

# The Truth in Domain Names Act of 2003 and a Preventative Measure to Combat Typosquatting

Christopher G. Clark

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## NOTE

### THE TRUTH IN DOMAIN NAMES ACT OF 2003 AND A PREVENTATIVE MEASURE TO COMBAT TYPOSQUATTING

*Christopher G. Clark*†

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## INTRODUCTION

Imagine a young girl signs on to the Internet after school to learn about her favorite pop music star, Britney Spears. Instead of typing [www.BritneySpears.com](http://www.BritneySpears.com), she inadvertently omits the final “s” and types [www.BritneySpear.com](http://www.BritneySpear.com). While she expects a web site featuring the pop star’s personal biography and photographs, the young girl is directed to a pornographic web site and graphic images appear on her computer screen. To make matters worse, when she tries to close the web browser, pop-up advertisements for credit cards, discount travel packages, and adult web sites endlessly barrage her screen. This unsuspecting teenager has just become a victim of “typosquatting,” and the owner of the misspelled web site has profited from the girl’s mistake.<sup>1</sup>

As of September 2001, 143 million Americans were using the Internet, including 75 percent of young adults between the ages of fourteen and seventeen and 65 percent of children between the ages of ten and thirteen.<sup>2</sup> Ten million customers shopped for a product on

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<sup>1</sup> See generally Press Release, United States Attorney, Southern District of New York, ‘Cyberscammer’ Pleads Guilty to Federal Charges of Using Deceptive Internet Names to Mislead Minors to X-Rated Sites (Dec. 10, 2003) [hereinafter *Zuccarini Plea*] (explaining that investigators for the United States Postal Inspection Service accessed pornographic web sites and pop-up advertisements when they typed into a web browser common misspellings of domain names popular with children), available at <http://www.usdoj.gov/usao/nys/Press%20Releases/December03/ZUCCARINIPLEAPR.pdf>.

<sup>2</sup> See Namita E. Mani, Legal Update, *Judicial Scrutiny of Congressional Attempts to Protect Children From the Internet’s Harms: Will Internet Filtering Technology Provide the Answer Congress Has Been Looking For?* 9 B.U. J. SCI. & TECH. L. 201, 201 (2003) (citing NAT’L TELECOMM. & INFO. ADMIN., A NATION ONLINE: HOW AMERICANS ARE EXPANDING THEIR USE OF THE INTERNET 1 (2002), available at <http://www.ntia.doc.gov/ntiahome/dn/anationonline2.pdf> (last visited Feb. 7, 2004)). Approximately 445 to 533 million people use the Internet worldwide. See Mitchell P. Goldstein, *Congress and the Courts Battle Over the First Amendment: Can the Law Really Protect Children from Pornography on the Internet?*, 21 J. MARSHALL J. COMPUTER & INFO. L. 141, 143 (2003).

the Internet in 1998,<sup>3</sup> resulting in a staggering \$102 billion in e-commerce.<sup>4</sup> Because the Internet is so profitable and influential, many corporations, celebrities, and nonprofit organizations have designed web sites.<sup>5</sup> People and businesses use web sites for a variety of purposes, including to advertise and provide information about products and services,<sup>6</sup> to access global markets without investing substantial sums in retail storefronts,<sup>7</sup> to present lengthy documents and position papers that would otherwise be prohibitively expensive to distribute in paper form,<sup>8</sup> to publicize views on candidates for political office and political issues,<sup>9</sup> and to network with like-minded individuals.<sup>10</sup>

In order to access a site on the World Wide Web, an individual types a unique domain name into an Internet browser.<sup>11</sup> Legitimate domain names are frequently identical to the name of a corporation or a celebrity, such as McDonalds.com or JustinTimberlake.com, because making the domain name mirror the organization's name facilitates easy access.<sup>12</sup> Consequently, obtaining a domain name similar or

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<sup>3</sup> *Cybersquatting and Consumer Protection: Ensuring Domain Name Integrity: Hearing on S. 1255 Before the Senate Comm. on the Judiciary*, 106th Cong. 1 (1999) [hereinafter *Hearings*] (opening statement of Hon. Spencer Abraham, Member, S. Comm. on the Judiciary).

<sup>4</sup> *Id.* at 9.

<sup>5</sup> See Christina M. Lemon, Note, *Internet Domain Names, Cybersquatting, and the Right of Publicity: Where Does the Right Belong in Cyberspace?* 24 WHITTIER L. REV. 291, 293-94 (2002).

<sup>6</sup> See, e.g., *State Auto Prop. & Cas. Ins. Co. v. Travelers Indem. Co. of Am.*, 343 F.3d 249, 252 (4th Cir. 2003) (discussing a web site used for advertising); *Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 494 (2d Cir. 2000) (same).

<sup>7</sup> See, e.g., *CompuServe, Inc. v. Patterson*, 89 F.3d 1257, 1262 (6th Cir. 1996) (noting that the Internet "enables anyone with the right equipment and knowledge . . . to operate an international business cheaply, and from a desktop").

<sup>8</sup> See, e.g., *Info. Handling Servs., Inc. v. Def. Automated Printing Servs.*, 338 F.3d 1024, 1026 (D.C. Cir. 2003) (discussing an Internet database of government documents); *Simon v. Philip Morris, Inc.*, 86 F. Supp. 2d 95, 100-01 (E.D.N.Y. 2000) (referencing a university library web site that publishes substantial tobacco company documents).

<sup>9</sup> See, e.g., *Ariz. Right to Life Political Action Comm. v. Bayless*, 320 F.3d 1002, 1009 (9th Cir. 2003) (observing that "political communications are increasingly being mass distributed via the Internet"); *McConnell v. Fed. Election Comm'n*, 251 F. Supp. 2d 176, 646 (D.D.C. 2003) (describing an organization utilizing web site to disseminate its view of political candidates); *Am. Family Life Ins. Co. v. Hagan*, 266 F. Supp. 2d 682, 686 (N.D. Ohio 2002) (discussing political candidates' commercials on the Internet). See generally BRUCE BIMBER & RICHARD DAVIS, *CAMPAIGNING ONLINE: THE INTERNET IN U.S. ELECTIONS* (2003) (outlining the role of the Internet in elections).

<sup>10</sup> See UNDERSTANDING THE WEB: SOCIAL, POLITICAL, AND ECONOMIC DIMENSIONS OF THE INTERNET 52 (Alan B. Albarran & David H. Goff eds., 2000) (observing that "[t]he Internet has bonded groups worldwide into virtual communities by generating greater dialogue between like-minded groups and individuals").

<sup>11</sup> For a detailed discussion of the structure of the Internet and how domain names operate, see Timothy Marsh, Note, Shields v. Zuccarini: *The Role of the Anticybersquatting Consumer Protection Act in Fighting Typosquatting*, 33 U. TOL. L. REV. 683, 684-86 (2002). See also William Black, *The Domain Name System*, in *LAW & THE INTERNET: A FRAMEWORK FOR ELECTRONIC COMMERCE* 125, 125-32 (Lilian Edwards & Charlotte Waelde eds., 2d ed. 2000) (explaining the domain name system).

<sup>12</sup> See *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1327 (9th Cir. 1998).

identical to the corporation, organization, or individual's name is important so that interested individuals can readily find authentic information.<sup>13</sup>

Cybersquatters,<sup>14</sup> individuals who register domain names solely to resell them at substantially inflated prices, also recognize the premium placed on popular domain names.<sup>15</sup> During the early years of the Internet, opportunistic cyber-speculators registered popular domain names hoping to profit when the legitimate entity wanted to establish a web presence.<sup>16</sup> Because domain name registration occurs on a first-come, first-served basis and does not require an independent investigation establishing the registrant's legitimate interest in a requested domain name,<sup>17</sup> cybersquatters purchased and held for ran-

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<sup>13</sup> See *id.* (rejecting the defendant's argument that "a domain name is nothing more than an address" and stating that "[a] significant purpose of a domain name is to identify the entity that owns the web site"); *Cardservice Int'l, Inc. v. McGee*, 950 F. Supp. 737, 741 (E.D. Va. 1997) (noting that "[a] customer who is unsure about a company's domain name will often guess that the domain name is also the company's name"); *MTV Networks v. Curry*, 867 F. Supp. 202, 203-04 n.2 (S.D.N.Y. 1994) (observing that "[a] domain name mirroring a corporate name may be a valuable corporate asset, as it facilitates communication with a customer base"); see also Peter Brown, *New Issues in Internet Litigation*, in 17TH ANNUAL INSTITUTE ON COMPUTER LAW: THE EVOLVING LAW OF THE INTEREST—COMMERCE, FREE SPEECH, SECURITY, OBSCENITY AND ENTERTAINMENT 151, 156 (PLI Patents, Copyrights, Trademarks, and Literary Property Course, Handbook Series No. G4-3987, 1997) (noting that

[t]he domain name serves a dual purpose. It marks the location of the site within cyberspace, much like a postal address in the real world, but it may also indicate to users some information as to the content of the site, and, in instances of well-known trade names or trademarks, may provide information as to the origin of the contents of the site.

); Martin B. Schwimmer, *Domain Names & the Commercial Market*, in TRADEMARK LAW & THE INTERNET: ISSUES, CASE LAW, AND PRACTICE TIPS 7, 19 (Lisa E. Cristal & Neal S. Greenfield eds., 2d ed. 2001) (discussing the "dot com assumption that a company named XYZ would be located at *xyz.com*").

<sup>14</sup> Senator Orrin Hatch defined cybersquatting as "the deliberat[e], bad-faith, and abusive registration of Internet domain names in violation of the rights of trademark owners . . . . What we are talking about is basically fraud, deception, and the bad-faith trading on the goodwill of others." *Hearings, supra* note 3, at 3 (prepared statement of Hon. Orrin G. Hatch, Chairman, S. Comm. on the Judiciary).

<sup>15</sup> See *Bird v. Parsons*, 289 F.3d 865, 870 (6th Cir. 2002) (describing how an alleged cybersquatter registered a domain name and posted it for auction the following day); Stacey H. King, *The "Law That It Deems Applicable": ICANN, Dispute Resolution, and the Problem of Cybersquatting*, 22 HASTINGS COMM. & ENT. L.J. 453, 455 (2000) (citing cybersquatting as the root of many domain name disputes with trademark holders). Cybersquatting is also known as "domain name hijacking." See IAN J. LLOYD, INFORMATION TECHNOLOGY LAW 461 (3d ed. 2000).

<sup>16</sup> See LLOYD, *supra* note 15, at 461 (noting that domain names "such as Macdonalds [sic], Hertz and Rolex were issued to applicants with no connection with the well known firms").

<sup>17</sup> See *Register.Com, Inc. v. Verio, Inc.*, 356 F.3d 393, 415-16 (2d Cir. 2004); *Storey v. Cello Holdings, L.L.C.*, 347 F.3d 370, 372-73 (2d Cir. 2003); *Watts v. Network Solutions, Inc.*, 202 F.3d 276 (7th Cir. 1999) (table), available at 1999 WL 994012, at \*1.

som thousands of popular domain names until the legitimate corporation or celebrity was willing to pay the extortionate price.<sup>18</sup>

Cybersquatters were not alone in their desire to capitalize on the success of popular web sites.<sup>19</sup> Typosquatting, an unlawful activity that aims to profit by exploiting weaknesses in the domain name system, entails identifying legitimate popular web sites and purposefully registering deceptively similar or deliberately misspelled domain names in order to lure visitors into visiting unrelated—and often pornographic<sup>20</sup>—web sites.<sup>21</sup> For example, an unsuspecting viewer, often a child, who inadvertently types “www.whitehouse.com” instead of “www.whitehouse.gov” into a web browser is exposed to the site of a typosquatter that features explicit pornography instead of the official White House web site.<sup>22</sup> Typosquatters profit from this conduct because

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<sup>18</sup> Imposing the duty to register a domain name on every top level domain worldwide may present practical difficulties. See DIANE ROWLAND & ELIZABETH MACDONALD, INFORMATION TECHNOLOGY LAW 520–21 (2d ed. 2000) (observing that “in practice, few companies will be prepared to register their names in all registries around the world . . . and indeed may not be eligible under local rules”) (citing Dawn Osborne, *Domain Names, Registration and Dispute Resolution and Recent UK Cases*, 19 EUR. INTELL. PROP. REV. 644 (1997)). Some domain name registrars argue that no property rights inhere in domain names, and that “whoever ‘settled’ it first” obtains the exclusive right to exploit the domain name. King, *supra* note 15, at 455. Furthermore, domain name registrars and cybersquatters often argue that trademark holders should have protected their interests by registering the domain name earlier. *Id.*

<sup>19</sup> See generally *Compl.*, United States v. Zuccarini, No. 03 Cr. 275 (S.D.N.Y. Aug. 29, 2003) [hereinafter *Zuccarini Complaint*] (alleging criminal acts of typosquatting against John Zuccarini), available at <http://news.findlaw.com/cnn/docs/cyberlaw/uszuccarini82903cmp.pdf> (last visited Apr. 2, 2004).

<sup>20</sup> Obtaining precise statistics regarding the proliferation and availability of pornography on the Internet is challenging. A Spring 2000 random survey of Internet web sites found that 73.8% of the web servers in the sample featured adult content on the index page. Daniel Orr & Josephine Ferrigno-Stack, *Childproofing on the World Wide Web: A Survey of Adult Web Servers*, 41 JURIMETRICS J. 465, 470 (2001). Further, only 11% included age verification or a disclaimer on the index page without presenting adult content on the same page. See *id.*

<sup>21</sup> See, e.g., *Porsche Cars N. Am., Inc. v. Allporsche.com*, 215 F.3d 1320, (Table) (4th Cir. 2000) (providing an example of a trademark holder suing typosquatters), available at 2000 WL 742185; *Hearings*, *supra* note 3, at 17–22 (listing over 300 registered domain names based on the word “Porsche,” including “PORACHE.COM,” “PORCHE.NET,” “PORS.NET,” “PORSCE.COM,” PORSCEH.COM,” “PORSCH.COM,” and “PORSCHA GIRLS.COM”).

<sup>22</sup> Compare [www.whitehouse.gov](http://www.whitehouse.gov) (official site of the President of the United States), with [www.whitehouse.com](http://www.whitehouse.com) (pornographic web site claiming “We are the Worldwide Leader in Adult and Political Entertainment” and that the site “has been visited by over 85 Million people since [its] inception in 1997”). See also Mani, *supra* note 2, at 202 (stating that a child who accidentally types “www.whitehouse.com” would “unintentionally encounter graphic x-rated images”).

Senator Orrin Hatch presents another example: “Take, for example, the child who in a ‘hunt-and-peck’ manner mistakenly types in the domain for ‘dosney.com,’ looking for the rich and family-friendly content of Disney’s home page, only to wind up staring at a page [of] hard-core pornography because someone snatched up the ‘dosney’ domain in

they are able to redirect unsuspecting users to a different web site,<sup>23</sup> create “pop-up” advertisements for third party corporations,<sup>24</sup> or capture credit card information from consumers who believe they are accessing a trusted web site.<sup>25</sup> Moreover, typosquatters also profit if owners of the legitimate domain name are willing to purchase the deceptive domain name to prevent further confusion.<sup>26</sup>

Congress responded to this widespread activity by passing the Anticybersquatting Consumer Protection Act (ACPA) in 1999.<sup>27</sup> Couched in trademark law terms, the ACPA prohibits people from registering distinctive trademarks as domain names in bad faith “with the specific intent to profit from such name by selling the domain name for financial gain to that person or any third party.”<sup>28</sup> While protecting corporations and individuals with distinctive or trademarked names, the Act leaves unregulated conduct targeted at non-distinctive sites.<sup>29</sup> More importantly, although the ACPA eliminates some of the jurisdictional challenges that complainants faced prior to its enactment,<sup>30</sup> the Act only provides remedial, injunctive relief and the possible transfer of the infringing domain name to the legitimate owner.<sup>31</sup>

While the ACPA provides limited relief from the typosquatting epidemic, Congress passed an even more effective weapon to combat typosquatting in the Truth in Domain Names Act of 2003.<sup>32</sup> As the most aggressive legislation to date, the Truth in Domain Names Act criminalizes the act of knowingly registering a misleading domain name with the intent to deceive a person into viewing material consti-

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anticipation that just such a mistake would be made.” *Hearings, supra* note 3, at 4 (statement of Hon. Orrin G. Hatch, Chairman, S. Comm. on the Judiciary).

