Showdown at the Domain Name Corral: Property Rights and Personal Jurisdiction Over Squatters, Poachers and Other Parasites

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SHOWDOWN AT THE DOMAIN NAME CORRAL

I. INTRODUCTION

A. Everybody Wants One

Imagine investing years developing an automobile detailing business, "SunShine." After successfully establishing a good clientele, you expand with franchise shops in several states. To reach customers and potential franchisees, you decide it's time to "set up shop" on the World Wide Web. You need only pay a $100 registration fee to Network Solutions, Inc. ("NSI"), the domain name registrar, to register "sunshine.com" as an Internet "domain name" and you're ready to go. Right?

Well . . . maybe not.

Suppose you find out that a competitor has already registered "sunshine.com" and is using it to defame your business? Or, what if you find out that Wile E. Squatter, a nonresident of your state, registered "sunshine.com," only to display a picture of a shining sun on Squatter's Web site? Mr. Squatter proposes to exchange "sunshine.com" for only $15,000. What can you do? If you sue him, can you get personal jurisdiction over him?

Instead, what if you learn that "Sunny Shines" light fixtures from Anchorage, Alaska, has registered "sunshine.com"? Like you, they claim to have used the name in business for many years. About now you might be wondering whether registering your mark with the Patent and Trademark Office would have made any difference.

Finally, suppose that you actually do obtain "sunshine.com," only to discover that somebody else has registered the nearly identical name "sunshines.com" in order to divert your customers. To aggravate the situation, a lighting business owner with the registered trademark for "Sunshines" files suit against you for trademark dilution. You thought that "WWW" stood for "World Wide Web," but it feels more like the "Wild, Wild West."

"Welcome to Cyberspace!"

B. The Problem

Seemingly out of nowhere, the World Wide Web ("WWW," or the "Web"), the fastest-growing part of the Internet (or "Net"), has exploded to the forefront of the news, business, and popular culture.1 In

1. Intermatic Inc. v. Toeppen, 947 F. Supp. 1227, 1229 (N.D. Ill. 1996) (district judge greets reader by saying "Welcome to cyberspace!" at beginning of case enjoining use of domain name by defendant who registered plaintiff's famous trademark and sought to sell it back for a profit).

1989, fewer than 90,000 computers were linked to the Web.\(^3\) In 1996, that number exploded to roughly 40 million and is expected to surpass over 200 million by the end of the year 2000.\(^4\) The number of “sites” or “home pages” on the WWW has increased correspondingly.\(^5\) These sites are accessed by “clicking,” via a mouse, on a “hyperlink” or by typing the site’s Internet address, such as “http://www.apple.com,” into a WWW browsing program.\(^6\) The “domain name,” the part that says “apple.com,” is the subject of this comment.

As the number of people online increases, the Internet becomes more attractive to those who hope to exploit its growth. It therefore becomes essential to choose a “domain name” that is short, simple, and easy to remember. The problem is that only one party can have “apple.com.” If Apple Records, Inc., the Beatles’ record label, tried to register “apple.com,” they could not, since Apple Computer has already done so.

Federal trademark law, as embodied in the Lanham Act,\(^7\) allows

| TABLE 1 |
|-----------------|-----|
| June 1992—May 1993 | 29  |
| June 1993—May 1994 | 355 |
| June 1994—May 1995 | 13,134 |
| June 1995—May 1996 | 73,644 |

Search of LEXIS, Arcwsws and Curnws libraries (Jan. 12, 1997).

Additionally, in the five-month period ending Oct. 31, 1996, there were 41,904 articles with references to the “World Wide Web.” Search of LEXIS, Curnws library (Jan. 12, 1997).


4. See id.

5. More specifically, an Internet “home page” is an interactive document that may be viewed over the WWW using a “browsing” program, such as Netscape Navigator or Microsoft Internet Explorer. A home page may include a combination of text, graphics, animation, sound, music and video. A “site” is a group of pages that are accessible at the same Internet location. See, e.g., Disney.com (modified daily) <http://www.disney.com> (with thousands of separate Disney-oriented pages available on different topics). Since a site may consist of only one page, the terms will be used interchangeably in this comment.


concurrent use of the same famous name by parties when such use does not create a likelihood of consumer confusion. On the Internet as it currently exists, businesses use the extension "\.com," which precludes concurrent use of the same famous name. This restriction has led to many disputes between domain name holders, trademark owners, and private individuals. For example, a party can essentially "kidnap" the name of a famous corporation. When Joshua Quittner, a journalist, realized that McDonald's Corp. had not yet registered "mcdonalds.com," he registered it himself.8

There are many cases of domain name "pirates" or "squatters" who hold a domain name for ransom. For example, Dennis Toeppen registered "americanstandard.com," "panavision.com," and other domain names corresponding to the names of famous companies.9 He was alleged to have demanded $15,000 to hand over "americanstandard.com" to American Standard.10 The court granted a preliminary injunction, pending the outcome of litigation, ordering Toeppen to release the domain name to American Standard.11 In other cases, a party will "parasitically" register a name confusingly similar to that of a famous name, seeking to get attention from people who misspell the name.12

In yet other cases, the parties might be mere "twins," both having the right to use the name in different areas or contexts. This has led to the problem of "poaching" via "reverse domain name hijacking,"13 which occurs when a trademark holder seeks to obtain a domain name from another person who also holds a colorable claim to the same name.


10. See id.

11. See American Standard, Inc. v. Toeppen, No. 96-2147, 1996 U.S. Dist. LEXIS 14451, at *2-3 (C.D. Ill. Sept. 3, 1996). This case and others will be discussed infra part V.D.

12. For example, Teubner & Associates, Inc. is a software company, whose domain name was "teubner.com." See Jonathan Agmon et al., What's In a Name? -- Domain Name Disputes (last modified May 4, 1996) <http://www.law.georgetown.edu/lcl/intemic/recent/rec1.html>. A direct competitor, American International Facsimile Products (AIFP) registered "teubner.com" (a common misspelling of Teubner) as well as "faxgate.com," "a name of Teubner's product which directly competes with AIFP's Hostfax." Id. After a cease and desist letter was issued, the matter was apparently settled, and all three domain names now belong to Teubner. See id. Although it has not been updated recently, Agmon's Website contains an excellent compendium of domain name disputes.

In one case, better-known toymaker Ty, Inc. was enjoined from interfering with a lesser-known "computer consultant's right to use its registered domain name 'ty.com.'"  

