between Panelists applying rules and principles of US law and those applying other principles”), available at <http://arbitrator.wipo.int/domains/decisions/html/2001/d2001-1214.html> (last visited July 29, 2003).

trademark owner's rights to their marks.

First, in sharp contrast to the ACPA, the UDRP does not allow the respondent a fair or noncommercial use defense unless the respondent also shows that such alleged legitimate use was made "without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue."¹⁰¹ Notably, by failing to expressly limit tarnishment to acts done with intent to profit from the complainant's mark, the UDRP enables panelists to deprive respondents of a fair use defense even in cases involving legitimate expressive use of the mark which, as noted above, while not actionable under U.S. trademark law, may harm the mark's quality-connoting association and thus leave the domain name subject to transfer under the UDRP.¹⁰² Although the only UDRP reference to tarnishment appears in one of three non-exhaustive legitimate use defenses available to the respondent,¹⁰³ the UDRP provides no guidance regarding the proper allocation of burdens of proof between complainant and respondent. Consequently, as demonstrated below, this ambiguity has resulted in a proliferation of cases in which the panelists shift the burden of proof on the legitimacy issue to the respondent, effectively requiring the complainant to merely demonstrate that the trademark and contested domain name are "identical or confusingly similar" rather than to prove all three elements of its prima facie case.¹⁰⁴ Under this approach, any use of the complainant's mark in conjunction with a site containing negative commentary on the mark owner's enterprise may be pointed to as evidence of a respondent's bad faith registration of the mark, rather than as an element demonstrating his or her legitimate noncommercial use.

Second, and relatedly, notwithstanding ICANN's own attempt to clarify that tarnishment is limited to acts done with the intent to profit commercially from the mark,¹⁰⁵ neither the UDRP's tarnishment-crippled

101. UDRP Rule 4(c)(iii) at <http://www.icann.org/dndr/udrp/policy.htm> (last visited July 29, 2003); e.g., *Kendall/Hunt Publ'g Co. v. Headhunter Bob*, NAF Case No. FA0111000102247 (January 14, 2002), available at <http://www.arbforum.com/domains/decisions/102247.htm> (last visited July 29, 2003).

102. See, e.g., *Kendall/Hunt*, NAF Case No. FA0111000102247 (Jan. 14, 2002), at <http://www.arbforum.com/domains/decisions/102247.htm> (last visited Sept. 13, 2004).

103. UDRP Rule 4(c)(iii), available at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Sept. 13, 2004). Like the ACPA, the UDRP provides that a respondent may also show a legitimate interest in the domain name by proving that the contested domain name corresponds to the respondent's own name or is used in connection with a bona fide offering of goods by the respondent. UDRP Rules 4(c)(i)-(ii).

104. E.g., *infra* notes 127-138, 161161-167 and accompanying text.

105. *ICANN Second Staff Report*, *supra* note 15, available at <http://www.icann.org/udrp/udrp-second-staff-report-24oct99.htm> (Oct. 24, 1999) (last visited Sept. 13, 2004). Acknowledging concern expressed by commentators that the UDRP's reference to "tarnishment" in the respondent's fair use defense "might be

fair use defense nor its bad faith provisions expressly require such for-profit intent, in stark contrast to the ACPA's requisite "bad faith intent to profit" from the mark. Accordingly, even legitimate noncommercial usage of the mark may be swept into the UDRP's bad faith provisions.

Third, while the ACPA applies only to marks that are distinctive or famous and limits the extraordinary protection afforded by the dilution cause of action to famous marks (*e.g.* Kodak), the UDRP applies to any mark, without regard to the strength of such mark. This is of particular concern given the UDRP's incorporation of tarnishment in its fair use defense. Under the UDRP, even legitimate *noncommercial* usage of a domain name that tarnishes a *generic* mark (*e.g.* crew; prince, clue), which otherwise would not be entitled to *any* trademark protection under U.S. law,¹⁰⁶ may constitute bad faith registration and use of the mark warranting transfer of the domain name to the mark owner.¹⁰⁷ Significantly, at least one federal appellate court presciently recognized, prior to the enactment of the ACPA and implementation of the UDRP, that such indiscriminate extension of dilution protection to any mark "would upset the balance in favor of over-protecting trademarks, at the expense of potential non-infringing uses."¹⁰⁸ Indeed, in that case the court concluded that such extraordinary relief must be reserved only for the most renowned marks in order to prevent dilution from becoming a rogue law.¹⁰⁹

Finally, by incorporating tarnishment as a limitation on its fair use defense, the UDRP necessarily encourages panelists to weigh the trademark rights of the trademark owner against the fair or

misunderstood by those not familiar with United States law or might otherwise be applied inappropriately to [legitimate] noncommercial uses," the Second ICANN Staff Report pointed out that such tarnishment "is limited to acts done with intent to gain commercially." *Id.* n.2 (citing UDRP Rule 4(c)(iii)). To date, the ICANN staff has not taken "steps to publicize this point," notwithstanding its stated intent to do so. *See id.*

106. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992); *see also* MCCARTHY, *supra* note 7, § 12:46, at 12-93 (noting that affording generic terms trademark protection through a showing of secondary meaning is the "aberrant" and minority view).

107. *See, e.g.*, *LucasFilm Ltd. v. Cupcake City*, WIPO Case No. D2001-0700, at 2001 WL 1701137 (Sept. 15, 2001) (refusing to consider respondent's contentions that complainant's mark was merely generic, the panel noted "that such defenses are beyond [its] purview" and that "the courts . . . are better able to grapple with the question of the generic nature of words . . . and the acquisition of secondary meaning."); *J. Crew Int'l, Inc. v. crew.com*, WIPO Case No. D2000-0054 (Apr. 20, 2000) (transferring "crew.com" to trademark owner J. Crew Int'l, Inc.), *available at* <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0054.html> (last visited Sept. 13, 2004).

108. *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 875 (9th Cir. 1999).

109. *Id.*; *accord*, *Viacom Inc. v. Ingram Enterprises, Inc.*, 141 F.3d 886, 891 (8th Cir. 1998) (quoting MCCARTHY, *supra* note 7, at § 24:108).

noncommercial use rights of the domain name holder and thus to engage in precisely the type of balancing of competing legitimate interests that is beyond its jurisdiction. Emphasizing the narrow scope of the UDRP, ICANN has explained that:

The adopted policy establishes a streamlined, inexpensive administrative dispute-resolution procedure intended only for the relatively narrow class of cases of “abusive registrations” [of domain names]. The policy relegates all “legitimate” disputes—such as those where both disputants had longstanding trademark rights in the name when it was registered as a domain name—to the courts . . . or to arbitrators where agreed upon by the parties.¹¹⁰

However, as demonstrated below, some UDRP panels have effectively construed this limitation on their jurisdiction to refer only to disputes involving competing legitimate *intellectual property* rights by proceeding to adjudicate claims involving competing trademark and fair or noncommercial use rights to a particular domain name, notwithstanding the UDRP’s requisite *prima facie* showing that the respondent has *no* legitimate rights to the domain name. Worse, as some commentators have observed, in such cases panelists tend to disregard the respondents’ asserted legitimate rights or interests by over relying on the complainant’s demonstrated trademark right,¹¹¹ effectively rendering a finding of identity or confusing similarity between the mark and the contested domain name dispositive to the outcome of the administrative proceeding.¹¹² This is particularly so in cases in which panelists not only equate identity or confusing similarity with bad faith intent, but also shift the burden of proof on the respondent to demonstrate his or her legitimate interest in the domain name, and, in so doing, bypass the requisite “no legitimate rights” showing that the UDRP imposes on the complainant.

110. ICANN *Second Staff Report*, *supra* note 15, at ¶ 4.1(c); see Management of Internet Names and Addresses, Statement of Policy, 63 Fed. Reg. 31,741, 31,747 (June 10, 1998) [White Paper], available at http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.htm (last visited Sept. 13, 2004).

111. See Blackman, *supra* note 57, at 247 (quoting Bruce E. H. Johnson, *Regulatory Update: Internet Sheriffs Approach the Electronic Frontier*, 624 PLI/PAT 397, 428 (2000) (criticizing Wal-Mart Stores Inc. v. Walsucks, WIPO Case No. D2000-0477, at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0477.html>) (last visited Sept. 29, 2004)).