<sup>23</sup> See, e.g., *Carefirst of Md., Inc. v. Carefirst Pregnancy Ctrs., Inc.*, 334 F.3d 390, 394–95 (4th Cir. 2003) (describing how pro-life advocacy organization registered multiple derivative domain names similar to health insurance corporation’s name and used the web sites to divert Internet traffic to its own web site).

<sup>24</sup> John Zuccarini earned between ten and twenty-five cents for every click. See *Zuccarini Plea, supra* note 1, at 4–5.

<sup>25</sup> *Hearings, supra* note 3, at 5 (statement of Anne H. Chasser, President, Int’l Trademark Ass’n).

<sup>26</sup> See Benjamin Edelman, *Large-Scale Registration of Domains with Typographical Errors*, at <http://cyber.law.harvard.edu/people/edelman/typo-domains> (last visited Apr. 3, 2004).

<sup>27</sup> Pub. L. No. 106-113, §§ 3001–3010, 113 Stat. 1536, 1501(A)-545 (codified as amended in 15 U.S.C. §§ 1051 note, 1114, 1116, 1117, 1125, 1129; 16 U.S.C. § 470a; 28 U.S.C. § 1338).

<sup>28</sup> 15 U.S.C. § 1129(1)(A) (2000).

<sup>29</sup> See *id.* § 1125(d), 1129(1)(A), (B).

<sup>30</sup> See *infra* Part II.B.

<sup>31</sup> See 15 U.S.C. § 1129.

<sup>32</sup> Pub. L. No. 108-21 § 521, 117 Stat. 686 (codified at 18 U.S.C.A. § 2252B (Supp. 1 2003)). Congress enacted the Truth in Domain Names Act as part of the Prosecutorial Remedies and Other Tools to End the Exploitation of Children Today (PROTECT) Act of 2003, Pub. L. No. 108-21, 117 Stat. 650–95 (codified in scattered sections of 18, 28 and 42 U.S.C.).

tuting obscenity.<sup>33</sup> The Act imposes criminal punishment on violators in the form of a substantial fine or—the Act's most distinctive feature—imprisonment for up to two years.<sup>34</sup> Furthermore, where the deceptive domain name targets children, the Act doubles the term of imprisonment to four years.<sup>35</sup>

To enable the reader to comprehend the expansive scope of the typosquatting epidemic, Part I of this Note outlines the basic structure of the Internet, the process by which domain names are reserved and allocated, and the rise of cybersquatting and typosquatting. Part II identifies the shortcomings of the limited remedies available to victims of cybersquatting and typosquatting prior to the Truth in Domain Names Act, and it evaluates the way in which fragmented civil litigation and arbitration failed to eradicate these deceptive practices. Part III analyzes the Truth in Domain Names Act itself, and highlights the political climate in which Congress empowered federal prosecutors to indict typosquatters. Finally, Part IV argues that while the Act represents the most forward-thinking legislation to date, the requirement that the derivative web site contain obscene material severely constricts the statute's application and will likely leave substantial typosquatting activity unregulated.

## I

### CYBERSQUATTING AND TYPOSQUATTING ON THE INFORMATION SUPERHIGHWAY

#### A. The Structure of the Internet: A Brief Overview

The Internet is a worldwide computer network that facilitates the rapid location of information, transcends international borders, and transmits ideas through the use of web sites.<sup>36</sup> A web site is a computer data file containing information such as words, pictures, music, videos, or links to other web sites.<sup>37</sup>

Internet service providers (ISPs) assign every computer connected to the Internet a numeric Internet protocol (IP) address, which is a unique identifier similar to a telephone number or a street address.<sup>38</sup> This IP address allows individual computers to communi-

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<sup>33</sup> 18 U.S.C.A. § 2252B (Supp. 1 2003).

<sup>34</sup> 18 U.S.C.A. § 2252B(a).

<sup>35</sup> 18 U.S.C.A. § 2252B(b).

<sup>36</sup> See 15 U.S.C. § 1127 (2000) (incorporating the definition of "Internet" codified at 47 U.S.C. § 230(f)(1): "the international computer network of both Federal and non-Federal interoperable packet switched data networks"); KLAUS W. GREWLICH, GOVERNANCE IN "CYBERSPACE:" ACCESS AND PUBLIC INTEREST IN GLOBAL COMMUNICATIONS 37-40 (1999) (describing the interest as a "network of networks"). For a detailed account of the evolution of the Internet, see King, *supra* note 15, at 459-62.

<sup>37</sup> Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1318 (9th Cir. 1998).

<sup>38</sup> King, *supra* note 15, at 457. An example of an IP address is: 123.456.789.23. *Id.*



cate with each other.<sup>39</sup> Because IP addresses are often long and difficult to remember, domain names<sup>40</sup> made up of common words are assigned to IP addresses to permit easy access to web pages and e-mail accounts.<sup>41</sup>

These common domain names, also known as Uniform Resource Locators (URLs),<sup>42</sup> are comprised of two parts: top level and second level domain names.<sup>43</sup> Top level domain names, such as “.gov” for governmental web sites, “.net” for networks, and “.com” for commercial and general purpose sites, are suffixes attached to the end of the domain name.<sup>44</sup> The second level domain name is the part sandwiched between the “www” and the top level suffix, and it is usually identical to the person or company’s popular name.<sup>45</sup> The second level domain name is the part of the name that frequently gives rise to disputes.<sup>46</sup> Although no two domain names may be identical, the same popular name may be registered under each of the different top

<sup>39</sup> See *id*; see also INTERNET CORP. FOR ASSIGNED NAMES AND NOS. (ICANN), GLOSSARY, available at <http://www.icann.org/genera/background/htm#I> (last visited Apr. 3, 2004).

<sup>40</sup> See 15 U.S.C. § 1127 (2000) (defining the term “domain name” as “any alphanumeric designation which is registered with or assigned by any domain name registrar, domain name registry, or other domain name registration authority as part of an electronic address on the Internet”); *Brookfield Communications, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1044 (9th Cir. 1999) (noting that a domain name is “somewhat analogous to a telephone number or street address”).

<sup>41</sup> See *Bird v. Parsons*, 289 F.3d 865, 869 (6th Cir. 2002); 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 25:72 (2003); King, *supra* note 15, at 457–58. For a technical description of this process, see *Island Online, Inc. v. Network Solutions, Inc.*, 119 F. Supp. 2d 289, 292–93 (E.D.N.Y. 2000).

<sup>42</sup> See *Zuccarini Complaint*, *supra* note 19, at 1–2.

<sup>43</sup> For example, [www.whitehouse.gov](http://www.whitehouse.gov) consists of the top level domain name “.com” and the second level domain name “whitehouse.”

<sup>44</sup> *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316, 1318 (9th Cir. 1998).

<sup>45</sup> See *Panavision Int’l, L.P. v. Toeppen*, 938 F. Supp. 616, 618 (C.D. Cal. 1996); King, *supra* note 15, at 458.

<sup>46</sup> King, *supra* note 15, at 458. The First Circuit has observed:

As companies seek to incorporate their nationally registered trademarks into domain names that they can use to promote goods and services, they often find that the names, or names confusingly similar, have already been registered by individuals unconnected with the company. This occurrence is unsurprising because the initial domain name registration system is a non-governmentally operated, first-come, first-served system that does not inquire into potential conflicts with trademarks.

In the past, confusingly similar trademarks could exist simultaneously in different geographical areas or in different business sectors without creating consumer confusion. The internet has drastically changed this situation because a domain name is both unique and global in scope.

*Sallen v. Corinthians Licenciamentos LDTA*, 273 F.3d 14, 19–20 (1st Cir. 2001) (citations omitted). Anthony Malutta suggests another example: While United Airlines, United Genetics, and United Way can all use the word “united” in their names, only one firm can register and use the domain name [www.united.com](http://www.united.com). See Anthony J. Malutta, *International Domain Name Disputes Don’t Let Up: Notorious ‘Typosquatter’ John Zuccarini Has Been a Frequent Defendant*, NAT’L L.J., Sept. 22, 2003, at 58.

level domain names, for example [www.WhiteHouse.gov](http://www.WhiteHouse.gov) and [www.WhiteHouse.com](http://www.WhiteHouse.com).<sup>47</sup>

While the Internet began as a United States Defense Department project during the Cold War,<sup>48</sup> today businesses, celebrities, politicians, universities, governmental entities, and private citizens create and maintain web sites to advertise, promote, educate, or disseminate information.<sup>49</sup> The domain name is frequently the well-known name of the organization or individual that owns the web site, such as [www.cocacola.com](http://www.cocacola.com) or [www.cornell.edu](http://www.cornell.edu).<sup>50</sup> When an individual seeks a specific web site or a web site with specific content, she will type that web site's domain name in the address bar of a web browser or, alternatively, visit one of many search engine web sites. Search engines providing a listing of web sites that satisfy an individual's search criteria, however, are not analogous to a phone book or directory assistance.<sup>51</sup> Hundreds of web sites may contain the keywords entered into the engine, hence not all of the search results will be directly relevant.<sup>52</sup>

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<sup>47</sup> See *Competition Specialties, Inc. v. Competition Specialties, Inc.*, Nos. 02-35831, 02-35885, 2004 WL 94026, at \*1 (9th Cir. Jan. 20, 2004) (two companies, one in Florida and one in Washington, both conducted business under the name Competition Specialties, Inc.); *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 952 (C.D. Cal. 1997) (stating that "although two companies can have nonexclusive trademark rights in a name, only one company can have a second-level domain name that corresponds to its trademark"); ROWLAND & MACDONALD, *supra* note 18, at 520-21; see also Gregory B. Blasbalg, Note, *Masters of Their Domains: Trademark Holders Now Have New Ways to Control Their Marks in Cyberspace*, 5 ROGER WILLIAMS U. L. REV. 563, 586-87 (2000) (observing that while trademark law permits multiple uses of the same mark for different goods and services, only one entity can register and use the domain name on the Internet); Todd W. Krieger, Note, *Internet Domain Names and Trademarks: Strategies for Protecting Brand Names in Cyberspace*, 32 SUFFOLK U. L. REV. 47, 64 (noting that while there are 100,000 trademarks worldwide that use the word "prince," only one can use the domain name [www.prince.com](http://www.prince.com)).

<sup>48</sup> See Matthew Edward Searing, Note, "What's in a Domain Name?" *A Critical Analysis of the National and International Impact on Domain Name Cybersquatting*, 40 WASHBURN L.J. 110, 111-13 (2000).

<sup>49</sup> See JAMES SLEVIN, *THE INTERNET AND SOCIETY* 40-44 (2000); UNDERSTANDING THE WEB, *supra* note 10, at 66-69; *Zuccarini Complaint*, *supra* note 19, at 1.

<sup>50</sup> See *Sallen*, 273 F.3d at 19 (observing that "a person looking for the Coca-Cola Company's Web site might enter 'www.cocacola.com' into her Web browser, assuming (correctly) that it would turn up the Coca-Cola Company's official Web site").

<sup>51</sup> See *Hearst Corp. v. Goldberger*, No. 96 Civ. 3620 (PKL) (AJP), 1997 WL 97097, at \*2 (S.D.N.Y. Feb. 26, 1997). The court observed that:

Internet domain names are similar to telephone number mnemonics, but they are of greater importance, since there is no satisfactory Internet equivalent to a telephone company white pages or directory assistance, and domain names can often be guessed. A domain name mirroring a corporate name may be a valuable corporate asset, as it facilitates communication with a customer base.

*Id.*

<sup>52</sup> If Internet users are "forced to wade through hundreds of web sites" containing inapposite results, the user may become frustrated and the rightful trademark holder may suffer. *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1327 (9th Cir. 1998); see also *Nissan Motor Co. v. Nissan Computer Corp.*, 204 F.R.D. 460, 463 (C.D. Cal 2001) (noting the plaintiff was able to contract with Internet search engine operators to divert traffic to his

This situation increases the value of obtaining a domain name that mirrors the business's name so that customers can quickly and efficiently obtain information online.<sup>53</sup> Consequently, second level domain names are the source of most controversy because these popular names serve as the most common means of identifying an entity's location in cyberspace.<sup>54</sup>

## B. Reserving Your Space in Cyberspace: The Domain Name Registration Process

Individuals who create web sites must register the desired domain name with an Internet registrar, a private corporation that charges a fee to reserve the domain name for a period of time, generally for one or two years.<sup>55</sup> Registering a domain name entitles the registrant to use the domain name exclusively for the period of time purchased. The registrar only determines if the requested unique name has been previously assigned,<sup>56</sup> and it does not require proof that the requested domain name will not violate another individual's trademark.<sup>57</sup> If the domain name is still available, the applicant is usually awarded the

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web site rather than the defendant's web site); Teletech Customer Care Mgmt., Inc. v. Tele-Tech Co. Inc., 977 F. Supp. 1407, 1410 (C.D. Cal 1997) (observing that search engines can return hundreds of results that may "deter web browsers from searching from Plaintiffs [sic] particular web site").

<sup>53</sup> See *Panavision*, 141 F.3d at 1327; see also 4 McCARTHY, *supra* note 41, § 25:73, at 25-178 (noting that "[a] battle over a domain name is essentially a battle for the same 'intuitive' domain name: a domain name that makes sense without looking it up"). Some scholars argue for a non-zero-sum reservation system in which a web site with a popular domain name would serve as a "link page" that would contain a small directory of all of the web pages wishing to use the same domain name. See Jennifer R. Dupre, *A Solution to the Problem? Trademark Infringement and Dilution by Domain Names: Bringing the Cyberworld in Line with the "Real" World*, 87 TRADEMARK REP. 613, 629-31 (1997). Additionally, some critics argue that the number of disputes over domain name registration highlights the need for new top-level domains. See ROWLAND & MACDONALD, *supra* note 18, at 532.

<sup>54</sup> See King, *supra* note 15, at 458; see also 4 McCARTHY, *supra* note 41, § 25:72, at 25-173 (noting that "[i]n the same way that businesses sometimes desire to have a prestige business address, businesses want a prestige address in cyberspace that corresponds to the trade name of the company or to a company trademark").

<sup>55</sup> Examples of Internet Registrars include Nominalia, Joker, Network Solutions, and the Domain Name Registry of America.

<sup>56</sup> See *supra* note 17 and accompanying text. See generally <http://www.NetworkSolutions.com> (last visited Apr. 6, 2004) (domain name registrar that does not require supporting documentation and does not cross-reference trademark holders).

<sup>57</sup> See *Storey v. Cello Holdings, L.L.C.*, 347 F.3d 370, 373 (2d Cir. 2003) (explaining that the registration process operates "through a first-come, first-serve process that does not consider trademark rights"); *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de Barcelona*, 330 F.3d 617, 624 (4th Cir. 2003) (same); *Thomas v. Network Solutions, Inc.*, 176 F.3d 500, 505 (D.C. Cir. 1999) (same). The Anticybersquatting Consumer Protection Act protects domain name registration companies from liability for registering infringing domain names. See 15 U.S.C. § 1114(2)(D) (2000).

domain name.<sup>58</sup> As of mid-2002, over thirty million domain names had been registered worldwide, twenty-one million of which were in the .com top level domain.<sup>59</sup>

In the early 1990s, the United States government granted Network Solutions, Inc. (NSI), a private, for-profit corporation, the exclusive right to register domain names on a first-come, first-served basis.<sup>60</sup> NSI's administration created controversy by frequently suspending domain names without a hearing whenever trademark holders filed complaints alleging trademark infringement.<sup>61</sup> As the Internet expanded and the need for fair and efficient dispute resolution policies developed, the United States government completely converted domain name registration and administration to a private, nonprofit, nongovernmental system.<sup>62</sup>

In 1998, the United States Department of Commerce entered into an agreement with a nonprofit, nongovernmental organization, the Internet Corporation for Assigned Names and Numbers (ICANN), and charged the organization with managing the assignment and distribution of domain names.<sup>63</sup> ICANN oversees the whole domain name system, but it licenses private companies, known as registrars, to assign IP addresses and register domain names.<sup>64</sup> Although registrars do not independently determine whether a registrant has the right to use a requested domain name, the ICANN terms of registration require that the registrant attest to certain facts.<sup>65</sup> As a condition of registering the requested name, the registrant must assert (1) that his statements are true and he has the right to use the domain name, (2) that using or registering the requested name does not injure any third party's "trademark, servicemark, company name, or any other intellectual property right" and (3) that the registrant is not seeking the domain name for an illegal purpose, including unfair competition.<sup>66</sup>

Despite these registration requirements, individuals continue to register deceptive domain names that violate existing trademarks and

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<sup>58</sup> See, e.g., *Taubman Co. v. Webfeats*, 319 F.3d 770, 772 (6th Cir. 2003) (describing how web designer registered the domain name "shopsatwillowbend.com" upon hearing that a shopping mall named "The Shops at Willow Bend" was being built near his home although he had no connection to the shopping mall and although the names "theshopsatwillowbend.com" and "shopwillowbend.com" were already registered).