In short, the number of disputes could fill an entire comment. More important, however, is that these disputes vary significantly, depending on, inter alia, the strength of each party's right to use the name, and each party's intent and use in claiming the name. Although the categories may vary, the hotly-disputed issues do not: first, when might such parties be subject to personal jurisdiction? Second, how does trademark law apply to these disputes? The premise of this comment is that the interplay of these and other factors creates relatively discrete categories through which outcomes of disputes may be determined. The answer to these questions depends on the category of the dispute: squatter, parasite, or twin/poacher.

Part II supplies necessary background material on the Internet, World Wide Web, and domain names. The explosive growth of the Internet has fueled a rush on domain names which is made more urgent by the unique, global quality of domain names. These factors, along with the nature of the registration process, have combined to make domain names a valuable commodity.

Part III examines past disputes and categorizes them by the relative strengths of the competing claims, the defendant's intent in registering the domain name, and how the defendant uses the name. These categories will be used throughout this comment as an analytical tool when exploring legal theories and analogous case law.

Part IV examines personal jurisdiction over domain name disputes. These disputes invariably involve distant parties whose sole contacts are limited to their common use of Cyberspace. Therefore, the preliminary question of when personal jurisdiction is available has been a major point of dispute. This part examines the principles behind the precedents of the Supreme Court, and critically applies these principles to the developing

14. Giacalone v. Network Solutions Inc., No. C-96 20434 RPA/PVT (N.D. Cal. June 14, 1996); see Toymaker Can't Bar Use of Domain Name, MULTIMEDIA STRATEGIST, July 1996, available in Westlaw, 2 No. 9 MMEDIAST 9. The domain name "ty.com" stood for both "TechYard," the name of the site, as well as the domain name holder's son, Ty. See id. In this case, the domain holder filed suit seeking to prevent Ty, Inc. from asking Network Solutions, Inc. (the organization that issues domain names) to shut off "ty.com." See id. Apparently, Giacalone has since sold "ty.com" to Ty, Inc., since the site now contains information about Ty, Inc.'s Beanie Babies, (visited May 13, 1997) <http://www.ty.com>.

body of Cyberspace and domain name personal jurisdiction case law emerging in the lower courts.

Part V explores whether domain names merit legal protection, and if so, under which body of law. First, this part explores the circumstances under which the law chooses to call something "property." Second, concluding that domain names deserve protection, this part examines the merits and difficulties of doing so with federal trademark and unfair competition law under the Lanham Act.\textsuperscript{16} Third, this part looks at cases involving disputes over telephone mnemonics, which are analogous to domain name disputes.\textsuperscript{17} Fourth, this part critically examines the domain name cases that have come down in the lower courts in light of the "categories" of disputes described in part III.

Finally, part VI examines some of the suggestions that have been made to deal with domain name disputes. While some suggestions involve changes to the Domain Name System ("DNS"), others involve changes to the law and remedies involving trademarks and the Internet. These suggestions will be examined critically, and others will be proposed in light of the conclusions reached elsewhere in this comment.

II. NOT THE SAME AS IT EVER WAS, OR HOW DID THINGS GET THIS WAY?\textsuperscript{18}

A. What Is the Internet and the World Wide Web?

The Internet was started in the 1960's as a result of work done by the RAND Corp., at the behest of the Pentagon, to find a way that U.S. authorities could "talk to each other in the aftermath of a nuclear attack."\textsuperscript{19} Paul Baran, a thinker at RAND, developed the idea of a "fish-
net” communications network: if one part of the network were destroyed, the data could find its way through another path. 20 In 1962, the Department of Defense’s Advanced Research Project Association (ARPA) implemented the system (which was later called ARPANET); by 1969, researchers at four universities were participating. 21

The Internet continued to grow through the 1970’s and 1980’s, with the number of Internet hosts exceeding 1,000 in 1984, 10,000 in 1987, and 300,000 in 1990. 22 The advent of cheap, powerful microcomputers and personal computers in the 1980’s helped fuel the boom. 23 Communications via e-mail, mailing lists, newsgroups, real-time chat, real-time remote computer use and information retrieval became wide-spread. 24 The most popular remote information retrieval system of all is the World Wide Web. The Web is a graphical part of the Internet which allows people using browsing software 25 to view documents containing “text, images, sound, animation and moving video.” 26 These documents usually contain “hyperlinks” (or “links”) that, when “clicked on” via a mouse or other pointing device, enable the user to view other documents, or even move to other Web sites. 27 The Web has “fast becom[e] the most well-known” method of interacting with the Internet. 28

B. What Are “Domain Names”?

A domain name is the Internet equivalent of a telephone number or address. For instance, the domain name for the University of Pittsburgh is “pitt.edu.” To send e-mail to the University of Pittsburgh Law Review, one would enter “lawrev@pitt.edu” into an e-mail program, where

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footnotes:

20. See History of the Internet, supra note 19; see also ACLU v. Reno, 929 F. Supp. at 838 (“[T]here is no] single centralized point from which individual Web sites or services can be blocked from the Web. From a user’s perspective, it may appear to be a single, integrated system, but in reality it has no centralized control point.”).

21. See History of the Internet, supra note 19.

22. See id. The term “Internet” itself was first used in 1982. See id. The ARPANET itself was decommissioned in 1990, leaving only the “vast network-of-networks called the Internet.” Id.

23. See id.


25. See supra notes 5-6 (discussing browsing programs).


27. See id.

28. Id.
“lawrev” is the Law Review e-mail account, “@” is a sign literally meaning “at,” and “pitt.edu” is the domain name. In essence, you are telling the software: “send e-mail to the Law Review at the domain ‘pitt.edu.’”

Machines communicating on the Internet, however, do not actually “talk” in terms of domain names. Instead, a domain name is a proxy for the “Internet Protocol” (“IP”) address, which is a number not unlike a telephone number, although there is no logical correspondence between the IP number and the domain name. When logging onto the Net through a “server,” the server interprets a domain name into its corresponding IP address. All servers on the Internet interpret the same domain names the same way, so that anyone typing “pitt.edu” will still reach the University of Pittsburgh. This is called the “Domain Name System” (“DNS”).