112. *E.g.*, Spence-Chapin Services to Families & Children v. Wynman, NAF Claim No. FA0110000100492 (Dec. 10, 2001), at 2001 WL 1707375 (Dec. 10, 2001) (transferring domain name to trademark owner after equating identity with bad faith intent and requiring the respondent to prove he had a legitimate interest in the domain name by showing no reasonable alternative existed to his selected name).

IV. Misuse of the UDRP to Suppress Legitimate Fair or Noncommercial Usage of Marks

A. Introduction

Corporations have recognized that the UDRP enables them to exploit the bottlenecking function of domain name registrars in order to assert a monopoly over any word that is similar to one of their trademarks and, consequently, to suppress legitimate noncommercial or fair usage of their marks by others by depriving them of their rightfully owned domain names. In particular, the UDRP affords trademark owners an extremely attractive means of quashing unflattering cyber commentary directed at their businesses. For example, Walgreen's recently filed a UDRP complaint against a thirteen-year-old who has registered and used "wallgreen's.com" in conjunction with a web site protesting the chain drug store chain's sale of cigarettes, ostensibly on the basis that a drug store should profit only from the sale of curative or innocuous products and not from the sale of products that it "know[s] will injure or even kill Walgreen's customers."¹¹³ The site, which posts a disclaimer proclaiming that it "is not affiliated[sic] with Walgreens drugs, DUH!," also contains drawings of three coffins labeled "RIP" above a photo of the young domain name holder posed in front of rows of cigarette cartons prominently displayed at the checkout counter of her local Walgreen's store.¹¹⁴

In deciding to seek transfer of the domain name through a UDRP administrative proceeding in lieu of court adjudication of the dispute, Walgreen's not only avoids the cost and delay of litigation, but also may avoid the more onerous burdens of proof posed by its alternative avenues of relief under the Lanham Act and common law tort remedies—limitations which, as noted above, may be constitutionally required under the First Amendment.¹¹⁵ In order to prevail in a defamation claim seeking damages for harm to its commercial reputation, Walgreen's, as a public figure, would have to prove not only the falsity of the speech at issue, but also that the domain name holder acted with actual malice by clear and convincing evidence.¹¹⁶ For that reason, in brick and mortar cases corporations have recently attempted to "squench speech on issues of public concern" by relying upon section 43(a) of the Lanham Act,

113. Wallgreen's Cigarette Sales Protest Site, *available at* <http://www.wallgreens.com/letter.html> (on file with author).

114. *Id.*

115. *See supra* notes 49-50 and accompanying text.

116. *Bose Corp. v. Consumers Union of United States, Inc.*, 466 U.S. 485, 488-90 (1984).

which imposes strict liability for making misleading statements of fact that either create a likelihood of consumer confusion regarding the source of goods or misrepresent the commercial activities of another in commercial advertising or promotion.¹¹⁷ As discussed above, the limitations posed by the Lanham Act for trademark infringement (*e.g.* likelihood of confusion; commercial use) and dilution (*e.g.* fame of mark; bad faith *intent to profit*) are stripped away in the UDRP, making the UDRP an even more attractive option for trademark owners. Most significantly, by coupling its fair use defense provision with a requisite showing of no tarnishment,¹¹⁸ the UDRP enables trademark owners to silence even the non-defamatory non-commercial speech of their cyber critics, which, while uncomplimentary and unwelcome, would otherwise constitute protected speech under U.S. law.¹¹⁹

Moreover, the UDRP's procedural mechanisms significantly buttress the dispute resolution scheme's substantive advantages to trademark owners both pre- and post-proceeding. First, under the UDRP, *complainants* choose which of the four ICANN-approved private dispute resolution providers will handle the proceedings, presided over by either a one- or three-member panel appointed from the provider's table of panelists.¹²⁰ As a result, the UDRP not only creates an incentive for the competing providers to render decisions favorable to potential repeat player trademark owners, but, as discussed below, further undermines the neutrality and perceived legitimacy of the process by enabling complainants to significantly influence panel composition.¹²¹

117. See 15 U.S.C. § 1125(a); *e.g.*, *compare* Procter & Gamble Co. v. Amway Corp., 242 F.3d 539, 557 (5th Cir. 2001), *cert. denied*, 534 U.S. 935 (2001) (declining to apply actual malice standard in a Lanham Act claim), *with* World Wrestling Fed'n Entm't, Inc. v. Bozell, 142 F. Supp. 2d 514, 523-24 & n.3 (S.D.N.Y. 2001) (declining to follow the Fifth Circuit's decision to conclude that the actual malice standard applies in a Lanham Act case (quoting *Hustler Magazine v. Falwell*, 485 U.S. 46, 52 (1988) (quoting *New York Times Co. v. Sullivan*, 376 U.S. 254, 279-80 (1964))).

118. UDRP Rule 4(c)(iii), *available at* <http://www.icann.org/dndr/udrp/policy.htm> (last visited Sept. 13, 2004).

119. See, *e.g.*, *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 30-31 (1st Cir. 1987) (quoting Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 WIS. L. REV. 158, 195-96 (1982)); *Mission KwaSizabantu v. Rost*, WIPO Case No. D2000- 0279 (June 7, 2000), *available at* <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0279.html> (last visited Sept. 13, 2004) (concluding that the respondent's use of the domain names to link to a site expressing "alternative views and indeed critical views concerning the Complainant . . . amounts to tarnishing . . . sufficient to fail point (d) of the test.").

120. See UDRP Rules 3(a),(b)(iv), *available at* <http://www.icann.org/dndr/udrp/uniform-rules.htm> (last visited Sept. 13, 2004).

121. See *supra* notes 100-02 (explaining panel appointment process); Michael Geist, *Fair.com? An Examination of the Allegations of Systemic Unfairness in the ICANN UDRP* (2001), *available at* <http://aix1.uottawa.ca/~geist/geistudrp.pdf> (last visited Sept. 13, 2004).

Second, the UDRP allows losing respondents only ten days from the date of the panel's decision to pursue a court order enjoining the enforcement of the transfer in a court of "mutual jurisdiction" without any comparable limitation on the complainant's rights.¹²² In the event that a respondent manages to exercise this option, the independent judicial resolution of the dispute expressly allowed by the UDRP does not entail a traditional appellate review of the prior decision, because such review lacks the "formal legal status" of "a court judgment or arbitration award."¹²³ Rather, respondents must seek relief under an independent source of applicable law such as the ACPA.¹²⁴ Moreover, because neither party is precluded from raising additional claims in the judicial proceeding, consideration of whether the respondent's conduct complies with the ACPA may be merely incidental to "the legal claims . . . related to the parties' overarching dispute," "claims potentially involving trademark and unfair competition law, contract law, fraud, conversion, privacy and personality rights, free speech, due process, [and] public policy."¹²⁵ Consequently, while the ACPA may be substantively more favorable than the UDRP to the cyber commentator, neither the ACPA's injunctive relief provision nor the UDRP's reciprocal "independent resolution" provision afford adequate redress to the respondent forced to choose between costly litigation and foregoing a rightfully held domain name.

Collectively, these factors have enabled complainants to prevail in the overwhelming majority of UDRP cases, without significant risk that an aggrieved domain name holder will be sufficiently motivated or able to overcome the hurdles to judicial resolution of their dispute posed by the exceedingly short filing period and prospect of costly litigation.¹²⁶

122. The UDRP requires trademark owners to agree to submit to such courts of "mutual jurisdiction" upon submission of a complaint. UDRP Rule 3(xiii), available at <http://www.icann.org/dndr/udrp/uniform-rules.htm> (last visited Sept. 13, 2004). A "mutual jurisdiction" is defined as:

[A] court jurisdiction at the location of either (a) the principal office of the Registrar (provided the domain-name holder has submitted in its Registration Agreement to that jurisdiction for court adjudication of disputes concerning or arising from the use of the domain name) or (b) the domain-name holder's address as shown for the registration of the domain name in Registrar's Whois database at the time the complaint is submitted to the Provider.

Id.

123. David E. Sorkin, *Judicial Review of ICANN Domain Name Dispute Decisions*, 18 SANTA CLARA COMPUTER & HIGH TECH. L. J. 35, 47 (2001).