<sup>59</sup> See 4 McCARTHY, *supra* note 41, § 25:72, at 25-172.

<sup>60</sup> Network Solutions was only charged with overseeing the registration of the generic top level domains: .com, .net, and .org. See King, *supra* note 15, at 460.

<sup>61</sup> See *id.*

<sup>62</sup> For further detail regarding the transition to the non-profit system, see *id.* at 459-67.

<sup>63</sup> *Id.* at 467; Marsh, *supra* note 11, at 686.

<sup>64</sup> Marsh, *supra* note 11, at 686.

<sup>65</sup> *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1318-19 (9th Cir. 1998).

<sup>66</sup> *Id.* at 1319.

cause disputes.<sup>67</sup> When ICANN began overseeing the domain name system, the federal government recognized past problems and required the implementation of a mechanism for resolving disputes.<sup>68</sup> ICANN responded by adopting and implementing the Uniform Dispute Resolution Policy (UDRP).<sup>69</sup> When an individual registers a domain name, he must agree to abide by the UDRP, which requires that any dispute between the registrant and another party relating to the registration or use of a domain name be subject to a mandatory administrative proceeding.<sup>70</sup> This process is limited, however, because the only remedies available are the cancellation of the domain name and transfer of the name to the prevailing party.<sup>71</sup> Furthermore, although challenges are usually successful, each case entails several thousand dollars in filing fees and other costs.<sup>72</sup> Finally, while registrants must agree to the administrative proceeding under the UDRP, the agreement to arbitrate does not preclude claimants from filing a civil suit in federal court.<sup>73</sup>

### C. Typosquatting and Cybersquatting: Profit by Deception

Cybersquatting is the practice of preemptively registering popular domain names—often the trademarks of third parties—in order to rent or sell the domain name back to the owner of the trademark for a value far exceeding the cost of the domain name.<sup>74</sup> Cybersquatting began during the 1990s when the Internet was becoming increasingly commercialized, and it gained momentum when early exorbitant sales encouraged the practice.<sup>75</sup> For example, the sale of the domain name “business.com” reaped \$7.5 million for a name that cost less than thirty dollars to register initially.<sup>76</sup> Celebrity singers Celine Dion and Bruce Springsteen also became early victims of cybersquatting when a

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<sup>67</sup> See *supra* note 65 and accompanying text (discussing NSI’s ineffective handling of trademark disputes).

<sup>68</sup> See King, *supra* note 15, at 468.

<sup>69</sup> See ICANN, UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY (1999) [hereinafter UDRP], at <http://www.icann.org/dndr/udrp/policy.htm> (last visited Apr. 6, 2004).

<sup>70</sup> See *id.* ¶ 1.

<sup>71</sup> *Id.* ¶ 4(i); see Benjamin B. Cotton, Note, *Prospecting or Cybersquatting: Registering Your Name Before Someone Else Does*, 35 J. MARSHALL L. REV. 287, 293 (2002).

<sup>72</sup> See Edelman, *supra* note 26.

<sup>73</sup> See UDRP, *supra* note 69, ¶¶ 4(k), 5.

<sup>74</sup> See H.R. REP. NO. 106-412, at 5–6 (1999); *supra* notes 14–18 and accompanying text.

<sup>75</sup> See Jonathan H. Anshell & John J. Lucas, *What’s in a Name: Dealing with Cybersquatting*, 21 ENT. & SPORTS L. 3, 3 (2003). Dennis Toeppen was one of the first cybersquatters to face civil litigation for registering popular domain names such as Panavision, Delta Airlines, Neiman Marcus, Eddie Bauer, and more than 100 other business and celebrity names. See *id.*; see also *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316, 1319 (9th Cir. 1998) (detailing Toeppen’s cybersquatting conduct).

<sup>76</sup> See Malutta, *supra* note 46; see also [www.NetworkSolutions.com](http://www.NetworkSolutions.com) (last visited Apr. 6, 2004) (noting that the cost for a start-up kit is only \$35).

company named *celebrity1000.com* registered the domain names “*www.celinedion.com*” and “*www.brucespringsteen.com*.”<sup>77</sup> Cybersquatters also approached Warner Brothers and offered to sell several domain names, including *bugsbunny.net* and *daffyduck.net*, for over \$350,000.<sup>78</sup>

Cybersquatters also continually monitor the registries for recently expired domain names.<sup>79</sup> Once a registration period expires, a cybersquatter will snatch up the previously used domain name and try to sell the name back to the legitimate owner, who has already been using the domain name for a number of years.<sup>80</sup> Sometimes, the cybersquatter will even sell the domain name to the previous owner’s competitor.<sup>81</sup>

Typosquatting, like cybersquatting, involves registering domain names in order to profit from the success and popularity of others.<sup>82</sup> While cybersquatting entails purchasing domain names and holding them for ransom, typosquatting uses misspellings or variations of legitimate domain names in order to trick individuals into viewing unrelated advertisements or web sites.<sup>83</sup> In one case involving the car manufacturer Porsche Cars North America, a typosquatter registered and attempted to sell the derivative domain name “*porschesource.com*.”<sup>84</sup> The typosquatter registered several other derivatives of popu-

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<sup>77</sup> See Lemon, *supra* note 5, at 301–03.

<sup>78</sup> *Hearings*, *supra* note 3, at 5 (statement of Anne H. Chasser, President, Int’l Trademark Ass’n).

<sup>79</sup> See Malutta, *supra* note 46. The merger of two companies also produces a golden opportunity for cybersquatters. See *Globalsantafe Corp. v. Globalsantafe.Com*, 250 F. Supp. 2d 610, 613 (E.D. Va. 2003) (recounting how an individual registered the domain name *globalsantafe.com* one day after the corporations Global Marine and Santa Fe publicly announced an agreement to merge into an entity known as GlobalSantaFe Corporation); *Hearings*, *supra* note 3, at 7 (prepared statement of Anne H. Chasser, President, Int’l Trademark Ass’n) (noting that “when the merger between Mobil and Exxon was announced . . . [the Mobil Oil Corporation] was contacted by a cybersquatter who offered to sell the combined Exxon Mobil the domain names *exxonmobil.com* and *exxon-mobil.com*”).

<sup>80</sup> See Malutta, *supra* note 46.

<sup>81</sup> *Id.*

<sup>82</sup> See *supra* notes 19–26 and accompanying text; see also *United Parcel Serv. of Am., Inc. v. The Net, Inc.*, 185 F. Supp. 2d 274, 276 (E.D.N.Y. 2002) (involving a typosquatter who registered the domain name *UPS.net*, a derivative of United Parcel Service’s *UPS.com*, and programmed the web site to display banner advertisements and links to a pornographic web site); *Coca-Cola Co. v. Purdy*, No. Civ. 02-1782 ADM/AJB, 2002 WL 1634277, at \*1 (D. Minn. July 23, 2002) (involving a typosquatter who registered several derivative domain names including *drinkcoke.org* and *mycocacola.com*).

<sup>83</sup> For example, “Mobil Corporation reported . . . that their MOBIL 1 trademark was used to direct people to a site containing adult material.” *Hearings*, *supra* note 3, at 5 (statement of Anne H. Chasser, President, Int’l Trademark Ass’n).

<sup>84</sup> *Porsche Cars N. Am., Inc. v. Spencer*, No. Civ. S-00-4716EB PAN, 2000 WL 641209, at \*1 (E.D. Cal. May 18, 2000). When Porsche visited *www.porchesource.com*, the web site stated:

Domains for Sale!

lar automobile manufacturers, such as “audisource.com,” “nissan source.com,” and “acurasource.com.”<sup>85</sup>

Once typosquatters secure similar domain names, they often program the web sites with the deceptive names to direct viewers to different web pages, many of which display pornographic content.<sup>86</sup> Once the user recognizes his mistake and tries to close the browser window, the unwilling visitor will frequently find himself “mousetrapped” by a series of pop-up advertisements cascading across the computer screen.<sup>87</sup> The unwanted web site can also temporarily corrupt the functions of the user’s web browser by launching new undesired web pages when the user clicks on the “back” button or attempts to close the web browser altogether.<sup>88</sup> In some cases, even if the user does nothing at all, new web pages may open and create a “cyber-maze” that bombards the user with unwelcome and frequently pornographic images he did not intend to receive.<sup>89</sup>

Creating derivative web sites is, in itself, profitable because the web sites generate Internet traffic and, therefore, advertising revenue by preying on the popularity and goodwill of the primary web site.<sup>90</sup>

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Internet domain names are a precious resource. My company does web page development and website hosting. Along the way, we reserved a few domains for customers and for ourselves. Some of those domains are in use and some are not (as of yet). But active or not, you can make us an offer! Listed are the domains on which we currently would consider offers. Please don’t embarrass yourself by attempting to give us \$500 for one of these domains. They *are* valuable and have already turned away many buyers that thought we weren’t serious. If you are ready to make a smart investment, let us know . . . . You may be asking yourself, why so much?

. . . Can’t I just reserve any domain and get my site online? Of course you can. But which is more obvious to the public, shopping.com or ezinter netshopping.com? (Good luck EZ Shop, you’re going to need it!).

*Id.*

<sup>85</sup> *Id.* (listing porschesource.com, lincolnsource.com, mercurysource.com, audi source.com, gmcsource.com, nissansource.com, acurasource.com, pontiacsource.com, buicks source.com, chryslersource.com, mazdasource.com, dodgesource.com).

<sup>86</sup> Sealed Compl., United States v. Zuccarini, 4 (S.D.N.Y. Aug. 29, 2003) [hereinafter *Sealed Complaint*]. In its investigation of John Zuccarini, the Federal Trade Commission found that Internet users “were barraged with a series of advertisements—many of which were for pornographic web sites—and found it difficult, and in some cases impossible, to exit from these Web sites without shutting down their computer.” *Id.*

<sup>87</sup> See Shields v. Zuccarini, 89 F. Supp. 2d 634, 635 (E.D. Pa. 2000); *Sealed Complaint*, *supra* note 86, at 4 n.2.

<sup>88</sup> See *Sealed Complaint*, *supra* note 86, at 4 n.2. Adult web sites may also “employ technical devices, such as javascripts, that disable the ‘back’ or ‘close’ buttons on a webbrowser and prevent site visitors from leaving. To the extent that visitors arrive at these sites accidentally, an audience that never intended to view pornography may find their computers held hostage.” Orr & Ferrigno-Stack, *supra* note 20, at 466–67. One web site encountered during a Spring 2000 survey of pornographic websites “opened more than 30 browser windows and disabled the workstation.” *Id.* at 471.

<sup>89</sup> *Sealed Complaint*, *supra* note 86, at 4 n.2.

<sup>90</sup> Advertisers pay web site owners according to how many people visit the web site, i.e., how many “hits” the web site receives. See Shields v. Zuccarini, 254 F.3d 476, 480 (3d

Furthermore, programming the web sites to mousetrap users or to redirect unintentional visitors to additional web pages generates even greater advertising revenue because every new window that pops up counts as a separate "hit" for the web site.<sup>91</sup> The act of exploiting the goodwill of other businesses through typosquatting is "a new form of high-tech fraud" that causes "confusion and inconvenience for consumers, increas[es] costs for people doing business on the Internet, and pos[es] substantial threat to a century of pre-Internet American business efforts."<sup>92</sup>

In short, typosquatters and cybersquatters register popular or deceptively similar domain names for several reasons. First, cybersquatters may try to sell the derivative name to the trademark holder, and many legitimate web site operators pay the ransom to avoid complaints from users who may believe the principal owner is responsible for the derivative web site.<sup>93</sup> Second, typosquatters and cybersquatters may cyber-speculate by registering popular domain names with the intent of reselling them to any third party, usually through domain name auction web sites.<sup>94</sup> Third, typosquatters may use domain names that are deceptively similar to legitimate web sites in order to divert web traffic and generate advertising revenue.<sup>95</sup> Finally, typosquatters and cybersquatters may use deceptive domain names to trick unwary consumers into providing sensitive information, such as their

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Cir. 2001) ("Zuccarini received between ten and twenty-five cents from the advertisers for every click.").

<sup>91</sup> See *id.* The Department of Justice estimates that one notorious typosquatter, Zuccarini, earned between \$800,000 and \$1 million annually. *Sealed Complaint, supra* note 86, at 6.

<sup>92</sup> *Hearings, supra* note 3, at 1 (statement of Hon. Spencer Abraham, Member, S. Comm. on the Judiciary). Senator Abraham also observed, "the cybersquatter can engage in a variety of nefarious activities—from the relatively benign parody of a business or individual, to the obscene prank of redirecting an unsuspecting consumer to pornographic content, to the destructive worldwide slander of a centuries-old brand name." *Id.*; see also *Inset Systems, Inc. v. Instruction Set, Inc.*, 937 F. Supp. 161, 163 (D. Conn. 1996) (noting that when "a company uses a domain which is identical to the name or trademark of a[nother] company, an Internet user may inadvertently access an unintended company").

<sup>93</sup> *Hearings, supra* note 3, at 2 (statement of Hon. Spencer Abraham, Member, S. Comm. on the Judiciary) (noting that "[e]ven computer-savvy companies buy domain names from cybersquatters at extortionate rates to rid themselves of a headache with no certain outcome").

<sup>94</sup> For example, the University of California at Los Angeles (UCLA), owner of the web site [www.ucla.edu](http://www.ucla.edu), took action against a cybersquatter who registered [www.ucla.com](http://www.ucla.com) and created a pornographic web site. *Hearings, supra* note 3, at 8 (prepared statement of Anne H. Chasser, President, Int'l Trademark Ass'n). In 1999, the domain names [marypoppins.com](http://marypoppins.com) and [thegodfather.com](http://thegodfather.com) were available for \$500 and \$1,500, respectively, on an Internet auction web site. *Id.* One domain name reseller, [bestdomains.com](http://bestdomains.com), offered the domain name "911porche.com" for \$60,911. See *id.* at 11 (statement of Gregory D. Phillips, Outside Counsel, Porsche Cars N. Am., Inc.).

<sup>95</sup> See *Shields*, 254 F.3d at 479–80.



credit card number or home address, to a web site that they believe belongs to a reputable and trustworthy corporation.<sup>96</sup>

#### D. The Case of the Notorious Typosquatter

In 1997, cartoonist Joseph Shields registered the domain name joecartoon.com to display his artwork and market Joe Cartoon merchandise.<sup>97</sup> The site gained popularity when it won the Macromedia Shock site of the day award in April 1998, and the web site now averages over 700,000 visits per month.<sup>98</sup> John Zuccarini registered five variations on the domain name, each a misspelling,<sup>99</sup> and used the deceptive domain names to feature advertisements for other web sites and credit card companies.<sup>100</sup> Fans of the Joe Cartoon characters who unintentionally visited one of Zuccarini's sites found themselves mousetrapped and unable to exit the maze of web sites and pop-up advertisements.<sup>101</sup> Zuccarini received between ten and twenty-five cents from advertisers for every hit, including both the initial accidental visit and all pop-up ads inadvertently launched by the unintentional visitor.<sup>102</sup>

Shields responded by mailing cease and desist letters to Zuccarini, but received no response.<sup>103</sup> Shortly thereafter, Zuccarini changed the content of the deceptive web sites to a "political protest" web page.<sup>104</sup> Although Zuccarini eliminated the advertisements from

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<sup>96</sup> *Hearings, supra* note 3, at 4 (statement of Hon. Orrin G. Hatch, Chairman, S. Comm. on the Judiciary). In one case of commercial fraud, the telephone company AT&T reported that a cybersquatter, wholly unaffiliated with the telephone conglomerate, registered the domain name attphonecard.com and solicited credit card information from web site visitors. *Id.* at 5 (statement of Anne H. Chasser, President, Int'l Trademark Ass'n).

<sup>97</sup> *Shields*, 254 F.3d at 479.

<sup>98</sup> *Id.*

<sup>99</sup> The five variations are: joescartoon.com, joecarton.com, joescartons.com, joescartoons.com and cartoonjoe.com. *Id.* at 480.