Accordingly, to reach the University of Pittsburgh on the Web, one would enter the string “http://www.pitt.edu” into browsing software. The “http://” refers to “Hypertext Transfer Protocol,” and the “www” string to the type of “host” being accessed; in this example, it signifies to the server that you are trying to reach a World Wide Web location. Thus, if one knows that the domain name for Pitt is pitt.edu, then it is easy to reach Pitt via e-mail, the WWW, or other methods. If one wanted to di-


Before the Internet became commercially popular, domains on it were most commonly identified by numeric [IP] addresses. For example, an experimental server on Lennes is identified by “150.131.109.1.” In the Web revolution that made the Internet become more consumer and mass-market oriented, “name” aliases were commonly attached to numeric addresses. For example, www.ibm.com was easier and more likely to be remembered than a long number.

Id.

30. Put simply, the server is the computer which one initially “logs” onto to reach the Internet. When one reaches a destination site through the Internet, that destination also communicates to your server by use of its own server.

31. See generally Internetic Inc. v. Toeppen, 947 F. Supp. 1227, 1229 (N.D. Ill. 1996) (discussing Internet terminology in domain dispute case). The host name “www” is not the only available host name, although it is by far the most widely used. For a listing of some of the commonly used host names, see Top 50 Host Names (visited Feb. 26, 1997) <http://nw.com/zone/WWW/firstnames.html>. “WWW” outnumbers the next most popular host name by a factor of almost ten to one. See id.

32. For instance, “file transfer protocol” (“ftp”) is available from most universities and computer-related corporations. This allows a party using a browser or ftp software to download files. The template is almost identical. For Pitt, ftp is available at <ftp://ftp.pitt.edu>. Another widely-used service is access to Usenet Newsgroups. This allows parties to read and respond to publicly-posted messages, categorized by interest. The Pitt news server is available at <news://usenet.pitt.edu>.
rectly reach the Pitt Law School, the string "law" is added to "pitt.edu" to get "law.pitt.edu." This exercise demonstrates that once one knows these simple "rules," it is relatively easy to guess a domain name. For instance, Sony may be found at "sony.com," Apple Computer at "apple.com," and IBM, of course, at "ibm.com."

Using "law.pitt.edu" as an example, the general template for domain names is as follows:

**FIGURE 1**

<table>
<thead>
<tr>
<th>law. pitt.edu</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd 2nd 1st level</td>
</tr>
<tr>
<td>SD SLD TLD</td>
</tr>
</tbody>
</table>

SD = Subdomain
SLD = Second level domain
TLD = Top level domain

Domain names read from right to left, in terms of increasing specificity. The "top level domain" ("TLD"), "edu," corresponds to either the generic type of organization that registered the domain name, or the geographical region of the organization. Any domain to the left of another domain is a "subdomain." Thus, the "second level domain" ("SLD"), "pitt," is a subdomain of "edu," and "law" a subdomain of "pitt." The SLD and TLD, together with any optional subdomain, comprise a "domain name."

**C. Generic and Geographic Top-Level Domains**

Currently two different types of TLDs exist: generic and geographic. The ones currently in use include:
### TABLE 2

<table>
<thead>
<tr>
<th>Generic TLDs (all current ones in existence are listed):(^{33})</th>
<th>Educational institutions</th>
<th>Cornell University</th>
<th>cornell.edu</th>
</tr>
</thead>
<tbody>
<tr>
<td>.edu</td>
<td>Educational institutions</td>
<td>Cornell University</td>
<td>cornell.edu</td>
</tr>
<tr>
<td>.org</td>
<td>PBS Television</td>
<td>pbs.org</td>
<td></td>
</tr>
<tr>
<td>.com</td>
<td>Commercial use</td>
<td>NBC Television</td>
<td>nbc.com</td>
</tr>
<tr>
<td>.net</td>
<td>Networking providers</td>
<td>InterNIC</td>
<td>rs.internic.net</td>
</tr>
<tr>
<td>.gov</td>
<td>U.S. government</td>
<td>White House</td>
<td>whitehouse.gov</td>
</tr>
<tr>
<td>.mil</td>
<td>U.S. military organizations</td>
<td>U.S. Army</td>
<td>army.mil</td>
</tr>
<tr>
<td>.int</td>
<td>International treaty organizations/Internet databases</td>
<td>NATO</td>
<td>nato.int</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Geographical TLDs (not all are listed):(^{34})</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>.us</td>
<td>United States</td>
</tr>
<tr>
<td>.fr</td>
<td>France</td>
</tr>
</tbody>
</table>

To use a geographical TLD, one must register a SLD as a subdomain under the geographical TLD: for example, “yahoo.fr.”\(^{35}\) Each country has an agency that handles geographical domain name registration.\(^{36}\) Although the “.us” TLD is rarely used,\(^{37}\) the other geographical TLDs are

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33. See Robert Shaw, *Internet Domain Names: Whose Domain Is This?*, at “What is the Internet Domain Name System,” tbls. 1-2 (visited Mar. 17, 1997) <http://www.itu.ch/intreg/dns.html>. This paper is an excellent source of the history and technical background of domain names.

34. See id. at tbl. 3.

35. Registry of sub-domains under the “.us” TLD is handled by the Internet Assigned Numbers Authority (“IANA”), <http://www.isi.edu/iana>. *See The Internet’s Gatekeeper Finds Heated Controversy Online; What Domains Are and Why They Are So Damned Important, PEORIA J. STAR, Sept. 15, 1996, at B11, available in 1996 WL 6977571.* As of the date of this writing, it appears that IANA is allowing domain name registration firms to register geographic subdomains. *See Listing of Delegated Subdomains* (visited Feb. 26, 1997) <http://www.isi.edu/in-notes/us-domain-delegated.txt>. From this listing, it appears that “family-names.com” and “southern-domains.com” have registered the bulk of the geographic domains. This is a troubling development considering that one solution to the domain name problem may be moving towards use of geographic rather than generic TLDs.


37. “The .us domain has an elaborate subdomain naming scheme based on ‘political geography’ but noticeable by their absence are direct equivalents of the .com, .net and .org subdomains that many other countries use.” Shaw, *supra* note 33.
widely used.\textsuperscript{38} In the United States, the generic TLDs are used instead.