124. *See id.*

125. *Id.*; *see, e.g.*, *Victoria's Secret Stores v. Artco Equip. Co.*, 194 F. Supp. 2d 704, 712 (S.D. Ohio 2002).

126. Indeed, while more than 4,333 domain name disputes have been decided since 1999, a Westlaw search revealed merely 16 post-UDRP judicial decisions rendered in U.S. federal courts. *See* UDRP Outcome Data, available at

This Part examines recent UDRP decisions in order to illustrate more fully how the UDRP's expansive trademark protection, coupled with its even more expansive construction by panelists, facilitates misuse of the administrative proceedings by trademark owners to curtail the free speech rights of registrants such as the teenage Walgreen's protester. Specifically, this Part asserts that UDRP panelists not only exceed their jurisdiction in deciding such cases, but in so doing, effectively confer upon trademark owners an absolute property right to words that are merely similar to their protected marks, without regard to important competing legitimate rights that are protected by the UDRP.

B. UDRP Decisions in Favor of Complainants

UDRP panel decisions in favor of complainants in cases involving disputes over the use of a mark in conjunction with a site containing commentary on the mark owner's enterprise share common flaws which, as noted above, stem from the UDRP's expansive provisions and its even more expansive application in deference to asserted trademark rights. Notably, this myopic focus on trademark rights often leads panelists not only to conflate the requisite elements of the UDRP complainant's prima facie case, but also to erroneously shift the burden of proof onto the respondent to demonstrate a legitimate fair or noncommercial use of the mark. This approach is best exemplified by *Kendall/Hunt Publishing Co. v. Headhunter Bob*, in which the panelists transferred the domain name "kendallhuntsucks.com," which the respondent had registered and used to link to a criticism site after losing in a breach of contract action brought against him by the complainant.¹²⁷ First, in concluding that the domain name was "identical or confusingly similar" to the mark at issue, the panel adopted the rationale articulated in *Wal-Mart Stores, Inc. v. MacLeod*.¹²⁸ In that case, the *Wal-Mart* panel distinguished the Lanham Act's "likelihood of confusion" standard from the UDRP's "confusingly similar" standard to conclude that the appendage of "-sucks" to a domain name does not defeat a showing of confusing similarity under the UDRP.¹²⁹ Emphasizing that "[n]o reasonable speaker of modern English

<http://www.udrpinfo.com/dcsn.php> (providing data for decisions through Feb. 18, 2002) (last visited Sept. 29, 2004).

127. NAF Claim No. FA0111000102247 (Jan. 14, 2002), available at <http://www.arbforum.com/domains/decisions/102247.htm> (last visited Sept. 29, 2004). WIPO Case No. D2000-0662 (Sept. 19, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0662.html> (last visited Sept. 29, 2004).

128. *Id.* (citing *Wal-Mart Stores Inc. v. MacLeod*, WIPO Case No. D2000-0662 (Sept. 19, 2000), available at <http://www.arbiter.wipo.int/domains/decisions/html/2000/d2000-0662.html> (last visited Sept. 13, 2004)).

129. *Wal-Mart*, WIPO Case No. D2000-0662 (Sept. 19, 2000), available at

would find it likely that Wal-Mart would identify itself using wal-martsucks.com,” the *Wal-Mart* panel flatly rejected the complainant’s assertion that a domain name comprised of “a famous mark [and] a term casting opprobrium on the mark” creates a likelihood of consumer confusion “as to [its] sponsorship or association.”¹³⁰ Surprisingly, the *Wal-Mart* panel nevertheless found the domain name sufficiently similar to the mark to satisfy the first prong of the complainant’s prima facie showing, finding the UDRP’s “phrase ‘identical or confusingly similar’ to be greater than the sum of its parts.”¹³¹ The *Wal-Mart* panel explained that:

The Policy was adopted to prevent the extortionate behavior commonly known as “cybersquatting,” in which parties registered domain names in which major trademark owners had a particular interest in order to extort money from those trademark owners. This describes Respondent’s behavior. Thus, the Panel concludes that a domain name is “identical or confusingly similar” to a trademark for purposes of the Policy when the domain name includes the trademark, or a confusingly similar approximation, regardless of the other terms in the domain name. In other words, *the issue under the first factor is not whether the domain name causes confusion as to source* (a factor more appropriately considered in connection with the legitimacy of interest and bad faith factors), *but instead whether the mark and domain name, when directly compared, have confusing similarity.*¹³²

Applying this reasoning wholesale, the *Kendall/Hunt* panel failed to recognize that unlike the respondent before it, the respondent in *Wal-Mart* had admitted his bad faith intent to register and use the domain name at issue for the purpose of selling it back to the complainant.¹³³ In so doing, the *Kendall/Hunt* panel extended the *Wal-Mart* panel’s broad reading of the identity prong to a case that did not involve the bad faith registration and use of a domain name, but rather its fair and noncommercial use to express a point of view.¹³⁴ The *Kendall/Hunt*

<http://www.arbiter.wipo.int/domains/decisions/html/2000/d2000-0662.html> (last visited Sept. 13, 2004)).

130. *Id.*

131. *Id.*

132. *Id.* (emphasis added); *accord*, *Kendall/Hunt, Publ’g Co. v. Headhunter Bob*, NAF Case No. FA0111000102247 (January 14, 2002), available at <http://www.arbforum.com/domains/decisions/102247.htm> (last visited Sept. 13, 2004).

133. *Wal-Mart*, WIPO Case No. D2000-0662 (Sept. 19, 2000), available at <http://www.arbiter.wipo.int/domains/decisions/html/2000/d2000-0662.html> (last visited Sept. 13, 2004).

134. *Kendall/Hunt Publ’g Co.*, NAF Case No. FA0111000102247 (January 14, 2002), available at <http://www.arbforum.com/domains/decisions/102247.htm> (last visited Sept. 13, 2004).

panel did concede “the use of a ‘sucks’ domain name may be justified by fair use or legitimate noncommercial use considerations in the context of free speech.”¹³⁵ Nevertheless, after disturbingly shifting the burden of proof on this issue to the respondent, it concluded that registration and use of the contested domain name to criticize the complainant constituted an intent to tarnish, and thus divested the respondent of its noncommercial use defense.¹³⁶ Moreover, in stark contrast to *Wal-Mart*, the *Kendhall/Hunt* panel found no evidence of bad faith on the part of the respondent to satisfy any of the UDRP’s four bad faith factors.¹³⁷ Because those factors are non-exhaustive, the *Kendall/Hunt* panel determined that the use of a domain name to effectuate “a personal vendetta against the Complainant for the purpose of disparaging Complainant’s name and mark . . . amounts to bad faith within the meaning of the Policy.”¹³⁸

It is important to note that *Kendhall/Hunt* involved a default proceeding, in which the panel chose to draw negative inferences from the respondent’s failure to reply.¹³⁹ Nevertheless, the dissenting panelist argued that “the defaulting Respondent should [have] prevail[ed],” explaining that the contested domain name linked to a “classic parody site set up to criticize the business activities of a trademark owner.”¹⁴⁰ Although he concluded that a domain name with “-sucks” appended could not be confusingly similar to the mark it incorporates, and thus obviates the need for further inquiry,¹⁴¹ he pointed out that the “[m]ere criticism of the trademark owner on the parody site does not constitute bad faith or disparagement of the trademark.”¹⁴² On the contrary, he reasoned that:

Even though the practice of putting “sucks” on the back of a trademark is widely believed to be childish, at best, it is a protected form of critical speech, absent bad faith attempts to divert customers for commercial gain, extortion attempts to sell the site to the trademark owner or its competitor or other manifestations of bad

135. *Id.*

136. *Id.* (citing UDRP Rule 4(c)(iii), available at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Sept. 13, 2004)). The panel pointed out that “The Top Ten Reasons NOT To Do Business With Kendall Hunt!” appeared on the respondent’s site in large bold print. *Id.*

137. *Id.*

138. *Id.*

139. *See id.*

140. *Id.*

141. *Id.* (citing *Bloomberg L.P. v. Secaucus Group*, NAF Case No. FA 01040000 97077 (June 7, 2001), available at <http://www.arbforum.com/domains/decisions/97077.htm> (last visited Sept. 13, 2004)).