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

<sup>101</sup> *Id.*; see *supra* notes 86–91 and accompanying text.

<sup>102</sup> *Shields*, 254 F.3d at 480.

<sup>103</sup> *Id.*

<sup>104</sup> *Id.* Zuccarini's web page stated:

This is a page of POLITICAL PROTEST

—Against the web site joecartoon.com—

joecartoon.com is a web site that depicts the mutilation and killing of animals in a shockwave based cartoon format—many children are inticed [sic] to the web site, not knowing what is really there and then encouraged to join in the mutilation and killing through use of the shockwave cartoon presented to them.

—Against the domain name policys [sic] of ICANN—

—Against the Cyberpiracy Consumer Protection Act—

As the owner of this domain name, I am being sued by joecartoon.com for \$100,000 so he can use this domain to direct more kids to a web site that not only desensitizes children to killing animals, but makes it seem like great fun and games.

his site, Shields remained powerless to prevent confusion and to direct potential viewers to the correct web page.<sup>105</sup>

II  
LIVING IN A TYPOSQUATTER'S PARADISE: LIMITED  
DETERRENCE THROUGH FRAGMENTED LITIGATION  
AND INEFFECTIVE ARBITRATION

As the previous Part illustrates, typosquatting affects both the legitimate owners of popular and trademarked names and the Internet users looking for legitimate information on the World Wide Web. Until Congress passed the Truth in Domain Names Act, victims of cybersquatting and typosquatting could only seek relief through trademark law.<sup>106</sup> Trademark law is predicated on the "recognition that companies and individuals build a property right in brand names because of the reasonable expectations they raise among consumers."<sup>107</sup> Owners of trademarked and popular names correctly argue that the registration of domain names similar to their trademarked name diminishes the owners' ability to distinguish their legitimate goods and services on the Internet.<sup>108</sup>

While legitimate owners could pursue civil suits under existing trademark law, the costs of fragmented litigation against an infinite number of defendants creates a substantial disincentive. Often, the "sheer number of instances precludes many trademark owners from filing multiple suits in one or more national courts."<sup>109</sup> Therefore, in many cases, trademark owners choose to pay off the cybersquatter to

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I will under no circumstances hand this domain name over to him so he can do that.

I hope that ICANN and Network Solutions will not assist him to attaining this goal.

—Thank You—

*Id.*

<sup>105</sup> See *id.*; *Shields v. Zuccarini*, 89 F. Supp. 2d 634, 635–36 & 635 n.2 (E.D. Pa. 2000).

<sup>106</sup> See generally 4 McCARTHY, *supra* note 41, §§ 25:68–25:81 (discussing trademark law issues in cyberspace).

<sup>107</sup> *Hearings*, *supra* note 3, at 2 (statement of Hon. Spencer Abraham, Member, S. Comm. on the Judiciary); see also *Ty Inc. v. Perryman*, 306 F.3d 509, 510 (7th Cir. 2002) (noting that a

consumer who knows at a glance whose brand he is being asked to buy knows whom to hold responsible if the brand disappoints and whose product to buy in the future if the brand pleases. This in turn gives producers an incentive to maintain high and uniform quality, since otherwise the investment in their trademark may be lost as customers turn away in disappointment from the brand

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<sup>108</sup> See, e.g., *Minn. Mining & Mfg. Co. v. Taylor*, 21 F. Supp. 2d 1003, 1005 (D. Minn. 1998) (reasoning that the "Post-It"® trademark was likely to be diluted by the use of and traffic in the domain names *post-it.com*, *post-its.com*, and *ipost-it.com*).

<sup>109</sup> *Hearings*, *supra* note 3, at 10 (statement of Gregory D. Phillips, Outside Counsel, Porsche Cars N. Am., Inc.).

avoid lengthy and costly litigation.<sup>110</sup> Finally, in addition to the already substantial cost of litigating a trademark claim, plaintiffs who actually pursued legal remedies frequently found themselves constrained by antiquated trademark statutes ill-equipped to combat cybersquatting.

#### A. The Mid-to-Late 1990s: The Federal Trademark Dilution Act

As the Internet morphed from an academic tool into a commercial and educational resource, limited means of guarding against cybersquatting and typosquatting existed.<sup>111</sup> Early cybersquatting cases were couched in trademark law terms, and alleged violations of the Federal Trademark Dilution Act of 1995 (FTDA)<sup>112</sup> and similar state statutes.<sup>113</sup> A plaintiff must prove four elements to establish that the defendant is violating the Federal Trademark Dilution Act: (1) that the mark is famous, (2) that the defendant is using the mark in commerce, (3) that the defendant's use began after the mark became famous, and (4) that the defendant's use dilutes the mark's capacity to identify and distinguish goods or services.<sup>114</sup>

Winning domain name challenges under the FTDA was difficult because a plaintiff had to prove that the defendant's use of the domain name was commercial in nature and that the defendant's use had the effect of diluting the trademark.<sup>115</sup> In *Panavision v. Toeppen*, the Ninth Circuit held that the FTDA applies to cybersquatting cases because registering a mark in order to attempt to sell it constitutes a commercial use, and using the mark of another company dilutes the value of that company's mark.<sup>116</sup> In that case, Panavision argued that the defendant registered its trademarked name as an Internet domain name, panavision.com,<sup>117</sup> and mailed a letter to Panavision expressing

<sup>110</sup> See, e.g., *id.* at 8 (statement of Hon. Spencer Abraham, Member, S. Comm. on the Judiciary) (stating that Gateway, Inc. paid \$100,000 to a cybersquatter who placed pornographic images at [www.gateway2000.com](http://www.gateway2000.com), a misspelling of the company's [www.gateway2000.com](http://www.gateway2000.com) web site).

<sup>111</sup> See Anschell & Lucas, *supra* note 75, at 3.

<sup>112</sup> The FTDA provides: "The owner of a famous mark shall be entitled . . . to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution to the distinctive quality of the mark . . ." 15 U.S.C. § 1125(c)(1) (2000); see also *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1324 (9th Cir. 1998) (discussing the FTDA's requirement).

<sup>113</sup> See, e.g., CAL. BUS. & PROF. CODE § 14330 (West 1987 & Supp. 2004) (prohibiting the dilution of "the distinctive quality" of a mark).

<sup>114</sup> *Panavision*, 141 F.3d at 1324.

<sup>115</sup> See *id.*

<sup>116</sup> *Id.* at 1327.

<sup>117</sup> The defendant also registered approximately 240 other domain names such as [deltaairlines.com](http://deltaairlines.com), [eddiebauer.com](http://eddiebauer.com), and [neimanmarcus.com](http://neimanmarcus.com). See *Hearings, supra* note 3, at 7 (prepared statement of Anne H. Chasser, President, Int'l Trademark Ass'n).

his desire "to settle the matter" for 130 times the initial cost of registration.<sup>118</sup>

The Ninth Circuit first concluded that the defendant made commercial use of the domain name and that the defendant "act[ed] as a 'spoiler,' preventing Panavision and others from doing business on the Internet under their trademarked names unless they pa[id] his fee."<sup>119</sup> While Toeppen's conduct satisfied the commercial use requirement, the court also acknowledged that simply registering someone else's trademark as a domain name, without more, is not a commercial use within the scope of the FTDA.<sup>120</sup> In this instance, the defendant's conduct fell within the ambit of the statute because he attempted to sell the trademarked domain name.<sup>121</sup> Savvy cybersquatters, however, could easily circumvent the Ninth Circuit's construction of the commercial use requirement.<sup>122</sup>

The Ninth Circuit further concluded that Toeppen diluted Panavision's trademark by registering panavision.com.<sup>123</sup> The FTDA defines dilution as "the lessening of the capacity of a famous mark to identify and distinguish goods or services," without regard to likelihood of confusion or competition between the mark holder and the defendant.<sup>124</sup> The dilution rendered Panavision less capable of distinguishing its goods and services on the Internet, and potential customers less capable of locating legitimate information on the Internet.<sup>125</sup>

In addition to proving the elements of commercial use and dilution, a plaintiff must obtain personal jurisdiction<sup>126</sup> over a defendant when proceeding under the FTDA—a difficult requirement in some

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<sup>118</sup> Toeppen offered to sell Panavision the domain name for \$13,000, but only paid \$100 to register the domain name with Network Solutions, Inc. See *Panavision*, 141 F.3d at 1318–19.

<sup>119</sup> *Id.* at 1325 (citing *Panavision Int'l, L.P. v. Toeppen*, 938 F. Supp. 616, 621 (C.D. Cal. 1996)); see also *Intermatic, Inc. v. Toeppen*, 947 F. Supp. 1227, 1239 (N.D. Ill. 1996) (concluding in another FTDA case against the same defendant that the defendant's "intention to arbitrage the 'intermatic.com' domain name constitute[d] a commercial use").

<sup>120</sup> *Panavision*, 141 F.3d at 1324.

<sup>121</sup> *Id.* at 1325.

<sup>122</sup> *Anschell & Lucas*, *supra* note 75, at 3 ("While redressing an early instance of cybersquatting, *Panavision* left open the possibility that a cybersquatter could register a famous name as a domain name and then simply wait to be offered money to relinquish it.")

<sup>123</sup> *Panavision*, 141 F.3d at 1327.

<sup>124</sup> See 15 U.S.C. § 1127 (2000). For an analysis of multiple interpretations of the term dilution, see *Ty Inc. v. Perryman*, 306 F.3d 509, 511–12 (7th Cir. 2002).

<sup>125</sup> *Panavision*, 141 F.3d at 1326–27. Congress was concerned about the ability of the Internet to dilute trademarks. Senator Patrick Leahy stated: "[I]t is my hope that this antidilution statute can help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others." 141 CONG. REC. S19312 (daily ed. Dec. 29, 1995) (statement of Sen. Leahy).

<sup>126</sup> For thorough analyses of personal jurisdiction and the Internet, see Christopher McWhinney et al., *The "Sliding Scale" of Personal Jurisdiction Via the Internet*, 2000 STAN. TECH. L. REV. 1; Michele N. Breen, Comment, *Personal Jurisdiction and the Internet: "Shoehorning" Cyberspace into International Shoe*, 8 SETON HALL CONST. L.J. 763, 776–813 (1998); Note, *No*

Internet-related cases.<sup>127</sup> The Ninth Circuit considered three factors in assessing whether Panavision could obtain specific personal jurisdiction over Toeppen, a non-resident defendant.<sup>128</sup> First, the court considered whether the defendant purposefully availed himself of the privileges of conducting business in the forum state, thereby invoking the benefits and protections of the laws.<sup>129</sup> Second, the court considered whether Panavision's claim arose out of the defendant's activity in the forum state.<sup>130</sup> Third, the court assessed whether the exercise of personal jurisdiction would be reasonable.<sup>131</sup> The court concluded that Panavision satisfied all three personal jurisdiction requirements because "Toeppen's acts were aimed at Panavision in California"<sup>132</sup> and because Toeppen's conduct "had the effect of injuring Panavision in California where Panavision has its principle place of business and where the movie and television industry is centered."<sup>133</sup>

While *Panavision* held that the FTDA applied to cybersquatting, the court's reasoning effectively precluded future courts from apply-

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*Bad Puns: A Different Approach to the Problem of Personal Jurisdiction and the Internet*, 116 HARV. L. REV. 1821 (2003).

<sup>127</sup> See *Bensusan Rest. Corp. v. King*, 937 F. Supp. 295, 300 (S.D.N.Y. 1996) (noting that merely creating a web site does not justify an exercise of personal jurisdiction because it is not the equivalent of purposefully establishing minimum contacts with the forum state). But see *CompuServe, Inc. v. Patterson*, 89 F.3d 1257, 1263 (6th Cir. 1996) (permitting personal jurisdiction over a defendant in Ohio where the defendant contracted to market a product in other states through the Ohio-based CompuServe network); *Alitalia-Linee Aeree Italiane S.p.A. v. Casinotalia.com*, 128 F. Supp. 2d 340, 347-51 (E.D. Va. 2001) (upholding personal jurisdiction over a Dominican owner of a gambling web site where five persons with billing addresses in the forum state accessed the web site); *Maritz, Inc. v. Cybergold, Inc.*, 947 F. Supp. 1328, 1332-34 (E.D. Mo. 1996) (exercising personal jurisdiction in Missouri over a California web site operator that kept mailing lists of Internet users for advertising, knew that its information would be transmitted globally, and had transmitted information into Missouri approximately 131 times); *Inset Sys., Inc. v. Instruction Set, Inc.*, 937 F. Supp. 161, 164-65 (D. Conn. 1996) (concluding personal jurisdiction over foreign corporation was justified where defendant created web site, conducted Internet advertising activities directed toward all states, and the distance between Connecticut and Massachusetts was minimal).

<sup>128</sup> *Panavision*, 141 F.3d at 1320.

<sup>129</sup> *Id.*

<sup>130</sup> *Id.*

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

<sup>132</sup> *Id.* at 1323. The court also noted that jurisdiction over Toeppen was particularly reasonable because Toeppen sent a letter to Panavision in California, demanding money for the domain name. *Id.* The letter stated:

If your attorney has advised you otherwise, he is trying to screw you. He wants to blaze new trails in the legal frontier at your expense. Why do you want to fund your attorney's purchase of a new boat (or whatever) when you can facilitate the acquisition of 'PanaVision.com' cheaply and simply instead?

*Id.* at 1319.

<sup>133</sup> *Id.* at 1322 (applying the "effects test" for intentional action aimed at the state under a tort analysis); Robert C. Scheinfeld & Parker H. Bagley, *Long-Arm Jurisdiction*; "Cybersquatting," N.Y. L.J., Nov. 27, 1996, at 36.

ing the FTDA to cybersquatting cases.<sup>134</sup> Since the court mentioned that merely registering a domain name does not satisfy the commercial use element,<sup>135</sup> cybersquatters could conceivably attempt to elude the FTDA by waiting until trademark holders approached them instead of aggressively trying to sell registered domain names.<sup>136</sup> Additionally, cybersquatters could arguably circumvent the personal jurisdiction requirement of the FTDA by adopting the same passive sales tactics.<sup>137</sup>

#### B. 1999–2003: The Anticybersquatting Consumer Protection Act

The loopholes left by *Panavision* and its progeny bred proficient cybersquatters capable of circumventing a statute that was not specifically tailored to prevent cybersquatting.<sup>138</sup> In 1999, Congress enacted the Anticybersquatting Consumer Protection Act (ACPA)<sup>139</sup> to create a new cause of action against cybersquatters and thereby ameliorate “a new form of piracy on the Internet caused by . . . the deliberate, bad-faith, and abusive registration of Internet domain names in violation of the rights of trademark owners.”<sup>140</sup> Congress designed the ACPA to augment—not to replace—traditional trademark suits available under the Lanham Act<sup>141</sup> and the Federal Trademark Dilution Act.<sup>142</sup>

<sup>134</sup> See Anschell & Lucas, *supra* note 75, at 3.

<sup>135</sup> *Panavision*, 141 F.3d at 1324; see, e.g., *HQM, Ltd. v. Hatfield*, 71 F. Supp. 2d 500, 507 (D. Md. 1999) (observing that “nearly every Court to have decided whether mere registration or activation of a domain name constitutes ‘commercial use’ has rejected such arguments”); *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 307 (D.N.J. 1998) (stating that “the mere registration of a domain name, without more, is not a ‘commercial use’ of a trademark”); *Acad. of Motion Picture Arts & Scis. v. Network Solutions, Inc.*, 989 F. Supp. 1276, 1279 (C.D. Cal. 1997) (noting that “[t]he mere registration of a domain name does not constitute a commercial use”); *Juno Online Servs. v. Juno Lighting, Inc.*, 979 F. Supp. 684, 691–92 (N.D. Ill. 1997) (stating that “[t]he mere ‘warehousing’ of the domain name is not enough to find that defendant placed the mark on goods or ‘used or displayed [the mark] in the sale or advertising of services’”).

<sup>136</sup> Anschell & Lucas, *supra* note 75, at 3.

<sup>137</sup> *Id.*

<sup>138</sup> See *Virtual Works, Inc. v. Volkswagen of Am., Inc.*, 238 F.3d 264, 267 (4th Cir. 2001) (noting that Congress enacted the Anticybersquatting Consumer Protection Act because “then-current law did not expressly prohibit the act of cybersquatting and cybersquatters had started to take the necessary precautions to insulate themselves from liability under the Federal Trademark Dilution Act”).