Generic TLDs are commonly misunderstood to be U.S.-only.\textsuperscript{39} However, they are international in nature, so only one "pitt.edu" exists in the entire world.\textsuperscript{40} This global reach explains why generic TLDs have become so coveted. The growth in the number of domains under all the TLDs, as shown in the following table, has therefore been tremendous.\textsuperscript{41}

TABLE 3

<table>
<thead>
<tr>
<th>Internet Domain Survey</th>
<th>January 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Domains</td>
</tr>
<tr>
<td>Jan. '97</td>
<td>828,000</td>
</tr>
<tr>
<td>Jul. '96</td>
<td>488,000</td>
</tr>
<tr>
<td>Jan. '96</td>
<td>240,000</td>
</tr>
<tr>
<td>Jul. '95</td>
<td>120,000</td>
</tr>
<tr>
<td>Jan. '95</td>
<td>71,000</td>
</tr>
<tr>
<td>Jul. '94</td>
<td>46,000</td>
</tr>
<tr>
<td>Jan. '94</td>
<td>30,000</td>
</tr>
<tr>
<td>Jul. '93</td>
<td>26,000</td>
</tr>
<tr>
<td>Jan. '93</td>
<td>21,000</td>
</tr>
</tbody>
</table>

As the table shows, the number of domains has increased tenfold over the last two years, and nearly quadrupled in the year ending January 1997.

Of the generic TLDs, ".com" is by far the most popular. A look at the increase of registrations of specific generic TLDs over a mere two-

\textsuperscript{38} See Shaw, supra note 33, at tbl. 4 (showing how in the United Kingdom subdomains are combined with TLD ".uk" to create composite TLDs such as ".ac.uk" for academic, ".co.uk," ".plc.uk" and ".ltd.uk" for different types of commercial activity).

\textsuperscript{39} See id.

\textsuperscript{40} Private parties or non-U.S. entities, however, cannot register ".mil," ".int" or ".gov" TLDs. See id. at "Domain Name Registrations." The ".mil" domain is handled by the Department of Defense. See id. The ".int" domain, "pending final agreement," will be handled by the International Telecommunications Union in Geneva, Switzerland. See id. The ".gov" and ".edu" domains are "restricted to U.S. applicants by allocation policy." Id.

month period shows the dramatic nature of the increase: 42

<table>
<thead>
<tr>
<th></th>
<th>9/27/96</th>
<th>7/5/96</th>
<th>increase</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>.com</td>
<td>548,638</td>
<td>397,690</td>
<td>150,948</td>
<td>37.9</td>
</tr>
<tr>
<td>.org</td>
<td>36,808</td>
<td>27,358</td>
<td>9,450</td>
<td>34.5</td>
</tr>
<tr>
<td>.net</td>
<td>23,539</td>
<td>16,027</td>
<td>7,512</td>
<td>46.8</td>
</tr>
<tr>
<td>.edu</td>
<td>2,875</td>
<td>2,643</td>
<td>232</td>
<td>8.7</td>
</tr>
<tr>
<td>Total</td>
<td>611,860</td>
<td>443,718</td>
<td>168,412</td>
<td>37.8</td>
</tr>
</tbody>
</table>

A forty-percent increase of any activity over a year would be significant: over a two-month period, it is a mad rush. As one commentator stated, “I[here are more than 500,000 names on the Net, and that number is growing by about 50,000 a month—which only increases the potential for conflict.” 43

D. How Do You Get a Domain Name?

Unlike geographic domain names, which are issued by authorities in each country, generic domain names are issued by Network Solutions Inc. (“NSI”) as part of the InterNIC. 44 NSI is responsible for registration services, and accordingly issues all domain names for the “.edu,” “.org,” “.net,” “.gov” and “.com” domains. 45 To register a domain name with NSI, one need only go to the InterNIC WWW site and complete several forms. 46 Currently, it costs $100 for an initial two years of

42. Internet Info, Domain Snapshot—09/27/96 (visited Sept. 30, 1996) <http://www.webcom.com/~walsh/> (site no longer available, on file with the University of Pittsburgh Law Review). The Domain Snapshot is available via an e-mail distribution list. To subscribe, send e-mail to majordomo@pulver.com. Put “subscribe domains” in the body of the message.


44. The InterNIC was established in 1993 under the sponsorship of the National Science Foundation as a joint project by AT&T, General Atomics and Network Solutions, Inc. (“NSI”). See InterNIC, About the InterNIC (last modified Apr. 1, 1996) <http://www.irs.internic.net/Internic/index.html>. “AT&T was to manage the InterNIC Directory and Database Services project; NSI was to manage the Registration Services project, and General Atomics was to manage the Information Services project.” Id.

45. See InterNIC, InterNIC Registration Tool (visited Jan. 12, 1997) <http://www.rs.internic.net/cgi-bin/its/domain>.

46. See id.
use, with $50 for each additional year.\textsuperscript{47} The domain name is limited to twenty-six characters including the TLD, but the use of "shorter, more user-friendly names is recommended."\textsuperscript{48} No proof of ownership or trademark registration is required to register; by registering, however, an applicant is representing that his or her registration "does not interfere with or infringe upon the rights of any third party . . . [and is not intended] for any unlawful purpose."\textsuperscript{49}

Registrants must also agree to the terms of NSI's domain name dispute resolution policy.\textsuperscript{50} This policy, NSI's fourth in less than two years,\textsuperscript{51} suspends the use of a domain name upon challenge by any party bearing a trademark registration for the famous name corresponding to the domain name.\textsuperscript{52} This policy has been universally criticized.\textsuperscript{53} However, changes in the parties responsible for domain name registration as well as an increase in the number of TLDs available will soon occur.\textsuperscript{54} Since this comment's discussion of domain name disputes will apply regardless of changes to NSI dispute resolution policies, this comment will

\textsuperscript{47} See InterNIC, InterNIC Domain Name Registration Template (visited Feb. 26, 1997) \texttt{<http://www.rs.internic.net/cgi-bin/reg/domain-form?>}.

\textsuperscript{48} InterNIC, Domain Name Instructions (visited Feb. 26, 1997) \texttt{<http://www.rs.internic.net/reg/domain-name.html>} [hereinafter Domain Name Instructions].

\textsuperscript{49} See InterNIC, Domain Name Dispute Policy (last modified Aug. 8, 1996) \texttt{<http://www.rs.internic.net/domain-info/internic-domain-5.html>} [hereinafter InterNIC Policy].

\textsuperscript{50} See id.

\textsuperscript{51} To view the text of the previous policies via file transfer protocol, see \texttt{<ftp://www.rs.internic.net/policy/internic/>}; see also Carl Oppedahl, NSI Flawed Domain Policy Information Page (last modified Feb. 23, 1997) \texttt{<http://www.patents.com/NSI.html>} (discussing developments in domain name disputes with valuable information and links to other sites concerning these disputes).