142. *Id.*

faith.¹⁴³

In light of the example set forth by the *Kendall/Hunt* majority, it is unsurprising that panelists asked to address the legitimacy of using domain names that incorporate a mark without the appendage of a disparaging suffix are even less receptive to respondents' free speech and fair or noncommercial use defenses. Accordingly, some panels have held that the right to free speech quite simply does not extend to the right to use another's mark as a domain name.¹⁴⁴ In *Compagnie de Saint-Gobain v. Com-Union Corp.*, the panel transferred the domain name <saintgobain.net> after framing the issue presented not as one "of freedom of speech and expression," but rather as one involving the "mere choice of the domain name used to exercise this inalienable freedom of speech and expression."¹⁴⁵ In that case, U.S. shareholders in the complainant's French corporation had initially used the contested domain name to link to a site criticizing the complainant's business practices, but later self-censored the site¹⁴⁶ by replacing its contents with a brief history of the Forêt de Saint-Gobain as "a symbol of their freedom and dignity" from "the oppression of the powerful."¹⁴⁷ Rejecting the respondent's noncommercial use and free speech rights defense, the panel concluded that:

Respondent could have chosen a domain name adequately reflecting both the object and independent nature of its site, as evidenced today in thousands of domain names. By failing to do so, and by knowingly choosing a domain name which solely consists of Complainant's trademark, Respondent has intentionally created a situation which is at odds with the legal rights and obligations of the parties.¹⁴⁸

143. *Id.*

144. See, e.g. *Compagnie de Saint-Gobain v. Com-Union Corp.*, WIPO Case No. D-2000-0020 (Mar. 14, 2000), available at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0020.html> (last visited Sept. 13, 2004); *Espirito Santo Financial Group S.A. v. Colman*, WIPO Case No. D2001-1214 (Jan. 22, 2002), available at <http://arbitrator.wipo.int/domains/decisions/html/2001/d2001-1214.html> (last visited Sept. 13, 2004); *Bett Homes Ltd. v. McFadyen*, WIPO Case No. D2001-1018 (Aug. 21, 2001), available at <http://arbitrator.wipo.int/domains/decisions/html/2001/d2001-1018.html> (last visited Sept. 13, 2004).

145. *Compagnie de Saint-Gobain*, WIPO Case No. D-2000-0020 (Mar. 14, 2000), available at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0020.html> (last visited Sept. 29, 2004).

146. *Id.* The respondents stated that they modified the site out of concern that, in contrast to U.S. law, French law "does not equally recognize[]" shareholders' rights to question the business model of corporations in which they have invested. *Id.*

147. *Id.* According to the respondents, the "forêt de St. Gobain" sheltered "the Picardian resistance . . . against tyranny in the eleventh century." *Id.*

148. *Id.*

Consistent with the approach taken by the *Compagnie de Saint-Gobain* panel, in *Estee Lauder, Inc. v. Hanna* the panel held that the respondent's fair use or free expression rights under U.S. law did not confer upon him "a right or legitimate interest" to use the confusingly similar domain name "estelauder.com" to link to a criticism site.¹⁴⁹ In that case, the panel expressly acknowledged that, under U.S. law, the respondent likely had fair use rights to employ the complainant's mark as a domain name and "extensive free speech" rights to "provide a platform to criticize" the mark owner.¹⁵⁰ The panel further opined that the contents of the respondent's complaint web sites "may well be . . . constitutionally protected in the United States."¹⁵¹ However, the panel found U.S. principles of free speech and fair use protection owed to the contents of a web site accessed via the disputed domain name irrelevant to an assessment of whether the respondent had "rights or legitimate interests" in the "*domain name itself*" under the UDRP's "more restricted" standard.¹⁵² Reasoning that the respondent "could well have chosen to use a domain name that was not confusingly similar" to the complainant's mark,¹⁵³ the panel concluded that the respondent had no legitimate interest in the contested domain name within the meaning of the UDRP.¹⁵⁴

Moreover, the fact that the respondent's conduct failed to fall neatly within any of the UDRP's bad faith factors did not hinder the *Estee Lauder* panel in determining that the respondent's choice of a confusingly similar domain name to access a complaint site evinced his bad faith intent to "disrupt the business of a competitor."¹⁵⁵ Construing "competitor" expansively to include any person "who acts in opposition to another,"¹⁵⁶ the panel concluded that, by employing a confusingly

149. *Estee Lauder, Inc. v. Hanna*, WIPO Case No. D2000-0869 (Sept. 25, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0869.html> (last visited Sept. 29, 2004).

150. *Id.*

151. *Id.*

152. *Id.* (citing UDRP Rule 4(a)(ii) (emphasis added)).

153. *Id.* (citing *Compagnie de Saint-Gobain v. Com-Union Corp.*, WIPO Case No. D2000-0020 (Mar. 14, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0020.html> (last visited Sept. 13, 2004); *Gallo v. Hanna Law Firm*, WIPO Case No. D2000-0615 (Aug. 3, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0615.html> (last visited Sept. 13, 2004); *Bandon Dunes L.P. v. DefaultData.com* WIPO Case No. D2000-0431 (July 13, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0431.html> (last visited Sept. 13, 2004).

154. *See id.*

155. *Id.* (citing UDRP Rule 4(b)(iii)).

156. *Id.* (noting that the UDRP "does not imply or demand any restricted meaning such as commercial or business competitor" (citing *Mission Kwa Sizabantu v. Benjamin Rost*, WIPO Case No. D2000-0279 (June 7, 2000), available at

similar domain name, the respondent “was clearly competing for the attention of Internet Users” and that the “exclusively complaint purposes” of his sites demonstrated his intent to disrupt the complainant’s business.¹⁵⁷ Notably, the *Estee Lauder* panel’s expansive construction of the UDRP effectively forecloses any possibility of using a confusingly similar domain name to draw Internet Users’ attention to the subject matter of a complaint site.

Other panels, similarly relying on the distinction between the protection owed to free expression and that owed to the method of its delivery (via use of a domain name), have purported to soften the *Saint-Gobain* approach by declining to articulate bright line rules that either expressly prohibit the use of a mark alone as a domain name or that require registrants to append a term “sufficient to immediately convey . . . an unmistakable, critical, and powerful negative connotation.”¹⁵⁸ For example, in *Spence-Chapin Services to Families & Children v. Wynman*, the panel reasoned that, although registrants do not have an “unbridled” right to use a trademark as a domain name, “panels must tread quite carefully to ensure a proper balance is struck in protecting the rights of trademark owners vis-à-vis not unduly restricting a respondent’s right of free speech.”¹⁵⁹

Nevertheless, the standard promulgated by the *Spence-Chapin* panel imposes a near insurmountable burden upon registrants to demonstrate any legitimate interest in a domain name that incorporates a mark.¹⁶⁰ Having determined that the domain name, which incorporated the complainant’s common law mark in its entirety, was confusingly similar to that mark, the panel shifted the burden of proof onto the respondent to demonstrate that he had a legitimate interest in the domain name at issue.¹⁶¹ However, the panel rejected the respondent’s noncommercial use defense that he registered and used the domain name to link to a site intended “for the dual non-commercial informational purposes” of publicly criticizing the complainant’s non-profit adoption programs and “providing without compensation unbiased adoption information.”¹⁶² Rather, the panel concluded that the “proper approach” in cases in which

<http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0279.html> (last visited Sept. 13, 2004)).

157. *Id.*

158. *Spence-Chapin Services to Families & Children v. Wynman*, NAF Case No. FA0110000100492 (Dec. 10, 2001), available at 2001 WL 1707375.

159. *Id.* (recognizing as “axiomatic, the [public’s] well-established rights . . . to establish complaint websites for . . . disseminating critical comment [of] . . . commercial establishments and in doing so use the . . . marks of those establishments”).