<sup>139</sup> Pub. L. No. 106-113, §§ 3001–3010, 113 Stat. 1536, 1501(A)–545 (codified as amended in 15 U.S.C. §§ 1051 note, 1114, 1116, 1117, 1125, 1129; 16 U.S.C. § 470a; 28 U.S.C. § 1338; 15 U.S.C. § 1125 (2000)).

<sup>140</sup> S. REP. NO. 106-140, at 4 (1999); see also *Hearings*, *supra* note 3, at 2 (statement of Hon. Spencer Abraham, Member, S. Comm. on the Judiciary) (noting the need for “legislation which addresses the issue of in rem jurisdiction” that combats cybersquatting attacks by “supplementing existing rights under trademark law”).

<sup>141</sup> Trademark Act of 1946, 60 Stat. 427 (codified as amended in scattered sections of 15, 17, and 28 U.S.C.).

<sup>142</sup> See Allon Lifshitz, Recent Developments, *Cybersquatting*, 38 HARV. J. ON LEGIS. 529, 537 (2001).

While the ACPA specifically targets bad faith attempts to profit from deceptive domain names, a limitation of the ACPA is that it only protects domain names associated with trademarks.<sup>143</sup> The ACPA does, however, protect individuals who register their personal names or nicknames as domain names.<sup>144</sup>

Congress drafted the ACPA to target individuals who register domain names solely to “profit by extortion.”<sup>145</sup> The ACPA creates a civil cause of action where a person “registers, traffics in, or uses a domain name”<sup>146</sup> in bad faith, intending to profit from another person’s famous or distinctive mark.<sup>147</sup> To establish infringement of a distinctive mark, the owner of the mark must prove that the allegedly infringing domain name is “identical or confusingly similar” to the distinctive mark as of the time of the domain name’s registration.<sup>148</sup>

<sup>143</sup> 15 U.S.C. § 1125(d)(1)(A)(i) (2000).

<sup>144</sup> See *Schmidheiny v. Weber*, 146 F. Supp. 2d 701, 705 (E.D. Pa. 2001) (stating that “[the] ACPA . . . reaches any name of ‘another living person,’ irrespective of whether that name has become a protectable mark”).

<sup>145</sup> See *Ford Motor Co. v. Greatdomains.com, Inc.*, 177 F. Supp. 2d 635, 642 (E.D. Mich. 2001).

<sup>146</sup> The term “traffics in” is defined broadly as “transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.” 15 U.S.C. § 1125(d)(1)(E) (2000); see also *Ford Motor Co., v. Catalanotte*, 342 F.3d 543, 549 (6th Cir. 2003) (

When the defendant registered the domain name FORDWORLD.COM and later offered it for sale to Ford, he trafficked in the domain name for the purposes of the ACPA. Registering a famous trademark as a domain name and then offering it for sale to the trademark owner is exactly the wrong Congress intended to remedy when it passed the ACPA.

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<sup>147</sup> See 15 U.S.C. § 1125(d)(1)(A) (2000); *Domain Name Clearing Co. v. F.C.F., Inc.*, No. 00-2509, 2001 WL 788975 (4th Cir. July 12, 2001); *People for the Ethical Treatment of Animals, Inc. v. Doughney*, 113 F. Supp. 2d 915, 920 (E.D. Va. 2000). The Act also applies to domain names that are “a trademark, word, or name protected by reason of section 706 of title 18 or section 220506 of title 36.” 15 U.S.C. § 1125(d)(1)(A)(ii)(III) (2000).

<sup>148</sup> 15 U.S.C. § 1125(d)(1)(A)(ii)(I) (2000). Section 1125(d)(1)(B)(i)(IX) refers to § 1125(c)(1) when determining whether a mark is distinctive or famous. That section provides:

In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to—

- (A) the degree of inherent or acquired distinctiveness of the mark;
- (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
- (C) the duration and extent of advertising and publicity of the mark;
- (D) the geographical extent of the trading area in which the mark is used;
- (E) the channels of trade for the goods or services with which the mark is used;
- (F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks’ owner and the person against whom the injunction is sought;
- (G) the nature and extent of use of the same or similar marks by third parties; and

Similarly, to establish infringement of a famous mark, the owner of the mark must establish that the allegedly infringing domain name is “identical or confusingly similar to or dilutive of” a mark that is famous at the time of the domain name’s registration.<sup>149</sup> Once the owner of a famous or distinctive mark establishes infringement, a court may “order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.”<sup>150</sup>

The ACPA also requires bad-faith intent to maintain a cause of action. Consequently, the Act exempts persons who have legitimate interests in domain names that may be identical to a famous or distinctive mark—even where there is some incidental benefit because the name is distinctive or famous.<sup>151</sup> The Act enumerates a non-exhaustive, illustrative list of factors that a court may consider in deter-

(H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

*Id.* § 1125(c)(1).

<sup>149</sup> *Id.* § 1125(d)(1)(A)(ii)(II).

<sup>150</sup> *Id.* § 1125(d)(1)(C); see *America Online, Inc. v. AOL.org*, 259 F. Supp. 2d 449, 453–57 (E.D. Va. 2003).

<sup>151</sup> See 15 U.S.C. § 1125(d)(1)(A)(i); *Competition Specialties, Inc. v. Competition Specialties, Inc.*, Nos. 02-35831, 02-35885, D.C. No. CV-00-00038-RSL, 2004 WL 94026 (9th Cir. Jan. 20, 2004) (affirming lower court determination that the plaintiff’s ACPA claim for damages failed because it could not prove bad-faith intent); *Ford Motor Co. v. Greatdo mains.com, Inc.*, 177 F. Supp. 2d 635, 642 (E.D. Mich. 2001) (reasoning that the bad faith factors enumerated in the ACPA focus on whether the defendant’s use of the domain name is not solely to profit from the value of the trademark). The Senate Judiciary Committee also noted that bad faith is a requisite for civil liability:

Civil liability would attach only if a person had no intellectual property rights in the domain name identifier; the domain name identifier was not the person’s legal first name or surname; and the person registered, acquired, or used the domain name identified with the bad-faith intent to benefit from the goodwill of another’s trademark or service mark.

*Hearings, supra* note 3, at 2 (statement of Hon. Spencer Abraham, Member, S. Comm. on the Judiciary). Some scholars, however, still argue that the ACPA provides too much power to large corporations who may become the aggressors against individuals holding legitimate domain names. See Debra Baker, *Standing Up To Cybersquatters: Judges Are Seizing On New Legislation to Keep Web Site Pirates from Taking a Name for Themselves*, 86 A.B.A. J. 18, 20 (March 2000). In one recent case, a Canadian teenager, Mike Rowe, registered the domain name MikeRoweSoft.com. *Boy Swaps MikeRoweSoft for Xbox*, BBC News, Jan. 26, 2004, at <http://news.bbc.co.uk/1/hi/technology/3429485.stm> (last visited Apr. 16, 2004). When Rowe rejected a ten-dollar offer to purchase the domain name, attorneys for the software conglomerate Microsoft, Inc. responded with a letter asking the teen to give up the domain name. Daniel Sieberg, *Teen Fights to Keep MikeRoweSoft.com*, CNN.COM, Jan. 20, 2004, at <http://www.cnn.com/2004/TECH/internet/01/20/rowe.fight/index.html> (last visited Apr. 16, 2004). Rowe commented: “I don’t think Microsoft’s really to blame for this . . . . I really think it’s a lawyer thing with them trying to get more money.” *Id.* Rowe ultimately agreed to transfer the domain name to Microsoft, and in exchange Microsoft paid for computer programming classes, invited Rowe to its headquarters for a conference, and mailed a free Xbox video game system. *Boy Swaps MikeRoweSoft for Xbox, supra*. After settling the dispute, a spokesperson for Microsoft conceded, “We take our trademark seriously, but in this case maybe a little too seriously.” Sieberg, *supra*.



mining whether a person satisfies the bad-faith intent requirement.<sup>152</sup> Among other statutory factors, a court can consider as indicative of bad faith the defendant's offer to sell the domain name, the intent to divert traffic from the plaintiff's legitimate web site, and a pattern of registering famous trademarks as domain names.<sup>153</sup> A court may also consider additional factors not specifically included in the Act.<sup>154</sup> Finally, a plaintiff cannot prove bad-faith intent if 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."<sup>155</sup>

The ACPA addressed the two primary defects of prosecuting cybersquatting suits under the FTDA: the commercial use and personal jurisdiction requirements.<sup>156</sup> Unlike the FTDA, the ACPA does not require commercial use of the infringing domain name.<sup>157</sup> To remedy the jurisdictional difficulties plaintiffs faced under the FTDA, the ACPA permits the exercise of in rem jurisdiction against the domain name itself.<sup>158</sup> Under the in rem provision, a plaintiff can file an ACPA suit in the judicial district in which the domain name registrar is located if the plaintiff cannot obtain in personam jurisdiction or if the plaintiff attempts and fails to locate a person to defend the civil suit.<sup>159</sup>

Courts have also applied the ACPA to typosquatting, noting that the statute protects against identical or "confusingly similar" domain

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<sup>152</sup> See 15 U.S.C. § 1125(d)(1)(B)(i) (2000); see also *Harrods Ltd. v. Sixty Internet Domain Names*, 302 F.3d 214, 234 (4th Cir. 2002) (noting that no simple formula exists for evaluating and weighing the bad faith factors); *People for the Ethical Treatment of Animals, Inc. v. Doughney*, 113 F. Supp. 2d 915, 920–21 (E.D. Va. 2000) (applying the statutory factors and concluding that the defendant had the requisite bad-faith intent). For detailed analyses of the bad faith factors, see 4 MCCARTHY, *supra* note 41, § 25:78, at 25-270–25-290; *Searing*, *supra* note 48, at 119–31.

<sup>153</sup> 15 U.S.C. § 1125(d)(1)(B)(i); *Anschell & Lucas*, *supra* note 75, at 3.

<sup>154</sup> 15 U.S.C. § 1125(d)(1)(B)(i).

<sup>155</sup> *Id.* § 1125(d)(1)(B)(ii).

<sup>156</sup> See *supra* Part II.A.

<sup>157</sup> See *Anschell & Lucas*, *supra* note 75, at 3.

<sup>158</sup> 15 U.S.C. § 1125(d)(2)(A); *Hearings*, *supra* note 3, at 3 (statement of Hon. Spencer Abraham, Member, S. Comm. on the Judiciary) (observing that "[u]nder this legislation, the owner of a mark could bring an in rem action against the domain name identifier itself"); see also *Cable News Network, L.P. v. Cnnews.com*, 56 Fed.Appx. 599, 603, No. 02-1112, 2003 WL 152846 (4th Cir. Jan. 23, 2003) (exercising in rem jurisdiction over domain name); *Mattel, Inc. v. Barbie-Club.com*, 310 F.3d 293, 308 (2d Cir. 2002) (finding in rem jurisdiction requirements not satisfied); *Caesars World, Inc., v. Caesars-Palace.com*, 112 F. Supp. 2d 502, 505 (E.D. Va. 2000) (exercising in rem jurisdiction and upholding as constitutional the ACPA's jurisdiction statute); *Lucent Techs., Inc., v. LucentSucks.com*, 95 F. Supp. 2d 528, 533–34 (E.D. Va. 2000) (concluding plaintiff's eight-day notice for in rem proceeding gave defendant insufficient notice and did not satisfy statute's due diligence requirement that a plaintiff first attempt to secure personal jurisdiction).

<sup>159</sup> 15 U.S.C. § 1125(d)(2)(A)(ii) (2000); see *Shri Ram Chandra Mission v. Sahajmarg.org*, 139 F. Supp. 2d 721, 723 (E.D. Va. 2001) (applying the provision); *Anschell & Lucas*, *supra* note 75, at 4.

names.<sup>160</sup> Although courts have broadly applied the ACPA to cases involving deliberate typosquatting,<sup>161</sup> such as the Zuccarini case,<sup>162</sup> the Act's reach is limited in other instances.<sup>163</sup> For example, in *Ty Inc. v. Perryman*,<sup>164</sup> the Seventh Circuit concluded that a reseller of Ty's popular Beanie Babies product did not violate the ACPA by registering the domain name *www.bargainbeanies.com*.<sup>165</sup> In an opinion by Judge Posner, the court reasoned that the term "Beanie Baby" was a "basic element of the product" rather than the manufacturer or brand.<sup>166</sup> Thus, Ty was not entitled to absolute protection without showing "that the consuming public accepts [Beanie Babies] as the designation of a brand of the product."<sup>167</sup> Consequently, while courts may apply the ACPA to cases in which deliberate misspellings were a part of a typosquatting scheme,<sup>168</sup> some courts may also allow popular names to be included as part of a domain name when the web sites advertise related products.<sup>169</sup>

Although Congress drafted the ACPA to remove the obstacles plaintiffs encountered when pursuing cases under the FTDA, the legislation possesses its own set of problems. Two aspects of the law substantially limit its effectiveness in cybersquatting and typosquatting cases. First, under the Act, a successful claimant can only obtain injunctive relief or statutory damages.<sup>170</sup> While a court can impose civil damages ranging from \$1,000 to \$100,000 per domain name, derivative web sites generate substantial advertising revenue, which may outweigh the penalties accumulated in suits that are actually filed and

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<sup>160</sup> *E. & J. Gallo Winery v. Spider Webs Ltd.*, 286 F.3d 270, 274 (5th Cir. 2002); *Shields v. Zuccarini*, 254 F.3d 476, 483–84 (3d Cir. 2001); *Victoria's Secret Stores v. Artco Equip. Co.*, 194 F. Supp. 2d 704, 737–38 (S.D. Ohio 2002); *Victoria's Cyber Secret Ltd. P'ship v. V Secret Catalogue, Inc.*, 161 F. Supp. 2d 1339, 1351 (S.D. Fla. 2001); *Jack in the Box, Inc. v. Jackinthebox.org*, 143 F. Supp. 2d 590, 592 (E.D. Va. 2001); *Zipee Corp. v. U.S. Postal Serv.*, 140 F. Supp. 2d 1084, 1087 (D. Or. 2000); *see also Interstellar Starship Servs., Ltd. v. Tchou*, 304 F.3d 936, 947 (9th Cir. 2002) (finding ACPA claim was not justified because domain name registrar did not act in bad faith).

<sup>161</sup> In *U.S. Olympic Committee v. 2000Olympic.com*, a federal district court judge ordered the largest transfer award ever—818 domain names—to the U.S. Olympic Committee, International Olympic Committee, and other committees charged with organizing the Olympic games. *See U.S. Olympic Comm. v. 2000Olympic.com*, No. 00-1018-A (E.D. Va. Apr. 4, 2003).

<sup>162</sup> *See supra* Part I.D.; *infra* Part II.D.

<sup>163</sup> *Anschell & Lucas, supra* note 75, at 4.

<sup>164</sup> 306 F.3d 509 (7th Cir. 2002).

<sup>165</sup> *Id.* at 510, 514–15.

<sup>166</sup> *Id.* at 513–14.

<sup>167</sup> *Id.* at 514; *see also id.* at 513 ("Ty's trademarks likewise are descriptive of the product they denote; its argument that 'Beanies' is 'inherently distinctive' (like Kodak and Exxon), and therefore protected by trademark law without proof of secondary meaning, is nonsense.").

<sup>168</sup> *See Shields v. Zuccarini*, 254 F.3d 476, 484 (3d Cir. 2001).

<sup>169</sup> *See Ty Inc.*, 306 F.3d at 513–14; *Anschell & Lucas, supra* note 75, at 4.

<sup>170</sup> 15 U.S.C. §§ 1117(d), 1129(2) (2000).

successfully litigated.<sup>171</sup> In this sense, the ACPA may make cybersquatting and typosquatting less profitable, but it does not completely eradicate the incentive to cyber- or typosquat.