\textsuperscript{52} See InterNIC Policy, supra note 49.

\textsuperscript{53} Several scholars have either criticized NSI or suggested changes to the DNS or to NSI's policies in particular. See, e.g., G. Andrew Barger, Cybermarks: A Proposed Hierarchical Modeling System of Registration and Internet Architecture for Domain Names, 29 J. MARSHALL L. REV. 623 (1996); Andre Brunel, Billions Registered, But No Rules: The Scope of Trademark Protection for Internet Domain Names, 7 No. 3 J. PROPRIETARY RTS. 2 (1995); Richard Zaitlen & David Victor, The New Internet Domain Name Guidelines: Still Winner-Take-All, 13 No. 5 THE COMPUTER L. 12 (1996); Kenneth Sutherland Ducker, Note, Trademark Law Lost in Cyberspace: Trademark Protection for Internet Addresses, 9 HARV. J.L. & TECH. 483 (1996).

\textsuperscript{54} NSI's contract with the NSF expires in 1998. See InterNIC Policy, supra note 49. The International Ad Hoc Committee ("IAHC") has published a recommended domain name policy which includes new generic TLDs. See IAHC, Final Report of the International Ad Hoc Committee: Recommendations for Administration and Management of gTLDs (last modified Feb. 4, 1997) \texttt{<http://www.iahc.org/draft-iahc-recommend-00.html>}; infra, part VI.A. The International Trademark Association ("INTA") has proposed a similar policy. See INTA, Proposed Internet Domain Name Registry Policy (last modified Dec. 26, 1996) \texttt{<http://plaza.interport.net/inta/intaprop.htm>}. 
forgo extended discussion of these matters in favor of analysis of the applicable legal principles.

E. Conclusions

Unlike telephone numbers, domain names ending in " .com" are unique for the entire world. It is therefore essential to have an easy-to-remember or guessable domain name. These two factors, along with the glittering promise of business on the Internet, have fueled the drive for domain names. In other words, once a good name is gone, it's gone for good. As an attorney to a party subject to a domain dispute said, "[r]ight now, it's like having one area code for the entire country, and everyone wants the same phone number."\(^55\)

III. What Kinds of Disputes Have Arisen?

Domain name disputes tend to fall into three categories: squatters, parasites and twins/poachers. The relevant criteria in these categories include the intent of the domain name holder in registering the name, the strength of his claim to use the name, how the name is used, and the strength of the challenger's claim to the mark.\(^56\) These categories are offered to provide a framework for analyzing the problems of both personal jurisdiction and trademark law, as well as for proposing changes to both the law and the Domain Name System ("DNS"). These categories present specific complexities that warrant separate examination, and are therefore proposed as a roadmap for analyzing domain name disputes.

A. Squatters

The term squatter is short for cyber-squatter, which refers to someone who speculatively purchases domain names with the intention of selling them for profit.\(^57\) Generally, this activity involves the registration

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56. Since these categories are set up using some of the same considerations that a court might entertain in deciding these disputes, see infra parts V.B and V.D, this categorization is helpful in the analytic framework. Sometimes a dispute might fall between the cracks of two categories. To some extent the categorization of a particular dispute is ultimately subjective, but perhaps no more so than it might be before a court. Carl Oppedahl takes a similar approach to categorizing disputes, but uses different factors in creating his own set of categories. See Carl Oppedahl, Remedies in Domain Name Lawsuits: How Is a Domain Name Like a Cow, (updated Feb. 13, 1997) <http://www.patents.com/jmls.shtml> [forthcoming].

57. See Robert Gurrola, Federal Court Rules That Domain Name 'Squatting' Violates Califor-
of a famous name with the purpose of selling it to the corresponding trademark holder. The most infamous of the squatters is Dennis Toeppen, who registered numerous famous names, such as "deltaairlines.com," "eddiebauer.com," and "neiman-marcus.com." Sometimes parties register names expecting to auction them off to the highest bidder. This practice has led to the emergence of "domain name brokers." Yet other squatters engage in gluttonous activity, eating up all names that remotely relate to their business to preempt other squatters. Although courts have treated squatting with disdain, these cases are more legally problematic than courts have made them appear.

58. "Trademark" is a legal term of art which identifies a product or its source, and which does not include "trade names," which are names used to identify a business or vocation. See Lanham Act § 45, 15 U.S.C. § 1127 (1994). Since disputes have arisen over trademarks, service marks and trade names, all of which may receive some sort of protection under the Lanham Act, this comment will use the term "famous names" as a catch-all. This term should not be confused with "famous marks," which deals with trademark dilution. See discussion infra part V.B.

59. In one case a journalist registered the domain name "mcdonalds.com" upon learning that McDonalds had not registered it. See Quittner, supra note 8. Other disputes involve the Better Business Bureau (over "bbb.com" & "bbb.org"); Porsche ("porsche.com"); and the Church of Scientology ("dianetics.com"). See Agmon, supra note 12.

60. See infra part V.D.1; see also Kelley, supra note 9, at 17.

61. One such broker has "wallstreet.org" (asking $375,000), "gratefuldead.org" ($175,000), and "videodating.com" ($30,000). See Multimedia Realty: Prime Internet Addresses For Sale Through New Web Site Brokerage, M2 PRESSWIRE, Oct. 30, 1996, available in 1996 WL 14649959. Another such service, BestDomains, claims to have over 1600 domain names for sale. See Best Domains (visited Mar. 22, 1997) <http://www.bestdomains.com>. Another, TABNet Domain Registration Services, claims over 8500 names. TABNet, Domain Registration Services (visited Mar. 22, 1997) <http://www.domain-registration.com>. Yet another, FreeView Listings Ltd. of Vancouver, registered over 9000 domain names in August and September of 1996, "trying to grab all the family names, hobbies, pets, and so on, that it can, to lease back as vanity mailbox addresses to its users."