160. *See id.*

161. *Id.*

162. *Id.*

a domain name allegedly is used to support a complaint site requires the assessment of “*whether reasonable alternatives exist to the use of a contested domain name that will still provide an effective avenue for a respondent’s critical comment.*”¹⁶³ Under this approach, should the respondent present a “sufficient factual showing . . . that *no* such reasonable alternative exists,” a panel “may conclude that a use is legitimate” based on “the unique facts of the case.”¹⁶⁴ By contrast, “absent such a showing, a panel may conclude” that “the use is illegitimate, ‘possibly evincing bad faith.’”¹⁶⁵

Finding that the respondent adduced no such proof, the *Spence-Chapin* panel then exacerbated the harsh consequences of its “reasonable alternatives” standard by conflating the UDRP’s requisite prima facie showing of identity with the scheme’s bad faith factor, to conclude that the respondent’s mere choice of a domain name that was identical to the mark at issue constituted bad faith.¹⁶⁶ According to the panel, by choosing that particular domain name, “there can be no doubt of the [respondent’s] calculated intent to cause user confusion” and to thereby harm the complainant’s adoption service by diverting potential clients “away from doing business with the complainant.”¹⁶⁷

The *Spence-Chapin* panel’s rationale is problematic because it is difficult to conceive of a situation in which a respondent would be able to prove that no reasonable alternative exists to the use of a particular domain name incorporating a mark. Although the *Spence-Chapin* panel had opined that domain names containing a communicative suffix with a negative connotation (e.g., trademarksucks.com) would preclude consumer confusion, and thus would ostensibly defeat the threshold identity showing,¹⁶⁸ as demonstrated above, other panels routinely analyze identity without any consideration of consumer perception to conclude that disparaging suffixes do not preclude a finding of confusing similarity.¹⁶⁹ Should a subsequent panel apply this more lenient

163. *Id.* (finding it “eminently reasonable” to shift the burden of proof onto the respondent in such cases because “the facts that might exonerate the respondent’s conduct are within the control of the respondent”) (citing *Meijer, Inc. v. Porksandwich Web Services*, NAF Case No. FA97186 (July 6, 2001), available at <http://www.arbforum.com/domains/decisions/97186.htm> (last visited Sept. 13, 2004)); *Universal City Studios, Inc. v. Burns*, WIPO Case No. D2001-0784 (Oct. 1, 2001), available at <http://arbiter.wipo.int/domains/decisions/html/2001/d2001-0784.html> (last visited Sept. 13, 2004)) (emphasis added).

164. *Id.* (emphasis added).

165. *Id.*

166. *See id.*

167. *Id.*

168. *Id.*

169. E.g., *Kendall/Hunt Publ’g Co. v. headhunterbob*, NAF Case No. FA0111000102247 (Jan. 14, 2002), available at <http://www.arbforum.com/>

identity standard and additionally require the respondent to prove that no reasonable alternatives exist to the chosen domain name, even the small universe of communicative domain names incorporating marks that the *Spence-Chapin* panel envisioned as fair game for cyber commentators would instead be subject to the exclusive use of trademark owners.

Moreover, by both relieving the complainant of proving that the respondent had no legitimate interest and equating identity with bad faith, the *Spence-Chapin* panel joined the *Compagnie Saint Gobain* and *Estee Lauder* panels in effectively requiring the complainant to prove only the first element of its prima facie case. Given the onerous burden imposed by the *Spence-Chapin* panel upon the respondent, a finding of identity was ultimately dispositive to the outcome in that proceeding. Notably, the rationale shared by the *Compagnie Saint Gobain*, *Estee Lauder*, and *Spence-Chapin* panels that the mere choice of a confusingly similar domain name constitutes bad faith is indiscernible from the “preemptive registration” theory of bad faith, which at least one federal court has flatly rejected.¹⁷⁰ Under that theory, a registrant’s use of a confusingly similar domain name evidences a bad faith intent to prevent a mark owner from fully exploiting the use of its mark as a domain name. However, in *Lockheed Martin Corp. v. Network Solutions, Inc.*, the court concluded that the mere possession and use of a confusingly similar domain name, without more, constitutes neither infringement¹⁷¹ nor dilution under U.S. law.¹⁷²

To prevail in an infringement claim, the mark owner must demonstrate that the defendant both used the domain name to identify a source of goods and promoted the domain name in a way that created a likelihood of consumer confusion,¹⁷³ neither of which were satisfied in the above UDRP cases. Moreover, in rejecting the contention that impeding the mark owner’s ability to establish a presence on the Internet is dilutive of its mark, the *Lockheed Martin* court admonished that:

All prior domain name registrations corresponding to words in a trademark impede the trademark owner’s use of the same words for use as a domain name. The Internet, however, is not exclusively a medium of commerce. The non-commercial use of a domain name that impedes a trademark owner’s use of that domain name does not

domains/decisions/102247.htm (last visited Sept. 13, 2004). See *supra* notes 128-134 and accompanying text.

170. *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 956 (C.D. Cal. 1997).

171. *Id.* at 957.

172. *Id.* at 960.

173. *Id.* at 956.

constitute dilution [sic] use of the mark.¹⁷⁴

Nevertheless, despite some variations in the expansive approaches taken in the above UDRP proceedings, the decisions collectively hinge on the extent to which the choice of a particular domain name impedes the ability of the trademark owner to effectively exercise an absolute property right to his mark. As demonstrated above, the trademark owners' ability to assert a monopoly over any word contained in a domain name that resembles his mark against arguably protected fair use or free speech rights to the domain name is facilitated by the UDRP's coupling of tarnishment and legitimate noncommercial use in its defense provisions. By construing its express provisions expansively and exercising broad discretion to articulate and allocate complainant-friendly burdens of proof, the panelists assist in creating a virtually impermeable boundary around the most desirable and intuitive domain names.

C. UDRP Decisions in Favor of Respondents

In contrast to the expansive approaches taken by panelists in the above cases, a minority of panels has held that respondents' use of marks as domain names to link to non-commercial commentary sites constitutes a right or legitimate interest in the domain name under the UDRP. In cases in which the respondent prevails, panelists have uniformly declined to alleviate complainants of the requisite three-prong prima facie showing and have strictly construed the UDRP's provisions to avoid recasting fair or noncommercial uses of a domain name as infringing or diluting conduct. While some panels have reached this result by relying in part upon U.S. fair use and free speech law, others have done so by strictly adhering to the UDRP. For example, in *Civic Development Group v. Schaffer*, the panel relied exclusively upon the UDRP to hold that the respondent had a legitimate interest in the contested domain name for use in connection with a complaint site exposing the complainant's allegedly "unethical and misleading" fundraising tactics.¹⁷⁵ The respondent, a college student and former employee of the complainant, posted information as a "public service" on actions brought against the complainant by the Federal Trade Commission and state agencies, cautioning the public that the complainant retained 80% of the donations it collected on behalf of police departments and other civic groups.¹⁷⁶

174. *Id.* at 960 (emphasis added).

175. NAF Case No. FA0109000100138, 2001 WL 1646591 (Nov. 7, 2001).

176. *Id.*

The *Civic Development* panel found that the complainant did not meet its burden on any of the requisite elements of a UDRP prima facie showing.¹⁷⁷ First, the panel concluded that the domain name was not confusingly similar to the mark¹⁷⁸ because the web site accessed via the contested domain name contained critical commentary on the complainant's enterprise, and thus, Internet users would instantly recognize that the site was not sponsored by the complainant.¹⁷⁹ Second, the panel found no evidence to rebut the respondent's asserted legitimate interest in the domain name; the respondent provided an informational service to the public at no charge, and thus, made a fair or noncommercial use of the mark as a domain name under the UDRP.¹⁸⁰ Emphasizing that the domain name dispute resolution process was "not designed to resolve other disputes that may exist between the parties," the panel instructed the complainant that it retained any rights it might have to pursue a claim against the respondent for alleged defamation in another forum.¹⁸¹

Finally, the *Civic Development* panel found that the "evidence completely failed to demonstrate bad faith registration and use."¹⁸² The respondent never attempted "to sell, rent, or extract anything of value" from the complainant.¹⁸³ Nor did his conduct evince "a bad faith intent to disrupt the complainant's business" under the UDRP, which requires that the alleged disrupter be a competitor of the complainant.¹⁸⁴ Flatly rejecting the broad construction of "competitor" relied upon by the *Estee Lauder* panel in favor of the term's "ordinary dictionary" definition, "business rival,"¹⁸⁵ the panel found that the respondent, a student who was not engaged in business, was not the complainant's competitor.¹⁸⁶ The panel observed that "efforts to inform the public about

177. *Id.* (citing UDRP Rules 4(a)(i)-(iii), available at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Sept. 13, 2004)).