Second, the Act fails to address the transaction costs associated with prosecuting the potentially infinite number of civil lawsuits necessary to protect a domain name. Because the domain name registration system does not independently verify a registrant's right to use a requested domain name,<sup>172</sup> cybersquatters can register hundreds or thousands of domain names with little difficulty. More significantly, many different cybersquatters could register one derivative domain name each, thus requiring a single plaintiff to file hundreds of individual lawsuits to protect one domain name.<sup>173</sup>

### C. ICANN and Arbitration Under the Uniform Domain Name Resolution Policy

In addition to pursuing civil suits, individuals can attempt to recover domain names through ICANN's mandatory arbitration proceedings.<sup>174</sup> Arbitration is an attractive means of prosecuting a cybersquatting case because it provides a binding resolution less expensively and more expeditiously than federal civil litigation.<sup>175</sup> Moreover, arbitration avoids jurisdictional problems because registrants automatically subject themselves to ICANN regulations as a condition of domain name registration.<sup>176</sup> Nor is arbitration an exclusive remedy; either party may pursue other legal remedies at any time.<sup>177</sup> If ICANN has already concluded its administrative proceeding and one party documents that it has filed a lawsuit, the ICANN Administra-

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<sup>171</sup> Compare *Zuccarini Plea*, *supra* note 1, at 1 (stating that John Zuccarini earned approximately \$1 million per year from cybersquatting activity), with 15 U.S.C. § 1117(d) (providing for civil damages ranging from \$1,000 to \$100,000 per domain name).

<sup>172</sup> See *supra* Part I.B.

<sup>173</sup> This assumes, of course, that a plaintiff can identify and locate the defendant. See, e.g., *Columbia Ins. Co. v. Seescandy.com*, 185 F.R.D. 573, 576 (N.D. Cal. 1999) (detailing how one domain name owner used aliases and provided fictitious names and addresses).

<sup>174</sup> Arbitration costs under the UDRP vary depending on the dispute resolution organization selected, with fees ranging from \$750 for a single-arbitrator panel to as much as \$4,500 for a three-arbitrator panel. See Diane L. Kilpatrick, Comment, *ICANN Dispute Resolution vs. Anti-Cybersquatting Consumer Protection Act Remedies: Which Makes More "Cents" for the Client?*, 2 Hous. Bus. & Tax L.J. 283, 295 (2002). Parties must also pay attorneys' fees in addition to arbitration forum costs. For a step-by-step guide to prosecuting a cybersquatting case before WIPO, see Anshell & Lucas, *supra* note 75, at 6–7.

<sup>175</sup> See Anshell & Lucas, *supra* note 75, at 5; Searing, *supra* note 48, at 134 (noting that the time for discovery and motions is reduced and a decision is usually entered within sixty days of filing).

<sup>176</sup> See *Parisi v. Netlearning, Inc.*, 139 F. Supp. 2d 745, 747 (E.D. Va. 2001) (noting that the UDRP binds registrants through their contracts with registrars); Searing, *supra* note 48, at 134–35.

<sup>177</sup> See King, *supra* note 15, at 475.

tive Panel will not implement its decision until the lawsuit is settled or withdrawn.<sup>178</sup>

ICANN promulgated a Uniform Domain Name Dispute Resolution Policy (UDRP)<sup>179</sup> that approved dispute resolution service providers enforce.<sup>180</sup> Every approved service provider must subscribe to the UDRP, and registrants must submit to mandatory arbitration under the UDRP in cybersquatting and typosquatting cases.<sup>181</sup> ICANN's policy applies, however, only to those cases in which someone registers a domain name in bad faith, with the intent to profit

<sup>178</sup> See *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de Barcelona*, 330 F.3d 617, 624 (4th Cir. 2003); *BroadBridge Media, L.L.C. v. Hypercd.com*, 106 F. Supp. 2d 505, 509 (S.D.N.Y. 2000); UDRP, *supra* note 69, ¶ 4(k).

<sup>179</sup> For a critical analysis of the procedural and substantive limitations of current UDRP application, see Robert A. Badgley, *Improving ICANN in Ten Easy Steps: Ten Suggestions for ICANN to Improve its Anti-Cybersquatting Arbitration System*, 2001 U. ILL. J. L. TECH. & POL'Y 109, 113–28.

<sup>180</sup> ICANN provides a listing of approved dispute resolution centers. ICANN, *Approved Providers for Uniform Domain-Name Dispute-Resolution Policy*, at <http://icann.org/dndr/udrp/approved-providers.htm> (last visited Apr. 16, 2004). In selecting dispute resolution service providers, ICANN looks for organizations with a history of “competently handling the clerical aspects of ADR proceedings,” that employ “highly qualified neutrals who have agreed to serve as panelists.” See ICANN, *Information Concerning Approval Process for Dispute-Resolution Service Providers*, at <http://www.icann.org/dndr/udrp/provider-approval-process.htm> (last visited Apr. 16, 2004).

<sup>181</sup> The UDRP provides, in relevant part:

You are required to submit to a mandatory administrative proceeding in the event that a third party (a “complainant”) asserts to the applicable Provider, in compliance with the Rules of Procedure, that

- (i) your domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
- (ii) you have no rights or legitimate interests in respect of the domain name; and
- (iii) your domain name has been registered and is being used in bad faith.

UDRP, *supra* note 69, ¶ 4(a). Further, the policy enumerates specific circumstances that constitute bad-faith use:

- (i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or
- (ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
- (iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.

*Id.* ¶ 4(b).

commercially from another's trademark, thereby "relegat[ing] all 'legitimate' disputes—such as those where both disputants had long-standing trademark rights in the name . . . to the courts."<sup>182</sup>

Section 4(b)(i) of the UDRP outlines the requirement for bad-faith intent, and, in doing so, appears to describe the typical cybersquatting or typosquatting case. As an example of bad-faith domain name use, the section describes registering or acquiring a domain name "primarily for the purpose of selling, renting, or otherwise transferring" the domain name to a third party complainant "or to a competitor" for any payment higher than the "out-of-pocket costs directly related to the domain name."<sup>183</sup> Even though the UDRP encompasses typosquatting and arbitration cases are usually successful, ICANN is only empowered to cancel or transfer the infringing domain name.<sup>184</sup> Monetary damages are not available.<sup>185</sup>

#### D. The Return of the Notorious Typosquatter

In response to John Zuccarini's registration of domain names mimicking the popular web site JoeCartoon.com, Joseph Shields filed suit in federal district court arguing that Zuccarini violated state and federal unfair competition laws, as well as the Anticybersquatting Consumer Protection Act.<sup>186</sup> The district court permanently enjoined Zuccarini from using any domain name similar to joecartoon.com, and awarded Shields \$50,000 in statutory damages and nearly \$40,000 in fees and court costs.<sup>187</sup> After months of litigation and an appeal to the Third Circuit, Shields ultimately prevailed and retained the judg-

<sup>182</sup> ICANN, *Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy*, ¶ 4.1(c) (Oct. 24, 1999), at <http://www.icann.org/udrp/udrp-second-staff-report-24oct99.htm> (last visited Apr. 16, 2004). Additional documents regarding the development of the UDRP are available at <http://www.icann.org/udrp/historical.html> (last visited Apr. 16, 2004).

<sup>183</sup> UDRP, *supra* note 69, ¶ 4(b)(i).

<sup>184</sup> UDRP, *supra* note 69, ¶ 4(i). As of July 16, 2002, arbitration panels decided approximately 5,240 disputes, of which the complaining party prevailed in 4,194 cases. See 4 MCCARTHY, *supra* note 41, § 25:74.2, at 25-205 n.4.1 (2003). As of April 16, 2004, arbitration panels under the UDRP decided a total of 7,759 cases involving 13,269 domain names, and 608 cases were pending, involving 900 domain names. ICANN, *Statistical Summary of Proceedings Under Uniform Domain Name Dispute Resolution Policy* (Feb. 25, 2004), at <http://www.icann.org/udrp/proceedings-stat.htm> (last visited Apr. 16, 2004). The first case prosecuted under ICANN's mandatory arbitration resulted in the transfer of the infringing domain name to the trademark holder. See *World Wrestling Fed'n Entm't, Inc. v. Bosman*, WIPO Arbitration and Mediation Center, No. D99-0001 (Jan. 14, 2000) (involving a cybersquatter who attempted to sell the domain name [www.worldwrestlingfederation.com](http://www.worldwrestlingfederation.com) to WWF Entertainment, Inc. three days after registering the domain name), at <http://arbitrator.wipo.int/domains/decisions/html/1999/d1999-0001.html> (last visited Apr. 16, 2004).

<sup>185</sup> See UDRP, *supra* note 69, ¶ 4(i).

<sup>186</sup> *Shields v. Zuccarini*, 254 F.3d 476, 479–80 (3d Cir. 2001); see *supra* Part I.D.

<sup>187</sup> See *Shields*, 254 F.3d at 481. For a detailed analysis of the district court and Third Circuit opinions, see Marsh, *supra* note 11, at 691–711.

ment of nearly \$100,000, as well as the permanent injunction protecting the joecartoon.com web site against Zuccarini in the future.<sup>188</sup>

But this litigation concerned only five web sites and one individual wronged by Zuccarini.<sup>189</sup> Zuccarini still owns nearly 9,000 misspelled domain names.<sup>190</sup> At least ninety percent of Zuccarini's domain names redirect the user to a single sexually explicit site, which subsequently mousetraps the unsuspecting user in a maze of pornographic images.<sup>191</sup> The Federal Trade Commission (FTC) has received numerous complaints from consumers who inadvertently accessed web sites controlled by Zuccarini because they misspelled a domain name.<sup>192</sup> Recently, the FTC initiated a civil action resulting in an order permanently enjoining Zuccarini from registering misspellings of common Internet domain names.<sup>193</sup> ICANN arbitration has also failed to deter Zuccarini.<sup>194</sup> Panels of UDRP arbitrators ruled against Zuccarini in 98 of approximately 100 proceedings and ordered him to transfer the domain names to the legitimate domain name holders.<sup>195</sup> Despite these numerous rulings by federal courts and ICANN arbitration panels, Zuccarini continues to register misleading domain names.<sup>196</sup>

The *Zuccarini* case underscores the limitations of existing legislation and mandatory arbitration proceedings—despite the fact that these statutes and policies were specifically designed to combat cybersquatting and typosquatting.<sup>197</sup> While the ACPA solved the jurisdictional and commercial use requirements that plagued plaintiffs under the FTDA, the statute did not—and could not—reduce the high transaction costs associated with prosecuting multiple cybersquatting cases against numerous defendants.<sup>198</sup> While ICANN mandatory arbitration provides a forum for resolving domain name disputes free from jurisdictional concerns, the only remedy available to prevailing plaintiffs is the transfer of the infringing domain name.<sup>199</sup> In short, absent more aggressive intervention, typosquatting will continue because of the high transaction costs associated with fragmented litigation, the

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<sup>188</sup> *Shields*, 254 F.3d at 488.

<sup>189</sup> *Id.* at 479–80; *see, e.g.*, *Electronics Boutique Holdings Corp. v. Zuccarini*, No. 01-1476, 2002 WL 917789 (3d Cir. Apr. 25, 2002); *Electronics Boutique Holdings Corp., v. Zuccarini*, No. Civ. A. 00-4055, 2000 WL 1622760 (E.D. Pa. Oct. 30, 2000).

<sup>190</sup> Edelman, *supra* note 26.

<sup>191</sup> *Id.*

<sup>192</sup> *See Sealed Complaint*, *supra* note 86, at 5–6.

<sup>193</sup> *See FTC v. Zuccarini*, No. Civ. A. 01-CV-4854, 2002 WL 1378421 (E.D. Pa. 2002); *Sealed Complaint*, *supra* note 86, at 11.

<sup>194</sup> *See Sealed Complaint*, *supra* note 86, at 6–8.

<sup>195</sup> *Id.* at 6.

<sup>196</sup> *Id.* at 12.

<sup>197</sup> *See supra* Part II.B–C.

<sup>198</sup> *See supra* notes 173–74 and accompanying text.

<sup>199</sup> UDRP, *supra* note 69, ¶ 4(1).

insignificance of injunctions issued against one typosquatter when many others loom on the horizon, and the limited financial penalties that are relatively insignificant compared to the substantial advertising revenue generated by typosquatting.

### III

#### THE TRUTH IN DOMAIN NAMES ACT OF 2003: A PREVENTATIVE MEASURE TO DETER TYPOSQUATTING

In 2003, Congress enacted the Truth in Domain Names Act<sup>200</sup> as one component of the comprehensive Prosecutorial Remedies and Other Tools to end the Exploitation of Children Today (PROTECT) Act,<sup>201</sup> a 47-page bill designed to “restore the government’s ability to prosecute child pornography offenses successfully.”<sup>202</sup> The PROTECT Act, which encompassed a variety of child-protection legislative initiatives, passed through Congress in response to the highly publicized Elizabeth Smart abduction.<sup>203</sup> In addition to enhancing child pornography penalties, the legislation nationalized both the AMBER Alert system,<sup>204</sup> a means of rapidly disseminating information in child kidnapping cases, and the Code Adam system, a program implemented by retail stores to locate missing children.<sup>205</sup> The PROTECT Act met substantial public approval, and was fast-tracked to pass both Houses of Congress during National Crime Victims’ Rights Week.<sup>206</sup>

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<sup>200</sup> Pub. L. No. 108-21, § 521, 117 Stat. 686 (2003) (codified at 18 U.S.C. § 2252B (Supp. 1 2003)).

<sup>201</sup> Pub. L. No. 108-21, 17 Stat. 650–95 (2003) (codified in scattered sections of 18, 28 and 42 U.S.C.).

<sup>202</sup> S. REP. No. 108-2, at 1 (2003). During Senate debates regarding the PROTECT Act, Senator Hatch stated:

I also want to highlight other important measures contained in the conference report that will enhance existing laws, investigative tools, criminal penalties, and child crime resources in a variety of ways . . . . [I]n addition to the PROTECT Act, AMBER Act, and the Code Adam Act, the legislation would . . . increase penalties and provide prosecutors with enhanced tools to prosecute those who lure children to porn Web sites using misleading domain names.

149 CONG. REC. S5114 (daily ed. Apr. 10, 2003) (statement of Sen. Hatch).

<sup>203</sup> See Christopher Smith, *AMBER Alert Turns into Political Football in D.C.*; *Ed Smart Says Each Day Without Law ‘Costs a Life’*, THE SALT LAKE TRIBUNE, Mar. 14, 2003, at A14, available at [http://global.factiva.com/en/arch/print\\_results.asp](http://global.factiva.com/en/arch/print_results.asp).

<sup>204</sup> See 149 CONG. REC. S5114 (daily ed. Apr. 10, 2003) (statement of Sen. Hatch) (“The legislation also addresses AMBER alert, America’s Missing Broadcast Emergency Response. The bill will extend the AMBER alert system across our Nation.”).

<sup>205</sup> *Id.* (statement of Sen. Hatch) (“The legislation includes the Code Adam Act, which would require Federal buildings to establish procedures for locating a child that is missing in the building.”).

<sup>206</sup> See, e.g., *id.* (discussing issued statement of John Walsh); 149 CONG. REC. H3071 (daily ed. Apr. 10, 2003) (statement of Rep. Pence) (“I would particularly like to single out the courageous and tenacious and dogged efforts of the chairman of the Committee on

In this sense, the Truth in Domain Names Act became law as part of an effort to protect children on the Internet, rather than to protect trademarks.<sup>207</sup>

The first subsection of the Truth in Domain Names Act criminalizes the knowing use of "a misleading domain name on the Internet with the intent to deceive a person into viewing material constituting obscenity."<sup>208</sup> This subsection does not, however, require that the misleading domain name affect minors in any way.<sup>209</sup> The second subsection of the statute criminalizes the knowing use of "a misleading domain name on the Internet with the intent to deceive a minor into viewing material that is harmful to minors."<sup>210</sup> A conviction under the first subsection for using a misleading domain name as a route to obscene materials could result in a fine of up to \$250,000 and two years in prison.<sup>211</sup> If the conviction is for an offense involving minor victims, however, the potential prison term doubles to four years.<sup>212</sup> The statute excludes from its operation domain names that include terms which indicate the sexual content of the site, such as "sex" or "porn."<sup>213</sup>

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the Judiciary, the gentleman from Wisconsin (Mr. SENSENBRENNER), for the gentleman's commitment against, at times, withering public relations challenges to move meaningful legislation for our kids through this body." )

<sup>207</sup> See 149 CONG. REC. H3059 (daily ed. Apr. 10, 2003) (statement of Rep. Myrick) (praising the legislation for easing the ability to prosecute

those who use misleading domain names to attract children to sexually explicit Internet sites. It accomplishes this goal by increasing the penalties and provides prosecutors with enhanced tools to prosecute those seeking to lure children to porn Web sites. As a mother and grandmother, it is hard for me to understand how anyone can prey on a defenseless child.

Therefore, I urge my colleagues to support the rule and support the underlying bill. It is imperative for our Nation to protect our most valuable resource, our children.

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<sup>208</sup> 18 U.S.C.A. § 2252B(a) (Supp. 1 2003).