Freeview Listings in Net Domain Name Shopping Spree, Buys 9,000, WEST'S LEGAL NEWS, Sept. 24, 1996, available in 1996 WL 10475322. By its own pricing it will need at least ten e-mail accounts on each domain name just to break even. A fourth, DomainMart, run by Alex Tajirian, in business since the "third week of August (1996), has 70 customers." See John Fontana, How Domain Names Spell Profit, COM.M.WK., Sept. 30, 1996, available in LEXIS, News Library, Cumnws File. Some of his registered sites include billgates.com (asking price of $1,000,000), elvis.net ($15,000), and cubancigar.com ($35,000). A look at the DomainMart site shows the availability of "lucasart.com," a name commonly confused with "lucasarts.com." See DomainMart (visited Mar. 22, 1997) <http://www.domanmart.com/book/4sales.html>. DomainMart apparently views part of the value of these names to consist in their potential to be confused with popular "official" sites. It is worth noting that as recently as 1995, domain name registration was free. Even today, it costs only $100 for two years of domain name usage and $50 every year afterwards. See InterNIC Policy, supra note 49.

62. For example, Procter & Gamble has registered well over 150 domain names, not all of which correspond to product names. Some of these include "diarrhea.com," "badbreath.com," "clean.com," "laundry.com," and "underarm.com." See YourNameHere.com—A Trendy Address For a Hefty Price, CLEVELAND PLAIN DEALER, Oct. 21, 1996 at 6D.
B. Parasites

Like squatters, parasites also expect to gain financially; unlike squatters, such gain is expected through the use of the domain name. In some cases, a famous name will be registered by another; in other cases, a mark that is similar to, or a commonly mistyped version of a famous name will be used. The dispute might arise between direct competitors, between those in similar lines of business, or between those who simply wish to "trade off" the name's fame. Cases involving telephone mnemonics have special significance in the analysis of parasites because mnemonics cases tend to involve the use of mnemonics that are confusingly similar to the correct mnemonic. The merits of the case usually depend on the relative strength of each party's right to use the

63. The term "para-site" has been used in the analogous context of parody Web sites. See Todd Woody, 'Net Gain; Will 'Para-sites' Poison the Web?, TEX. L. W., Sept. 16, 1996, at 34.

64. See Comp Exam'r Agency v. Juris, Inc., No. 96-0213-WMB (CTx), 1996 WL 376600 (C.D. Cal. May 22, 1996) (involving defendant engaged in same business as plaintiff who infringed plaintiff's federally protected "JURIS" mark by registering it as a domain name). In a second such dispute, Levi Strauss & Co. has filed suit in a California federal court against a party who was using the "levis.com" domain name to sell clothing products, including those of Levi's, over the Internet. See Levi Strauss Files Suit over Use of Levis.com as Internet Domain Name, INTELL. PROP. LITIG. REP., Apr. 24, 1996, at 18 (referring to Levi Strauss & Co. v. Speyer, No. C-96-00958 SBA (N.D. Cal. filed March 13, 1996)). Another dispute erupted when KCRA-TV in Sacramento, California, registered "kvie.com," "kpwb.com," and "ktxl.com," which were "call letters of three of its competitors." See Agmon, supra note 12.

65. One such site, "windows95.com," has apparently not been the subject of any action by Microsoft.

66. Interlaw, owner of "interlaw.com," and The L'ectric Law Library had a dispute over the latter's use of "inter-law.com." The dispute was later settled and The L'ectric Law Library changed its domain name to "lectlaw.com." See Agmon, supra note 12. The software company Zero Micro Software registered "microsoft.com," which was put on hold after a complaint by Microsoft. See id. In another case, a competitor of Teubner & Associates registered "teubner.com," a frequently misspelled variant of Teubner's name; it also registered "faxgate.com," which is a product of Teuber's that directly competed with the other party's product. See id. The dispute was settled after Teubner's attorney sent a cease and desist letter. See id.

67. Princeton Review, which publishes educational, testing and training materials, registered "kaplan.com," Kaplan Education Center is a primary competitor of Princeton. The matter was settled in arbitration and the domain name was given to Kaplan. See id. Princeton had used the site to post comparative information about itself and Kaplan, which of course, was favorable to itself. See What's in a Name? You'd Better Ask First, BALTIMORE BUS. J., Aug. 30, 1996, available in 1996 WL 11828118.

68. See supra note 64 (discussing "levis.com").


70. See infra part V.C.
name, as well as whether the name itself is a generic one that the law should refuse to protect.

C. Twins and Poachers

With twins, the domain name holder and challenger each have the same or a nearly identical name. Each also has, to some extent, a legitimate claim to the name. In some cases, the holder of the domain name is a business,71 and in others a private party using his or her surname or nickname.72 The party challenging the domain name holder is typically a business. The cases involving twins are the most difficult because, but for the domain name dispute, the law of trademark and unfair competition might otherwise allow each party to enjoy concurrent use of the name.73

In some cases, the challenger may try to overextend the scope of their famous name; this makes the challengers poachers engaged in “reverse domain-name grabbing.”74 Basic fairness should preclude poachers from prevailing in a dispute when their claim to the name is equal to or weaker than that of the domain name holder.75 However, the reverse is not necessarily true: the poacher should not always prevail even when it has the stronger mark.76 In fact, poacher cases offer the greatest chance


72. Regis McKenna, a Silicon Valley public-relations specialist, filed suit in federal court seeking to keep his domain name, “regis.com,” against a challenge by Regis Corp., a Minneapolis-based national hair products manufacturer. See Cronk, supra note 43. In another case, a California federal court enjoined Ty Inc., a toy manufacturer, from interfering with the use of the domain name “ty.com,” which is registered to computer consultant Philip Giacalone. See Toymaker Can’t Bar Use of Domain Name, supra note 14 (referring to Giacalone v. Network Solutions Inc., No. C-96 20434 RPA/PVT (N.D. Cal. June 14, 1996). The site was called “TechYard,” and the domain name was allegedly named after Giacalone’s son, Ty. See id.

73. See supra part V.B.3.a.

74. See Massey, supra note 13.

75. “Yahoo!,” “one of the most popular and best-organized search services” on the WWW is in a conflict over its domain name with Miss King’s Kitchens, Inc., the maker of “The Original Texas YA-HOO! Cake.” A Couple of Yahoos Holier in a Dispute over a Name, Nat’l L.J., Sept. 16, 1996, at A20. Both names are registered trademarks: that of the bakery in 1980, the other in 1995. Yahoo!’s initial public offering generated $848 million in April 1996. See id.

76. Roadrunner Computer Systems filed suit against NSI to prevent it from shutting down “roadrunner.com” at the behest of a challenger. See Internet Access Provider Sues NSI over Domain
for abuse and overextension by those with registered trademarks. Accordingly, courts should act with restraint when faced with such disputes. This category and the others can help to guide courts, whether deciding these disputes on the merits, or, as in the next part, when determining whether to exercise personal jurisdiction over a defendant.