178. *Id.* (citing UDRP Rule 4(a)(i), available at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Sept. 13, 2004)). Curiously, the panel also found that the mark was generic, and thus entitled to no trademark protection, yet proceeded to analyze the case under all three prongs of the complainant's prima facie showing. *Id.*

179. *Id.*

180. *Id.* (citing UDRP Rule 4(c)(iii), available at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Sept. 13, 2004)).

181. *Id.*

182. *Id.* (citing UDRP Rules 4(b)(i)-(iv), available at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Sept. 13, 2004)).

183. *Id.*

184. *Id.* (citing UDRP Rule 4 (b)(iii), available at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Sept. 13, 2004)).

185. *Id.* (citing WEBSTER'S NEW WORLD DICTIONARY (2d ed.)).

186. *Id.* (citing *Mission Kwa Sizabantu v. Rost*, WIPO Case No. D2000-0279 (June 7, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0279.html> (last visited Sept. 13, 2004)).

Complainant's activities may indeed be disruptive," but that impact "does not," in itself, "entitle Complainant to relief under the Policy."¹⁸⁷ Moreover, there was no evidence to support a finding of intent to divert Internet users, for commercial gain, by creating a likelihood of confusion.¹⁸⁸ The complainant neither demonstrated that the site was intended for a commercial purpose nor that there was a likelihood of consumer confusion posed by a site that "clearly set forth materials critical of the Complainant's business activities."¹⁸⁹

In some contrast to the approach taken by the *Civic Development* panel, the panel in *Bridgestone Firestone v. Myers* referred to U.S. fair use and free speech principles by analogy to inform its construction of the UDRP.¹⁹⁰ In that case, the respondent registered <bridgestone-firestone.net> to use with a website criticizing the complainant for allegedly having failed to pay his pension.¹⁹¹ Although the panel quickly concluded that the domain name was identical or confusingly similar to the mark, it ruled that the use of a mark as a domain name to link to a website providing "criticism and commentary about the Complainants constitutes legitimate noncommercial use and fair use within the meaning of the Policy."¹⁹² Relying upon the Ninth Circuit's decision in *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*,¹⁹³ the panel emphasized that the "fair use doctrine applies in cyberspace as it does in the real world."¹⁹⁴ Specifically, such "fair use could include the use of a trademark to identify the trademark holder's products in certain circumstances."¹⁹⁵ Because the *Brookfield* court rejected the defendant's fair use defense on the basis that he had made a commercial use of the mark at issue,¹⁹⁶ the *Firestone* panel found the respondent's noncommercial use of the mark for commentary to be more analogous to the circumstances presented in *Bally Total Fitness Holding Corp. v.*

187. *Id.*

188. *Id.* (citing UDRP Rule 4(b)(iv)).

189. *Id.*

190. *Bridgestone Firestone v. Myers*, WIPO Case No. D2000-0190 (July 6, 2000), available at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0190.html> (last visited Sept. 13, 2004) (noting that "two of the Complainants are U.S. corporations, Respondent is a U.S. resident, and both parties have cited U.S. law in their submissions").

191. *Id.*

192. *Id.* (citing UDRP Rule 4 (c)(iii), available at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Sept. 13, 2004)).

193. 174 F.3d 1036 (9th Cir. 1999).

194. *Bridgestone Firestone v. Myers*, WIPO Case No. D2000-0190 (July 6, 2000), available at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0190.html> (last visited Sept. 13, 2004) (quoting *Brookfield*, 174 F.3d at 1065).

195. *Id.* (citing *Brookfield*, 174 F.3d at 1065).

196. *Brookfield*, 174 F.3d at 1066.

Faber.¹⁹⁷ Observing that the *Bally* court recognized “both fair use and free speech as defenses to trademark infringement and dilution in the Internet context,” the panel adopted the federal district court’s rationale that a defendant cannot exercise his right “to publish critical commentary” about a mark owner’s corporation without making reference to the mark.¹⁹⁸ Moreover, the panel agreed that the speech was “protected by the First Amendment,” and that as such, a defendant can use “[a] mark to identify the source of the goods or services of which he is complaining.”¹⁹⁹ The panel further joined the *Bally* court in concluding that this particular type of source identifying use “is necessary to maintain broad opportunities for expression.”²⁰⁰

Notably, in so doing, the *Firestone* panel eschewed rigid line-drawing between source identifying and communicative functionality of domain names, a distinction that has led some federal courts to conclude that whether a domain name constitutes protected speech depends on the presence or absence of a communicative element such as “sucks” appended to the mark.²⁰¹ Instead, the panel shared the Second Circuit’s more recently articulated view that domain names are neither “per se entitled to nor excluded from . . . First Amendment [protections],” therefore the “appropriate inquiry” requires a case by case analysis of the circumstances presented “with respect to each domain name.”²⁰² Declining to articulate a bright line rule requiring the use of such a communicative element, the panel did find that such highly “fact-intensive analyses on issues of trademark infringement and dilution are beyond the scope of [a UDRP] proceeding and are better carried out by arbitrators or courts.”²⁰³ However, in limiting its inquiry to whether the respondent’s conduct constituted a legitimate interest under the UDRP, the panel concluded that, although not expressly listed in the UDRP, the exercise of free speech for criticism or commentary also constitutes a “legitimate right or interest”²⁰⁴ that defeats a UDRP claim for transfer of the domain name. According to the panel, this is so because “the same facts establishing fair use and the exercise of free speech negate a finding

197. 29 F. Supp. 2d 1161 (C.D. Cal. 1998). *Accord Brookfield*, 174 F.3d at 1065.

198. *Bridgestone Firestone v. Myers*, WIPO Case No. D2000-0190 (July 6, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0190.html> (last visited Sept. 13, 2004) (citing *Bally*, 29 F. Supp. 2d at 1165, 1167).

199. *Id.* (citing *Bally*, 29 F. Supp. 2d at 1165, 1167).

200. *Id.* (citing *Bally*, 29 F. Supp. 2d at 1165, 1167).

201. *Id.* (citing *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176 (W.D.N.Y. 2000)).

202. *Id.* (quoting *Name.Space, Inc. v. Network Solutions Inc.*, 202 F.3d 573, 586 (2d Cir. 2000)).

203. *Id.*

204. *Id.*

of bad faith intent.”²⁰⁵

V. A Proposal for Substantive and Procedural Reform of the UDRP

A. *Substantive Modifications*

As demonstrated above, the UDRP’s incorporation of tarnishment in the respondent’s fair or noncommercial use defense not only enables trademark owners to quash speech that is otherwise protected under U.S. law, but also necessitates a fact-intensive evaluation of competing rights that is ill-suited to an expedited scheme expressly intended to reserve such balancing to judicial or arbitral resolution.²⁰⁶ Accordingly, the “no tarnishment” limitation on the respondent’s legitimate interests defense should be eliminated from the UDRP or, alternatively, moved to the complainant’s prima facie burden as a bad faith factor, but with two significant modifications. First, any inclusion of a tarnishment action must be coupled with a requisite showing of a “bad faith intent to profit,” in order to inhibit panels from equating tarnishment with negative, yet lawful, commentary.²⁰⁷ This can be accomplished most effectively by simply adopting an umbrella “bad faith intent to profit” standard that applies to all bad faith factors, to avoid panelist confusion.²⁰⁸

Second, a respondent’s asserted use of the domain name for the purpose of providing commentary should give rise to a rebuttable presumption that the respondent is making a fair or noncommercial use of the mark. To overcome this presumption, the complainant should have to demonstrate that the allegedly disparaging speech is: (1) commercial speech; (2) exercised by a commercial competitor of the complainant; and (3) with the bad faith intent to profit from the mark by inciting consumers to purchase the respondent’s goods or services.²⁰⁹ Such an approach, analogous to one articulated by the United States District Court for the Southern District of New York in a section 43 Lanham Act claim,²¹⁰ “protects the First Amendment rights of noncompetitors who comment upon or criticize a company’s goods or services, as well as competitors and noncompetitors who comment on

205. *Id.* (citing *Lucent Techs., Inc. v. LucentSucks.com*, 95 F. Supp. 2d 528, 535-36 (E.D. Va. 2000)).