<sup>209</sup> See *id.*

<sup>210</sup> *Id.* § 2252B(b). The statute defines "material that is harmful to minors" as [A]ny communication, consisting of nudity, sex, or excretion, that, taken as a whole and with reference to its context—

- (1) predominantly appeals to a prurient interest of minors;
- (2) is patently offensive to prevailing standards in the adult community as a whole with respect to what is suitable material for minors; and
- (3) lacks serious literary, artistic, political, or scientific value for minors.

*Id.* § 2252B(d). For the purposes of subsection (d), the term "sex" is defined broadly to include "acts of masturbation, sexual intercourse, or physical [sic] contact with a person's genitals, or the condition of human male or female genitals when in a state of sexual stimulation or arousal." *Id.* § 2252B(e) (footnote omitted).

<sup>211</sup> *Id.* § 2252B(a); see *Zuccarini Plea*, *supra* note 1, at 5.

<sup>212</sup> 18 U.S.C.A. § 2252B(b) (Supp. 1 2003).

<sup>213</sup> *Id.* § 2252B(c). Subsection (c) provides that "[f]or the purposes of this section, a domain name that includes a word or words to indicate the sexual content of the site, such as 'sex' or 'porn,' is not misleading." *Id.*



A. The Political Climate in Which Congress Passed the PROTECT Act

While Congress legislated under the guise of protecting children and nationalizing the AMBER Alert program, several extraneous amendments were appended to the PROTECT Act, including the Truth in Domain Names Act and sentencing guidelines revisions prohibiting downward departures in child molestation cases.<sup>214</sup> The limited legislative history available on the Truth in Domain Names Act—less than one page in a seventy-page House Conference Report—only hints at the controversy caused by the Act and other provisions tacked onto the PROTECT Act.<sup>215</sup> The final House Conference Report justifies the Act as “constitutional and necessary” because of the “growing trend for those attempting to sell pornography to use aggressive and misleading tactics to deceive unsuspecting and unwilling individuals, both adults and minors, into viewing the pornogra-

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<sup>214</sup> See, e.g., *id.* at 3074 (statement of Rep. Honda) (

[I]t is with a troubled heart that I will be voting for the PROTECT Act today. The benefits of a national AMBER Alert network are undeniable, and I cannot support any further delay on its implementation. However, I do not believe that this Conference Report will make good law, and I fervently hope that Congress will soon repeal the egregious provisions that have been included. Though the Conference Committee was able to moderate the bill somewhat, it is still chock-full of what I considered to be bad policy. Regardless of what one thinks of these provisions, they should have received independent consideration and deliberation, rather than being tied to, and slowing down, a need as pressing as AMBER.

); 149 CONG. REC. H3073 (daily ed. Apr. 10, 2003) (statement of Rep. Delahunt) (

I would like to be able to vote for this bill. It includes provisions that I strongly support—including the “AMBER Alert” system that would aid in finding missing children. But those children have been taken hostage by a bill that also includes so-called “sentencing reforms”—radical, sweeping changes to the Federal sentencing system that were never considered by any committee of either House. Provisions that would cause an explosion in the number of people behind bars—including many who simply do not belong there.

); *id.* at H3072–73 (statement of Rep. Kilpatrick) (

Mr. Speaker, It is vital that we implement AMBER Alert systems, not just in our local communities, but nationwide. Our efforts to crack down on child abductors and abusers will be fruitless if we cannot transcend state borders quickly enough to catch these vicious criminals. I am in full support of a national system that will provide for such coordination . . . . That is, however, not the only provision in this bill, Mr. Speaker . . . . After reviewing the conference report, I did not see any substantive alterations or any elimination of these bad provisions, but rather I noticed additional provisions that, again, hurt the livelihood of innocent individuals and legal acts. For those reasons, Mr. Speaker, I vote “NO” on final passage of the conference report and I will further expound on why I did so below . . . . I support the need for an AMBER Alert system, but I do not support the conference agreement in its entirety.

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<sup>215</sup> See *id.*

phy—often obscene or harmful to minors.”<sup>216</sup> At the same time, the House Conference Report acknowledges that the Senate Report, published less than two months earlier, did not contain the Truth in Domain Names Act or any analogous provision.<sup>217</sup>

In debating the PROTECT Act, several members of Congress balked at the additional tack-on provisions, including the Truth in Domain Names Act.<sup>218</sup> From the Senate floor three days prior to the passing of the PROTECT Act, Senator Leahy chastised the bill’s sponsors and admonished:

[The Truth in Domain Names Act] has never been introduced in the Senate, and received a grand total of 10 minutes of debate before being passed as a floor amendment in the House. And in case any judge is reading this and wondering, there was no discussion of this provision during the one afternoon that the conference committee actually met.<sup>219</sup>

In the House, Representative Jackson-Lee cautioned: “The Conference Report on [the PROTECT Act] has a myriad of provisions that are unrelated to establishing a national AMBER Alert System.”<sup>220</sup>

Nevertheless, despite the extraneous addenda, many members of Congress voted in favor of the PROTECT Act, arguing that the costs of delaying a national AMBER Alert System exceeded the benefits of further resisting the eleventh-hour additions.<sup>221</sup>

<sup>216</sup> H.R. CONF. REP. NO. 108-66 at 66 (2003).

<sup>217</sup> See *id.* at 65 (acknowledging that “[t]he Senate bill has no equivalent provision”).

<sup>218</sup> See *supra* note 214.

<sup>219</sup> 149 CONG. REC. S5147 (daily ed. Apr. 11, 2003) (statement of Sen. Leahy). Sen. Feinstein also pointed out that several provisions, including the Truth in Domain Names Act, were tacked on to the PROTECT Act: “[The legislation] creates a Federal crime with a 2-year maximum penalty for creating a domain name with the intent to deceive a person into viewing obscene material on the Internet. The maximum penalty is 4 years if the intent is to deceive a minor.” *Id.* at S5137 (statement of Sen. Feinstein).

<sup>220</sup> 149 CONG. REC. H3073 (daily ed. Apr. 10, 2003) (statement of Rep. Jackson-Lee).

<sup>221</sup> See, e.g., *id.* at H3074 (statement of Rep. Conyers) (“Unfortunately, the conference was delayed and hung up by provisions which have nothing to do with Amber alert and which should have been dealt with separately.”); *id.* at H3073 (statement of Rep. Jackson-Lee) (

I support the Conference Report on S. 151 reluctantly because while the Conference Report improves upon the AMBER Alert system, it does not provide us with a clean AMBER Alert Bill . . . . I firmly believe that all of the provisions dealing with criminal justice matters should be debated in separate legislation . . . . [but] [e]very day that goes by without a national AMBER Alert system in place puts the lives of children at risk . . . . I strongly believe that the best way to save children’s lives is to vote in support of the PROTECT Act, even if I do so reluctantly.

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## B. The Truth in Domain Names Act Survives Constitutional Scrutiny

In passing the Truth in Domain Names Act, Congress deliberately accounted for the Supreme Court's previous rejection of "unnecessarily broad" statutes regulating the Internet and pornography,<sup>222</sup> and recognized that while the First Amendment does not protect obscenity or material deemed "harmful to minors,"<sup>223</sup> legislation cannot result in "an unnecessarily broad suppression of speech addressed to adults."<sup>224</sup> Therefore, the Truth in Domain Names Act prohibits only "misleading domain names on Web sites containing material 'harmful to minors' [and it] would only limit unintentional access by adults to such Web sites, and is not an unnecessarily broad restriction on adults."<sup>225</sup> Additionally, Congress recognized that the First Amendment does not protect misleading speech.<sup>226</sup> With these two lines of First Amendment jurisprudence in mind, Congress concluded that the Truth in Domain Names Act survives constitutional scrutiny because the suppression of speech addressed to adults is not unnecessarily broad,<sup>227</sup> and the Act targets only those domain names that are misleading.<sup>228</sup>

While Congress has faced substantial difficulty drafting a constitutional statute regulating the Internet since 1996, the Truth in Domain Names Act should survive scrutiny because it achieves its legislative purpose without unnecessarily limiting adult speech.<sup>229</sup> Although the Supreme Court recently mentioned the Truth in Domain Names Act in passing, it has yet to pass on the constitutionality of the statute.<sup>230</sup> The First Amendment does not protect obscene material<sup>231</sup> or mate-

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<sup>222</sup> H.R. CONF. REP. NO. 108-66, at 65 (2003) (citing *Reno v. Am. Civil Liberties Union*, 521 U.S. 844, 875 (1997)). The Truth in Domain Names Act was drafted against a backdrop of three Supreme Court decisions striking down congressional attempts to regulate the ability of minors to access pornography on the Internet. See Goldstein, *supra* note 2, at 158; Praveen Goyal, *Congress Fumbles with the Internet: Reno v. ACLU*, 117 S. Ct. 2329 (1997), 21 HARV. J. L. & PUB. POL'Y 637, 641-52 (1998).

<sup>223</sup> See *Ginsberg v. New York*, 390 U.S. 629, 635 (1968).

<sup>224</sup> *Reno*, 521 U.S. at 875.

<sup>225</sup> H.R. CONF. REP. NO. 108-66, at 65 (2003) (quoting *Ginsberg*, 390 U.S. at 634).

<sup>226</sup> *Id.* at 66; see also *Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 340 (1974) ("[T]here is no constitutional value in false statements of fact. Neither the intentional lie nor the careless error materially advances society's interest in 'uninhibited, robust, and wide-open' debate on public issues.").

<sup>227</sup> See *Reno*, 521 U.S. at 875.

<sup>228</sup> See *id.* at 65-66.

<sup>229</sup> See H.R. CONF. REP. NO. 108-66, at 65-66 (2003).

<sup>230</sup> See *Ashcroft v. Am. Civil Liberties Union*, 124 S. Ct. 2783, 2789-90 (2004).

<sup>231</sup> *Miller v. California*, 413 U.S. 15, 23 (1973) (concluding that "obscene material is unprotected by the First Amendment"); *Roth v. United States*, 354 U.S. 476, 485 (1957) ("We hold that obscenity is not within the area of constitutionally protected speech or press.").

rial that is "harmful to minors."<sup>232</sup> Even in cases in which "there is an invasion of protected freedoms 'the power of the state to control the conduct of children reaches beyond the scope of its authority over adults.'"<sup>233</sup> In a case involving the sale of pornographic magazines to a minor, the Supreme Court concluded that a state statute which accorded a "more restricted right [to minors] than that assured to adults" survived constitutional scrutiny.<sup>234</sup>

Although Congress can constitutionally ban material harmful to minors on the Internet, at the same time the regulation must not result in "an unnecessarily broad suppression of speech addressed to adults."<sup>235</sup> In *Reno v. American Civil Liberties Union*, the Supreme Court struck down an overly broad statute that prohibited the transmission of obscene or indecent communications to minors.<sup>236</sup> Importantly, the majority opinion distinguished a previous holding in *Ginsberg v. New York*<sup>237</sup> and reasoned that while a state could constitutionally restrict minor access to indecent material, it could not constitutionally prevent adults from receiving it.<sup>238</sup>

Moreover, the scienter requirement of the Truth in Domain Names Act further supports the conclusion that the statute passes constitutional muster.<sup>239</sup> Imposing liability only on those individuals who "knowingly" use a misleading domain name, the Truth in Domain Names Act avoids the strict liability regime that the Supreme Court has cautioned could impermissibly chill protected speech.<sup>240</sup>

Based on this reasoning, subsection (b) of the Truth in Domain Names Act passes constitutional muster because it only applies to (1) misleading domain names (2) that are intended to deceive (3) a mi-

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<sup>232</sup> *Ginsberg v. New York*, 390 U.S. 629, 635 (1968).

<sup>233</sup> *Id.* (quoting *Prince v. Massachusetts*, 321 U.S. 158, 170 (1944)).

<sup>234</sup> *See id.* at 637; *see also id.* at 636 ("Because of the State's exigent interest in preventing distribution to children of objectionable material, it can exercise its power to protect the health, safety, welfare and morals of its community by barring the distribution to children of books recognized to be suitable for adults." (quoting *Bookcase, Inc. v. Broderick*, 18 N.Y.2d 71, 75 (1966))).

<sup>235</sup> *Reno v. Am. Civil Liberties Union*, 521 U.S. 844, 875 (1997); *see also Goyal, supra* note 222, at 641-52 (discussing the Court's reasoning).

<sup>236</sup> *See id.* at 874-75.

<sup>237</sup> 390 U.S. 629 (1968).

<sup>238</sup> *See id.*

<sup>239</sup> *See* 18 U.S.C.A. §§ 2252B(a)-(b) (Supp. 1 2003).

<sup>240</sup> *See Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 347-48 (1974) (

We hold that, so long as they do not impose liability without fault, the States may define for themselves the appropriate standard of liability for a publisher or broadcaster of defamatory falsehood injurious to a private individual. This approach provides a more equitable boundary between the competing concerns involved here. It recognizes the strength of the legitimate state interest in compensating private individuals for wrongful injury to reputation, yet shields the press and broadcast media from the rigors of strict liability for defamation.

(citations omitted)).

nor (4) into viewing material harmful to minors.<sup>241</sup> The statute includes a definition of “material that is harmful to minors” thus militating against a challenge for vagueness, and the definition parallels the criteria the Court previously endorsed in *Miller v. California*.<sup>242</sup>

Subsection (a) presents a more challenging constitutional question, but likely passes constitutional muster. Subsection (a) is not limited to minors, and applies to (1) misleading domain names (2) that are intended to deceive (3) a person into viewing obscenity. Congress reasoned that this section is constitutional because the First Amendment does not accord full protection to misleading commercial speech<sup>243</sup> within the framework of the Court’s *Central Hudson* test.<sup>244</sup> Unlike the Court’s concern in *Reno*, the Truth in Domain Names Act does not prevent adults from *intentionally* accessing pornographic material. Rather, the Truth in Domain Names Act targets only intentional deception which causes adults to come in contact with material they did not affirmatively seek out.<sup>245</sup>

The Supreme Court’s reasoning over three decades ago in *Miller* rings true today in the typosquatting context: “States have a legitimate interest in prohibiting dissemination or exhibition of obscene material when the mode of dissemination carries with it a significant danger of offending the sensibilities of unwilling recipients or of exposure to juveniles.”<sup>246</sup> Moreover, just as in *Miller*, typosquatting creates a situation in which “sexually explicit materials [are] thrust by aggressive sales action upon unwilling recipients who had in no way indicated any desire to receive such materials.”<sup>247</sup>

#### IV

##### A SMALL STEP IN THE RIGHT DIRECTION: THE LIMITED SCOPE OF THE TRUTH IN DOMAIN NAMES ACT

Although Congress arguably passed the Truth in Domain Names Act under false pretenses, the Act’s novel approach to typosquatting is

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<sup>241</sup> See *id.* § 2252B(b).

<sup>242</sup> See *id.* § 2252B(d); *Miller v. California*, 413 U.S. 15, 23–30 (1973).

<sup>243</sup> See *Gertz*, 418 U.S. at 340.

<sup>244</sup> See *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm’n*, 447 U.S. 557, 564 (1980). The Court has held that regulating deceptive or misleading speech is a permissible exercise of legislative authority. See *Va. State Bd. of Pharm. v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 771–72 (1976) (noting that nothing prohibits a state “from insuring that the stream of commercial information flow cleanly as well as freely”); see also *Thompson v. Western States Med. Ctr.*, 535 U.S. 357, 367 (2002) (noting that the “threshold” question under the *Central Hudson* test is “whether the commercial speech . . . is misleading”).

<sup>245</sup> See 18 U.S.C.A. § 2252B(a) (Supp. 1 2003).

<sup>246</sup> *Miller*, 413 U.S. at 18–19.

<sup>247</sup> *Id.* at 18.

significant.<sup>248</sup> Coupled with a possible \$250,000 fine per domain name registered,<sup>249</sup> the Act's potential four year prison sentence may represent the deterrent required to solve the typosquatting epidemic.<sup>250</sup> At the same time, the Act's requirement that the deceptive domain name contain obscene material leaves unregulated misleading domain names registered for non-obscene purposes.<sup>251</sup> Consequently, the Truth in Domain Names Act will not likely be the final nail in the typosquatting coffin.