IV. PERSONAL JURISDICTION OVER DOMAIN NAME DISPUTES

Even if a plaintiff has an iron-clad case on the merits, she cannot get a remedy if her court of choice cannot exercise personal jurisdiction over a non-resident defendant. Determining when a court may invoke jurisdiction over a non-resident has always been a thorny matter, and is especially troublesome when the dispute arises in Cyberspace. Since jurisdiction is always available in a defendant's state of residence, a

Name Assignment Policy, COMPUTER LITIG. REP., Apr. 14, 1996 (referring to Roadrunner Computer Sys. v. Network Solutions, Inc., No. 96-413-A (E.D. Va., Apr. 25, 1996)). The complaint was from Warner Bros., owner of the "Roadrunner" cartoon character. See Agmon, supra note 12.

Fry's Electronics, a large California electronics retailer, is battling a small French fry cooking equipment supplier, Frenchy Fries, over "frys.com." See id. Other disputes involve "dc.com" (involving the owner of DC Comics and a party who set up informational site about Washington, DC), and "clue.com" (involving Clue Computing and Hasbro, owner of the board game "Clue"). See id.


77. See Pennoyer v. Neff, 95 U.S. 714 (1877) (holding that the Due Process Clause of the Fourteenth Amendment prohibits personal jurisdiction over a defendant who is not present in the forum state). Although the subject matter of the Lanham Act involves due process under the Fifth, and not the Fourteenth Amendment, personal jurisdiction analysis under the Fifth Amendment, absent a provision authorizing national service, is generally "cotermiuous with the reach of the Due Process clause of the Fourteenth Amendment." Autoscribe Corp. v. Goldman, No. 94-1749, 1995 WL 56652, at *3 (4th Cir. Feb. 3, 1995).

78. As Judge Learned Hand said concerning personal jurisdiction, "[i]t is quite impossible to establish any rule from the decided cases; we must step from tuft to tuft across the morass." Hutchinson v. Chase & Gilbert, Inc., 45 F.2d 139, 142 (2d Cir. 1930).


80. See Pennoyer, 95 U.S. at 721.
plaintiff may always choose to file suit in the defendant's forum state. However, practical and legal concerns often move plaintiffs to file suit in their own, or even a third, forum state.\(^{81}\)

Personal jurisdiction analysis is especially difficult in the case of a Cyberspace defendant who uses a domain name in another part of the country, or even outside the United States. A Cyberspace defendant might be said to be everywhere and nowhere at the same time. If the mere act of putting a page on the WWW, which can be accessed anywhere in the world, was sufficient to obtain personal jurisdiction, then anyone establishing a home page would risk liability anywhere in the country, or even the world.\(^{82}\) Thus it is necessary to examine personal jurisdiction in light of these complications.

**A. Personal Jurisdiction Law as Enunciated by the Supreme Court**

Determining whether a court has personal jurisdiction involves two steps. First, jurisdiction must be acceptable under the forum state's "long-arm" statute.\(^{83}\) Second, jurisdiction must satisfy the Due Process Clause of the Fourteenth Amendment.\(^{84}\) Since due process analysis demarcates the outer limits of personal jurisdiction, this comment will restrict its discussion to the limits imposed by the Due Process Clause.\(^{85}\)

The landmark case in modern personal jurisdiction law is *Internal-

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81. Under the *Erie Doctrine*, the choice of forum may carry with it the benefit of favorable substantive law. See *Erie R.R. Co. v. Tompkins*, 304 U.S. 64, 77 (1938) ("Except in matters governed by the Federal Constitution or by acts of Congress, the law to be applied in any case is the law of the state."). As a practical matter, litigation is expensive and disruptive. Witnesses, documents and other relevant material may be close to the plaintiff's state of domicile. A plaintiff may wish to minimize the disruption to her life by keeping things local. Also, if the plaintiff is a local (and well-liked) company, a sympathetic local jury is never a bad thing to have. Further, since federal courts have pendent jurisdiction over state-law unfair competition claims, plaintiffs may choose their forum knowing they can still wage a Lanham Act claim, with state-law claims in the alternative. See 28 U.S.C. § 1338(b) (1994).

82. The subject of jurisdiction of Americans in foreign countries would also make an interesting topic, but is not addressed here.

83. Compare, e.g., *Cal. Civ. Proc. Code* § 410.10 (West 1973) ("A court of this state may exercise jurisdiction on any basis not inconsistent with the Constitution of this state or of the United States.") with *N.Y. C.P.L.R.* § 302 (McKinney 1990) (enumerating conditions upon which jurisdiction is met which are narrower in scope than those permitted by the Due Process Clause).


85. It would be a worthwhile exercise to do the constitutional analysis and then see to what extent, if any, existing long-arm statutes might change the picture. However, considering the public awareness and debate concerning legal issues and the Internet (e.g., cyberporn, on-line defamation, shrink-wrap licenses, on-line contracts and domain name disputes), it is likely that long-arm statutes will eventually be amended or construed to take Cyberspace acts into account.
tional Shoe Co. v. Washington.\textsuperscript{86} In that case, the Court held that jurisdiction was proper over an out-of-state corporation under the proper circumstances.\textsuperscript{87} The new test required that a defendant not present within the forum state "have certain \textit{minimum contacts} with it such that the maintenance of the suit does not offend 'traditional notions of fair play and substantial justice.'"\textsuperscript{88}

Under \textit{International Shoe} and its progeny, two kinds of personal jurisdiction exist. The first is \textit{general jurisdiction}, which exists when the contacts of the defendant in the forum state are "continuous" and "substantial" enough to allow jurisdiction over a defendant for an act that is "entirely distinct from those activities."\textsuperscript{89} It is doubtful that general jurisdiction will be applicable in the cases of squatters, twins, poachers or parasites because the activities of most domain name holders tend to be singular and non-continuous.\textsuperscript{90} However, jurisdiction may arise under \textit{specific jurisdiction}, when the contacts or activities "give rise to the liabilities sued on."\textsuperscript{91} In these cases, jurisdiction depends upon the "nature and quality and circumstances" surrounding the contacts.\textsuperscript{92}

Cases following \textit{International Shoe}, such as \textit{World-Wide Volkswagen Corp. v. Woodson}\textsuperscript{93} and \textit{Burger King v. Rudzewicz},\textsuperscript{94} provide additional guidance in the analytic framework behind a specific jurisdiction minimum contacts analysis. Personal jurisdiction analysis is a two-step process. First, one must determine whether "purposeful availment" has oc-

\textsuperscript{86} 326 U.S. 310 (1945). The defendant, a Missouri corporation, was sued for unpaid unemployment compensation contributions in Washington State. \textit{See id}. at 311. \textit{Fennoyer's} emphasis on "presence" was treated as a metaphor for "activities . . . within the state which courts will deem to be sufficient to satisfy the demands of due process." \textit{Id}. at 316-17.