206. *ICANN Second Staff Report*, *supra* note 15, at ¶ 4.1(c); *see* Blackman, *supra* note 57, at 243.

207. Blackman, *supra* note 57, at 243-244.

208. *Id.*

209. *Gordon & Breach Sci. Publishers S.A. v. Am. Inst. of Physics*, 859 F. Supp. 1521, 1532-35 (S.D.N.Y. 1994).

210. *See* 15 U.S.C. § 1125(c) (imposing strict liability for false or misleading statements made in comparative advertising or which cause a likelihood of confusion).

matters of public concern.”²¹¹ Because these factors overlap with other bad faith factors already contained in the UDRP when properly construed,²¹² the addition of these qualifications on tarnishment should not prevent the proceedings from being conducted in an expedited manner.

Finally, disciplined construction of the UDRP’s bad faith provisions is necessary to avoid prohibiting the respondent’s legitimate noncommercial use of domain names, a result at odds with its fair or noncommercial use defense and ICANN’s stated intent.²¹³ This is particularly so when, as discussed above, panelists decline to restrict their construction of “competitor” to “business competitor,” and intent to “commercially gain” to conduct from which the respondent hopes to derive a monetary benefit. Such expansive construction of the UDRP’s bad faith provisions removes the scheme’s already paltry limitations on trademark owner’s rights and renders even legitimate noncommercial use of the domain name virtually indistinguishable from abusive cybersquatting.

B. Procedural Modifications

This Part proposes that, in order to prevent asserted trademark rights from effacing respondents’ competing legitimate interests in domain names, the UDRP needs four procedural modifications designed to provide a neutral forum and to harness panelist discretion in the decision-making process. First, the UDRP’s panel appointment process should be amended to ensure greater participation by respondents because, as noted above, the extent to which complainants influence panel composition significantly enhances their success rate in UDRP proceedings. At present, if a complainant opts for a one-member panel without objection by the respondent, the complainant-designated provider will appoint the panelist who decides the case.²¹⁴ By contrast, in three-member panel

211. See Deanne E. Maynard & Katherine A. Fallow, *et. al.*, *Misuse of the Lanham Act to Silence Speech*, 19-FALL Comm. Law. 3, 5 (2001) (endorsing the *Gordon & Breach* approach to analyze of brick and mortar false and disparaging speech claims brought pursuant to the Lanham Act).

212. See, e.g., UDRP Rule 4(b)(iii) (providing that registration of “the domain name . . . primarily for the purpose of disrupting the business of a *competitor*” evidences bad faith); *id.* at 4(b)(iv) (providing that a showing that the respondent, “by using the domain name, . . . intentionally attempted to attract, for *commercial gain*, Internet users to [her] web site. . .”) (alteration in original) (emphasis added), available at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Sept. 13, 2004).

213. *ICANN Second Staff Report*, *supra* note 15, at ¶ 4.1(c); *White Paper*, *supra* note 110, at 31,747; *supra* notes 109-112 and accompanying text.

214. UDRP Rule 6(b), available at <http://www.icann.org/dndr/udrp/uniform-rules.htm> (last visited Sept. 13, 2004).

cases, the complainant-designated provider chooses two panelists from among candidates proposed by *both* parties, with the third chosen by the provider from a list of five that it submits to the parties for their input.²¹⁵ Notably, of the more than 4,333 cases decided since 1999, complainants have prevailed in 82.68 % of the disputes over which a one-member panel has presided, a win rate that drops to 58.27% in cases decided by three-member panels.²¹⁶ This disparity may also be attributed to the likelihood that three-member panel decisions in close cases are the product of debate and reflection, rather than merely the opinion of a solo panelist.

Yet, because the respondent must pay half of the fees for a three-member panel that serves at his or her request, fees that otherwise would be paid in their entirety by the complainant for his or her choice of panels, the respondent is dissuaded from exercising this option.²¹⁷ Accordingly, the UDRP should be amended to require that all disputes be presided over by three-member panels paid for by the complainant, with an option to reduce the panel to one member if the respondent defaults. Alternatively, the fees for a three-member panel could be shared by the parties, with a fee-shifting provision requiring the complainant to pay all costs upon a finding that the mark owner engaged in reverse domain name hijacking.

Second, the UDRP should be amended to afford adequate guidance to panelists, whose exercise of broad discretion not only risks the over-expansion of trademark protection, but results in inconsistent decision-making that can have a chilling effect on speech.²¹⁸ Thus, the UDRP should clarify its choice of law provision, either by requiring panelists to rely exclusively upon its Rules, or by providing a streamlined set of conflict of law rules to avoid the arbitrary and inconsistent application of law, which in some instances bears no relation to the parties or the events that gave rise to the complaint.²¹⁹ For example, the UDRP could specify

215. *Id.* at Rule 6(e), available at <http://www.icann.org/dndr/udrp/uniform-rules.htm> (last visited Sept. 13, 2004).

216. *UDRP Decision Outcome Data*, available at <http://www.udrpinfo.com/dcsn.php> (providing outcome data of decisions through Feb. 18, 2002) (last visited Sept. 13, 2004). In a recent study, Professor Michael Geist attributed the high complainant win rate to panel composition, after finding that the disparate results were not due to “substantively stronger respondent cases in three-member panel [proceedings],” nor other factors such as the percentage of cases in which respondents defaulted. Geist, *supra* note 121, at 2, 19-20.

217. See UDRP Rule 19(a), available at <http://www.icann.org/dndr/udrp/uniform-rules.htm> (last visited Sept. 13, 2004).

218. Blackman, *supra* note 57.

219. See, e.g., *Tourism and Corporate Automation Ltd. v. TSI Ltd.*, DeC Case No. AF-0096 (Mar. 16, 2000), available at <http://www.disputes.org/eresolution/decisions/0096.htm> (last visited Sept. 13, 2004) (observing that panelists often simply

that, in disputes between domiciles of the same country, their country's law should inform the construction of UDRP provisions that are susceptible to interpretation. In cases involving parties from different countries, panels should refer to the respondent's national law because the UDRP binds the respondent, but not the complainant, to submit to a mandatory UDRP proceeding upon complaint of any trademark owner, anywhere in the world, that the respondent has engaged in abusive cybersquatting.

Third, the UDRP should provide panelists with adequate guidance on how to allocate the burdens of proof by clarifying that the complainant must prove all three elements of his prima facie case before the panel examines whether the respondent has made a legitimate fair or noncommercial use of the mark. At that point, a respondent should be able to overcome the complainant's prima facie showing by demonstrating a legitimate interest in the domain name, which per se establishes that he or she has a competing right, thus taking the case outside the panel's jurisdiction.

Fourth, post-proceeding modifications should include an extended deadline to file an action in court to enjoin the enforcement of a UDRP order to transfer or cancel a domain name. As demonstrated above, the mere ten days allowed the respondent to pursue such an action is unlikely to be adequate to select an attorney and prepare the requisite pleadings. In addition, the UDRP should provide a clear statement that panel decisions are non-binding, without any precedential effect in subsequent judicial proceedings.²²⁰ While the First Circuit has held that the UDRP's independent judicial resolution provision contemplates a de novo review of panel decisions, and declined to accord any deference either to the conclusions of law *or* the findings of fact of the panelist,²²¹ more recently one federal district court adopted a UDRP panel's fact-finding before conducting a de novo review of the legal issues presented.²²² Still another district court summarily concluded that review of UDRP decisions must be conducted under the Federal Arbitration Act's

apply the law of their country of origin).

220. See *Weber-Stephen Prods. Co. v. Armitage Hardware & Bldg. Supply*, No. 00 C 1738, 2000 WL 562470, at *2 (N.D. Ill. May 3, 2000) (observing that "[n]either the ICANN Policy nor its governing rules dictate to courts what weight should be given to a panel's decision").