#### A. The Fall of the Notorious Typosquatter

In September 2003, the United States Attorney's Office in the Southern District of New York filed the first criminal charges under the Truth in Domain Names Act against John Zuccarini.<sup>252</sup> The complaint outlines a comprehensive investigation spanning approximately three months and alleges that Zuccarini acted "with the knowledge that his activities cause confusion and deception among Internet users, and with knowledge that his activities violate the rights of holders of existing domain names."<sup>253</sup> Further, the complaint states that Zuccarini "combined mousetrapping techniques with other programming tactics to bombard consumers with unwanted advertisements for, among other things, pornography."<sup>254</sup>

The *Zuccarini* case underscores the challenge of combating typosquatting under the law prior to the Truth in Domain Names Act: Defendants faced liability only when plaintiffs filed civil suits, many defendants did not respond to civil suits, and even if defendants did respond and the suit was successfully litigated, the resulting penalties were often insufficient to deter profitable typosquatting activity.<sup>255</sup> In prior civil actions, Zuccarini conceded that many of his domain names were misspellings of domain names specifically associated with web sites of interest to minors.<sup>256</sup> But Zuccarini's whereabouts were un-

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<sup>248</sup> See *supra* Part III.A.

<sup>249</sup> See *Zuccarini Plea*, *supra* note 1, at 5.

<sup>250</sup> See 18 U.S.C.A. § 2252B(b) (Supp. I 2003).

<sup>251</sup> See *id.*

<sup>252</sup> See Mark Hamblett, *First Charges Filed Under New Internet Porn Law: Statute Aimed at Adult Sites Luring Children*, N.Y. L.J., Sept. 4, 2003, at 1.

<sup>253</sup> *Sealed Complaint*, *supra* note 86, at 9; see 18 U.S.C.A. § 2252B(b).

<sup>254</sup> See *Sealed Complaint*, *supra* note 86, at 4 n.2.

<sup>255</sup> See *supra* Part II.B. Zuccarini earned approximately \$1 million per year. *Zuccarini Plea*, *supra* note 1, at 5.

<sup>256</sup> *Sealed Complaint*, *supra* note 86, at 5. In one case, the Internet corporation Yahoo! received an e-mail from a parent whose thirteen-year-old daughter inadvertently misspelled the domain name and was directed to a pornographic web site. *Id.* In another e-mail sent to Yahoo!, a user who worked in an Internet-related business wrote: "I'm upset—and I'm in the industry—so I understand if you make a mistake—my young daughter wanted to find out about travel in Europe this summer so I suggested YAHOOTRAVEL. She typed Yahoo Travel.com and got PORNO! . . . I'm very disappointed, I expect more from Yahoo." A

known, he had no known address, and he “had a history of failing to respond to complaints and deposition notices and of evading attempts at service of process by federal marshals.”<sup>257</sup> Furthermore, in spite of the several successful civil, arbitral, and regulatory actions against Zuccarini, he continued to register and use deceptive domain names.<sup>258</sup>

John Zuccarini’s reign as the notorious typosquatter ended on December 10, 2003 when he pleaded guilty to 49 counts of using a misleading domain name under the Truth in Domain Names Act.<sup>259</sup> Zuccarini was sentenced to 30 months in federal prison on February 26, 2004.<sup>260</sup>

#### B. The Scope of the Truth in Domain Names Act is Too Narrow to Eliminate Typosquatting Altogether

While the Truth in Domain Names Act captured John Zuccarini<sup>261</sup> and likely survives constitutional scrutiny,<sup>262</sup> the Act’s requirement that the deceptive domain name contain obscene material fails to deter or punish typosquatters who register and use misleading domain names for purposes other than exposing Internet users to obscene material.<sup>263</sup> The Act will not affect typosquatters who divert Internet users to an individual’s own web site,<sup>264</sup> bombard unsuspecting users with advertisements for non-obscene products and services,<sup>265</sup> or perpetrate consumer fraud.<sup>266</sup> For example, the Truth in Domain Names Act would not protect Carefirst Health Insurance against the typosquatting activities of a pro-life advocacy organization that registered domain names deceptively similar to Carefirst’s name in order

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U.S. Postal investigation revealed that Yahoo! maintains a travel web site, but that its domain name is <http://travel.yahoo.com> and not <http://www.yahootravel.com>. *Id.* at 6.

<sup>257</sup> *Id.* at 5.

<sup>258</sup> *See id.* at 6–12; Edelman, *supra* note 26.

<sup>259</sup> *See Zuccarini Plea, supra* note 1, at 5.

<sup>260</sup> Press Release, United States Attorney, Southern District of New York, ‘Cyberscammer’ Sentenced to 30 Months for Using Deceptive Internet Names to Mislead Minors to X-Rated Sites (Feb. 26, 2004) (

Attorney General John Ashcroft stated: “Individuals who use trickery and deceit to lure children to X-rated websites must know that they will pay a price for their criminal conduct. The Truth in Domain Names Act was designed to create a safer, cleaner online environment for children. As today’s sentence demonstrates, those who violate that law and expose innocent children to pornography for their own financial gain will be prosecuted, and they will serve time in jail.

), available at <http://www.usdoj.gov/usao/nys/Press%20Releases/FEBRUARY04/zuccarini%20sentence%20pr.pdf>.

<sup>261</sup> *See Zuccarini Plea, supra* note 1, at 4.

<sup>262</sup> *See supra* Part III.B.

<sup>263</sup> *See* 18 U.S.C.A. § 2252B (Supp. 1 2003).

<sup>264</sup> *See, e.g.,* Shields v. Zuccarini, 254 F.3d 476, 479–80 (3d Cir. 2001).

<sup>265</sup> *See, e.g.,* Shields v. Zuccarini, 89 F. Supp. 2d 634, 635 (E.D. Pa. 2000); *Sealed Complaint, supra* note 86, at 4 n.2.

<sup>266</sup> *See* 18 U.S.C.A. §§ 2252B(a), (b) (Supp. 1 2003).

to misdirect users seeking the official Carefirst web site.<sup>267</sup> Nor would the Act protect consumers against cyber-scammers, like the typosquatter who registered the domain name *www.attphonenumber.com*, a web site unaffiliated with the telephone conglomerate AT&T, and fraudulently solicited credit card information from web site visitors.<sup>268</sup>

As the previous examples illustrate, the Truth in Domain Names Act is unlikely to eradicate all typosquatting activity. Moreover, even in cases where the Act applies, it does not expressly require the defendant forfeit the deceptively registered domain names.<sup>269</sup> As a result, each individual plaintiff must institute parallel civil proceedings to recover the derivative domain names.

The limited scope and other shortcomings of the Act are most likely attributable to the political climate and the pretenses under which Congress passed the legislation.<sup>270</sup> Following the highly publicized Elizabeth Smart abduction, Congress enacted the Truth in Domain Names Act as part of a package of legislation intended to protect children.<sup>271</sup> Thus, even though its application encompasses conduct that does not concern children, Congress did not draft the Truth in Domain Names Act as a measure to prevent consumer fraud as it did the Anticybersquatting Consumer Protection Act.<sup>272</sup> Furthermore, as the limited legislative history and vigorous Congressional floor debates confirm, Congress did not discuss, draft, or develop the Truth in Domain Names Act as thoroughly as it might have under different political circumstances and with different objectives.<sup>273</sup>

### C. Typosquatting Solutions for the 21st Century

The previous section outlined the limitations of the Truth in Domain Names Act and the way in which its narrow scope leaves substantial typosquatting activity unregulated. This section argues that applying the Act and its criminal penalties to all typosquatting, as well as revising the domain name registration process to require a prelimi-

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<sup>267</sup> See *Carefirst of Md., Inc. v. Carefirst Pregnancy Ctrs., Inc.*, 334 F.3d 390, 393–95 (4th Cir. 2003) (involving a pro-life advocacy organization that registered multiple domain names similar to health insurance corporation's name and used the web sites to divert Internet traffic to its own web site).

<sup>268</sup> See *Hearings*, *supra* note 3, at 8 (prepared statement of Anne H. Chasser, President, Int'l Trademark Ass'n).

<sup>269</sup> See 18 U.S.C.A. § 2252B (Supp. 1 2003); 18 U.S.C. § 2253 (2000) (describing a criminal forfeiture provision that does not apply to § 2252B).

<sup>270</sup> See *supra* Part III.A. Congress has recently attempted to address the shortcomings of the Truth in Domain Names Act. For example, on May 6, 2004, Representative Brady introduced draft legislation broadening the scope of the statute to encompass misleading meta tags in addition to domain names. See *Children's Online Safety Act of 2004*, H.R. 4305, 108th Cong. § 2 (2004).

<sup>271</sup> See *supra* notes 200–07 and accompanying text.

<sup>272</sup> See S. REP. NO. 106-40 at 4 (1999).

<sup>273</sup> See *supra* notes 222–26 and accompanying text.



nary investigation into the registrant's right to use the requested domain name, will curb the typosquatting epidemic.

1. *Apply the Truth in Domain Names Act to All Typosquatting*

As Part I detailed, typosquatting is a highly profitable industry, with some typosquatters earning millions of dollars per year.<sup>274</sup> Existing civil damages may be insufficient in light of the substantial advertising revenue typosquatting generates.<sup>275</sup> For example, when Joseph Shields sued John Zuccarini for registering misspelled variations of the domain name joecartoon.com, the successful litigation only netted \$50,000 in damages.<sup>276</sup> Compared to Zuccarini's annual income of approximately \$1 million, \$50,000 in civil damages is insignificant.<sup>277</sup> In short, civil litigation does not adequately deter typosquatters and future typosquatters because one loss in court does not bankrupt the typosquatter either by removing all offending domain names or by inflicting sufficient monetary damages.<sup>278</sup>

The threat of several years imprisonment per deceptive domain name will be a more effective deterrent than civil damages.<sup>279</sup> Several civil suits and hundreds of ICANN arbitration cases failed to curtail John Zuccarini's typosquatting activities.<sup>280</sup> Today, Zuccarini sits behind bars, and the legitimate entities he has plagued and the unsuspecting Internet users he tricked for the past decade are enjoying a well-deserved respite.<sup>281</sup>

Criminalizing typosquatting also eliminates the transaction costs plaintiffs face when prosecuting fragmented litigation against an infinite number of typosquatters.<sup>282</sup> Although Joseph Shields was successful in his suit against Zuccarini for five infringing domain names, Zuccarini owned nearly 9,000 domain names.<sup>283</sup> Under the ACPA, the cost of losing an individual case is insignificant to a prolific typosquatter because he must transfer only those domain names that violate the interests of the plaintiff.<sup>284</sup>

Moreover, while the ACPA provides for civil damages ranging from \$1,000 to \$100,000 per domain name plus the discretionary award of fees and costs,<sup>285</sup> smaller corporations and individuals are

<sup>274</sup> See *supra* Part I.C.

<sup>275</sup> See *id.*

<sup>276</sup> See *Shields v. Zuccarini*, 254 F.3d 476, 481 (3d Cir. 2001).

<sup>277</sup> See *supra* Part I.C.

<sup>278</sup> See *supra* Part II.D, IV.A.

<sup>279</sup> See *supra* notes 210–11 and accompanying text.

<sup>280</sup> See *supra* notes 194–96 and accompanying text.

<sup>281</sup> See *supra* notes 259–60 and accompanying text.

<sup>282</sup> See *supra* Part II.B–C.

<sup>283</sup> See *supra* note 190.

<sup>284</sup> See *supra* note 150 and accompanying text.

<sup>285</sup> See 15 U.S.C. § 1117(d) (2000); *supra* note 173 and accompanying text.

unlikely to pursue civil cases.<sup>286</sup> Thus, while large corporations may be able to absorb the costs of protracted litigation, criminal penalties are necessary to guard against all typosquatting activity. Under the Truth in Domain Names Act, a prosecutor can charge one defendant—in one case—for all of the misleading domain names he registered regardless of who owns the legitimate domain name.<sup>287</sup>

Finally, forcing typosquatters to pay with their freedom instead of their checkbook protects innocent Internet users. Individuals who have been mousetrapped in a maze of flashing advertisements or who have been subjected to unwanted pornographic images cascading across their computer screens receive no remedy under the ACPA.<sup>288</sup> Thus, while the ACPA provides some remedy to successful plaintiffs, it fails to provide the injured Internet user with any legal recourse.<sup>289</sup> Criminalizing typosquatting, on the other hand, protects Internet users by empowering public prosecutors to pursue typosquatters in the public interest, instead of relying on private claimants that will likely be motivated by private, economic factors.

Consequently, increasing the scope of the Truth in Domain Names Act to encompass all typosquatting—whether or not the derivative web site exposes the user to obscene material—may be the most effective means of eliminating typosquatting. An expanded Truth in Domain Names Act should also include a comprehensive forfeiture provision that automatically transfers the misleading domain name to the legitimate owner of the name.

## 2. *Revise ICANN's Domain Name Registration Process*

As outlined in Part I.B, domain name registrars do not independently determine whether a registrant has the right to use a requested domain name.<sup>290</sup> Although an individual must assert that he has the right to use the domain name, that the requested name does not injure any third party with respect to its trademark, and that he is not seeking to use the domain name for any illegal purpose including unfair competition, typosquatters can easily disregard these provisions.<sup>291</sup>

Revising the domain name registration process to require an independent investigation before awarding the applicant a domain name would prevent typosquatters from obtaining misleading domain names in the first place.<sup>292</sup> Presently, applicants need only provide a

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<sup>286</sup> See *supra* note 173 and accompanying text.

<sup>287</sup> See *Zuccarini Complaint*, *supra* note 19.

<sup>288</sup> See *supra* Part II.B.

<sup>289</sup> See *supra* Part II.B.

<sup>290</sup> See *supra* Part I.B.

<sup>291</sup> See *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1319 (9th Cir. 1998).

<sup>292</sup> See *supra* Part I.B.

credit card number and check a box accepting the registration terms.<sup>293</sup> While up-front investigations will likely prolong the registration process and result in higher fees and administrative costs, fewer claimants would institute ICANN arbitration proceedings since the organization only arbitrates disputes concerning bad-faith registration of domain names.<sup>294</sup>

### 3. *Expand ICANN's UDRP to Include a Prohibition Against Mousetrapping*

ICANN's UDRP currently prohibits the registration of domain names with a bad-faith intent to profit off another's mark.<sup>295</sup> Expanding the UDRP to prohibit mousetrapping and web site programming that corrupts web browsers would cripple typosquatters.<sup>296</sup> Without the ability to generate substantial advertising revenue, typosquatters would not have the financial incentive to register misleading domain names.<sup>297</sup> Consequently, creating a cause of action under the UDRP to cancel domain names that employ mousetrapping techniques would deal a heavy blow to typosquatters.

## CONCLUSION

While Congress enacted the Truth in Domain Names Act as a tool to protect children, the floor debates in both the House of Representatives and the Senate confirm that Congress did not properly consider and support the Act.<sup>298</sup> On one hand, the Truth in Domain Names Act was lauded as a core component of comprehensive legislation designed to enhance prosecutorial tools against the exploitation of children.<sup>299</sup> On the other hand, the text of the statute permits the government to prosecute defendants for conduct that does not involve children or child pornography in any way.<sup>300</sup> Consequently, the Act has the potential to serve as a prosecutorial sword against typosquatting, and not solely as a shield to safeguard children.

The Truth in Domain Names Act is the first legislation designed to deter typosquatting in the first instance instead of merely providing insufficient and backward-looking civil remedies. In this regard, the statute is the most promising weapon against typosquatting to date. Nevertheless, by limiting the scope of the Truth in Domain Names Act and its criminal penalties only to instances in which the deceptive con-

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<sup>293</sup> See *supra* notes 54–59 and accompanying text.

<sup>294</sup> See *supra* note 182 and accompanying text.

<sup>295</sup> UDRP, *supra* note 69, ¶ 4(b)(i).

<sup>296</sup> See Orr & Ferrigno-Stack, *supra* note 20, at 474–75.

<sup>297</sup> See *supra* notes 93–96 and accompanying text.

<sup>298</sup> See *supra* notes 221–25 and accompanying text.

<sup>299</sup> *Supra* notes 199–201 and accompanying text.

<sup>300</sup> See 18 U.S.C.A. § 2252B(a) (Supp. 1 2003).

duct exposes Internet users to obscene material, the Act leaves unregulated a wide array of typosquatting activity that will continue to plague unsuspecting Internet users. This narrow scope may, however, be a product of the political climate in which it was passed and the political incentives to protect children and combat obscenity. While the pragmatic effects of the Truth in Domain Names Act remain to be seen, its early success in the *Zuccarini* case suggests that the Act may ultimately curtail typosquatting and serve as the model for future, proactive legislation.