221. See, e.g., *Sallen v. Corinthians Licenciamentos LTDA*, 273 F.3d 14, 26-27 (1st Cir. 2001); *Strick Corp. v. Strickland*, 162 F. Supp. 2d 372 (E.D. Pa. 2001); Cf. *Weber-Stephen Prods.*, No. 00 C 1738, 2000 WL 562470, at *2 (concluding that it was not bound by a UDRP panel decision but declining to "determine the precise standard by which [to] review the panel's decision, and what degree of deference (if any) [to] give that decision").

222. *Victoria's Secret Stores v. Artco Equip. Co.*, No. C-2-01-198, 2002 WL 484078, at *1-2 (S.D. Ohio March 27, 2002).

extraordinarily narrow review.²²³ Finally, some courts have cited to UDRP decisions to support their conclusions,²²⁴ suggesting that, notwithstanding their utterances that UDRP decisions have no precedential value,²²⁵ at the very least they have been relied upon as persuasive authority.²²⁶ This is of particular concern given the UDRP's expansive trademark protection, which may ultimately infiltrate U.S. trademark law.

C. *Alternative Solutions*

Although the above proposals, if adopted, would assist in ensuring the fairness, consistency, and legitimacy of the UDRP administrative process, they do not address the root of the problem: a scarcity of the most desirable, intuitive domain names. In order to harmonize the conflict between domain names and trademarks, several changes to current methods of domain name allocation and use are in order. For example, the adoption of a new gTLD to be used exclusively in connection with domain names linking to noncommercial, informational sites, from which respondents derive no revenue—whether from the sale of its goods or services, or from click-through ads, links, or otherwise, could help to preserve the availability of a forum of free speech to cyber commentators. An appropriate name would be <.noncom>, which immediately conveys the noncommercial nature of the site. Similarly, the use of a <.us.tm> gTLD, reserved only for U.S. registered trademarks, would afford mark owners an exclusive web neighborhood within which they could exploit their marks. Such an approach has already been implemented with success in France for French trademarks. Relatedly, increased reliance on country code domains, such as

223. *Strasberg v. Dluhos*, No. 00-CV-3163, 2001 WL 1720272, at *11-12 (D.N.J. Aug. 31, 2001) (citing 9 U.S.C.A. § 10 (1999)).

224. *E.g.*, *PACCAR, Inc. v. TeleScan Tech. L.L.C.*, 115 F. Supp. 2d 772, 777 (E.D. Mich. 2000) (noting that a UDRP panel had previously determined in a separate dispute brought by the plaintiff that “kenworthtruck.com and kenworthalley.com were . . . likely to cause confusion with PACCAR’s marks” to conclude the same in the case at bar) (citing *PACCAR Inc. v. Enyart Assoc.*, WIPO Case No. D2000-0289 (May 26, 2000), available at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0289.html> (last visited Sept. 13, 2004)).

225. *E.g.*, *Sallen*, 273 F.3d at 26 (concluding that a judicial decision overrides a UDRP administrative determination, which “should not have (and cannot have) the effect of binding precedent in national courts”) (quoting *The Management of Internet Names and Addresses: Intellectual Property Issues: Final Report of the WIPO Internet Domain Name Process* ¶ 150(v) (Apr. 30, 1999), available at <http://wipo2.wipo.int/process1/report/finalreport.html> (last visited Sept. 13, 2004)); *Weber-Stephen Prods. Co.*, 2000 WL 562470, at *2.

226. *See PACCAR, Inc.*, 115 F. Supp. 2d at 777; *see also Weber-Stephen Prods. Co.*, 2000 WL 562470, at *2.

<.us.com>; or <.co.uk> could help alleviate the challenge posed by the concurrent lawful use of marks as domain names by multiple mark owners operating in different geographic regions. Thus, while <habitat.co.uk> could sell furniture at its English website, <habitat.us.com> could sell New York apartments at its site. In addition, competing legitimate users of domain names could share the opening page of a website, which would act as a gateway with links to their respective official websites. This approach is exemplified by the web page shared by Hasbro, which owns the rights to the game Scrabble in the U.S. and Canada, and Mattel, Inc., which owns the rights to Scrabble “throughout the rest of the world.”²²⁷ Internet users who enter <www.scrabble.com> into their browsers are thus presented with a page which posts an explanation of the companies’ mutual affiliation with the game and invites users to click on the official site of the company that they seek.²²⁸

Finally, some companies recently have begun selling Keywords, “an additional layer on top of the Domain Naming System protocol,” which, in contrast to domain names, consist only of companies’ and brand names “without the www’s, dashes, symbols and dot-whatever extensions of URLs.”²²⁹ Thus, an Internet user who simply enters “trademark” into a browser, without a gTLD, will automatically access the official site of the trademark owner.²³⁰ One such service, RealNames, avoids the difficulties posed by the first-come first-served method of allocating domain names by allowing only the Keyword registration of words, which “direct end users to content that the Keyword review team believes end users would . . . expect to discover at the site.”²³¹ Accordingly, the company’s policy would not grant the Keyword “Delta” to Delta Faucets, because “the overwhelming user expectation for the Keyword Delta is Delta Airlines.”²³² Significantly, RealNames strives to prevent cybersquatting by verifying applicants’ asserted trademark rights to requested Keywords prior to approving their assignment and by “manually reviewing” applications for “highly

227. <http://www.scrabble.com> (last visited Sept. 13, 2004).

228. *Id.* The posted explanation provides:

SCRABBLE® is a registered trademark. All intellectual property rights . . . to the game are owned in the U.S.A. and Canada by Hasbro Inc., and throughout the rest of the world by J.W. Spear & Sons Limited of Maidenhead, Berkshire, England, a subsidiary of Mattel Inc. Mattel and Spear are not affiliated with Hasbro.

Id.

229. RealNames’ Keyword Policy, available at http://www.realnames.com/Virtual.asp?page=Eng_Policy_Landing (on file with author).

230. *Id.*

231. *Id.*

232. *Id.*

trafficked terms.”²³³ Nevertheless, in theory the system permits concurrent use of a particular Keyword by multiple trademark owners because Keywords are operable “only in those countries” selected by the mark owner at the time of registration, permitting eligible mark owners in other countries to use the same word.²³⁴ Because Keywords represent perhaps quintessential intuitive domain names, increased reliance on their use may very well reduce competition between trademark owners and cyber commentators over a finite number of desirable ordinary domain names.

VI. Conclusion

While the UDRP affords trademark owners an expedited, inexpensive alternative to judicial resolution of domain name disputes involving clear cases of abusive cybersquatting, it is not, nor was it intended to be, a panacea for all types of disputes between trademark owners and domain name registrants. Indeed, it is precisely because the UDRP was designed to relegate to the courts all cases other than those in which the respondent has *no* competing legitimate rights that the scheme is particularly ill-suited to the adjudication of disputes between mark owners and cyber commentators. These disputes necessarily require a balancing of asserted intellectual property rights against fair use or free speech rights to the contested domain name. “The Internet is above all a framework for global communication,”²³⁵ and, as such, enables both trademark owners to disseminate information about their products and “individual citizens of limited means [to] speak to a worldwide audience on issues of concern to them.”²³⁶ Disputes between these groups over the right to use a particular domain name are nearly indistinguishable from traditional brick and mortar cases between trademark interests and consumer advocates.

Yet, rather than afford a revolutionary cure-all, the UDRP exemplifies how the prospect of designing a scheme to handle challenges posed by technological advances too easily makes us forget the first principles of the rights protection we strive to maintain. Justice Holmes reminds us of the historic limitations on trademark rights: “When the common law developed the doctrine of trade-marks and trade-names, it was not creating a property in advertisements more absolute than it

233. *Id.*

234. *See id.*

235. *Bridgestone Firestone, Inc. v. Myers*, No. D2000-0190 § 6, (WIPO Jul. 6, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0190.html> (last visited Sept. 13, 2004).

236. *Am. Civil Liberties Union v. Reno*, 929 F. Supp. 824, 881 (E.D. Pa. 1996), *aff'd*, 521 U.S. 844 (1997).

would have allowed the author of *Paradise Lost*.²³⁷ As currently drafted and construed, however, the cybersquatting dilution theory embodied in the UDRP does indeed have that result.

237. *Chadwick v. Covell*, 23 N.E. 1068, 1069 (Mass. 1890).