\textsuperscript{87} \textit{See id}. at 320.

\textsuperscript{88} \textit{Id}. at 316 (citation omitted) (emphasis added).

\textsuperscript{89} \textit{Id}. at 318.

\textsuperscript{90} The standard that has developed for general jurisdiction is very high, and will probably only apply to large corporations that carry on significant, continuous business in a visible manner. \textit{See Helicopteros Nacionales de Colombia, S.A. v. Hall}, 466 U.S. 408, 414-16 n.9 (1984) (holding that general jurisdiction was not proper even when defendant's contacts with the forum state included sending executives to negotiate, personnel for training, accepting checks drawn on banks from forum state, and spending over $4 million on helicopters). Such contacts were held not to be "continuous and systematic." \textit{See id}. at 408 (distinguishing \textit{Perkins v. Benguet Consol. Mining Co.}, 342 U.S. 437 (1952) (holding that "continuous and systematic" contacts existed, making general jurisdiction proper over a defendant who maintained an office in forum state for Philippine corporation during Japanese occupation)).

\textsuperscript{91} \textit{International Shoe}, 326 U.S. at 317.

\textsuperscript{92} \textit{Id}. at 318.

\textsuperscript{93} 444 U.S. 286 (1980).

\textsuperscript{94} 471 U.S. 462 (1985).
curred. 95 Second, a "reasonableness" determination must be made to ensure that exercising personal jurisdiction would be fair. 96

With regard to cases involving tortious conduct, the Supreme Court has not resolved whether purposeful availment is satisfied by placing a product into the general "stream of commerce" or instead requires a higher showing of "purposeful direction" by the defendant towards the forum State. 98 As an unresolved issue, courts are free to choose one test over the other. 99 This matter is of direct concern to those who establish a home page or site on the World Wide Web, since the latter test makes personal jurisdiction much more difficult to establish.

If World-Wide Volkswagen dealt with minimum contacts stemming from tortious conduct, then Burger King did the same for minimum contacts stemming from a contract. 100 The existence of a contract, while by itself not sufficient for jurisdiction, may nonetheless satisfy minimum

95. See Hanson v. Denckla, 357 U.S. 235, 253 (1958). In Hanson, the Court held "purposeful availment" did not exist, and jurisdiction was therefore held to be improper, over a Delaware trustee because the contacts were based on the "unilateral activity" of the decedent towards the defendant. Id. at 254. Rather, there must be "some act by which the defendant purposefully avails itself of the privilege of conducting activities within the forum State, thus invoking the benefits and protections of its laws." Id. at 253 (emphasis added). This rationale was further developed in World-Wide Volkswagen, where jurisdiction was not proper over a New York automobile retailer and its wholesale distributor for a products-liability action when the accident occurred in Oklahoma. 444 U.S. at 299. The Court rejected an argument of "'foreseeability' that the [plaintiff's] automobile would cause injury in Oklahoma." Id. at 295. The Court concluded that Hanson gave the proper standard, and that the only kind of foreseeability that is "critical to due process analysis" is the "defendant's conduct and connection with the forum State . . . such that he should reasonably anticipate being haled into court there." Id. at 297 (emphasis added); see also Shaffer v. Heitner, 433 U.S. 186, 218 (1977) (Stevens, J., concurring) (stating that the requirement of fair notice includes "fair warning that a particular activity may subject [them] to the jurisdiction of a foreign sovereign.").

96. See Burger King, 471 U.S. at 464.

97. It is theoretically possible to sue the domain name itself in rem rather than suing a person or corporation (in personam) jurisdiction. However, in rem proceedings are now also adjudged under the International Shoe standard, so it makes no difference for purposes of domain name analysis whether the suit is in personam or in rem. See Shaffer, 433 U.S. at 212.


100. See Burger King, 471 U.S. at 479. In Burger King, defendants negotiated for a "Burger King" franchise with plaintiff. Id. at 466. Other than one brief trip, defendants had no physical ties to the forum state. See id. at 479. After defendants' franchise was canceled for non-payment of fees, they nonetheless continued to operate the restaurant, prompting plaintiff's suit for breach of franchise agreement and, significantly, trademark infringement. See id. at 468.
contacts when combined with factors such as "prior negotiations and contemplated future consequences, . . . the terms of the contract and the parties' actual course of dealing."  

Finally, and perhaps most significantly to domain name disputes, an effects test may be used to determine purposeful availment when the defendant's actions amount to an intentional tort. In *Calder v. Jones*, the Court applied an effects test in determining that jurisdiction was proper. In *Calder*, Shirley Jones, a California resident, brought a libel suit in California against Florida residents who wrote and published a story about Jones. The writer's only contacts with the forum state were phone calls he made to California for purposes of the story and unrelated trips to California. Calder, the editor and publisher of the National Enquirer, had traveled to California only twice; neither visit was related to the alleged libel. The Court, in granting jurisdiction, noted that "California is the focal point both of the story and of the harm suffered." 

The defendants argued on the basis of *World-Wide Volkswagen* that the mere foreseeability that the magazine would be "circulated and have an effect in California" should not be sufficient for jurisdiction, and that they did not "in effect appoint the [article their] agent for service of process." The Court rejected this argument, stating that the minimum contacts test was satisfied by the effects of "an alleged wrongdoing intentionally directed at a California resident." The actions of the defendants were "expressly aimed at California." 

*Calder* therefore suggests that when a defendant's actions amount to an intentional tort, purposeful availment may be satisfied by the effects test rather than minimum contacts. However, an ambiguity lurks in *Calder* as to whether the act itself must be focused at the forum state to find

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101. *Id.* at 479. The *Burger King* defendants had knowingly and willingly entered into the contract with the Florida-based corporation, to which franchise payments were made, satisfying minimum contacts. *Id.* at 479-80.


103. *Id.* at 784-85. The story alleged that Jones "drank so heavily as to prevent her from fulfilling her professional obligations." *Id.* at 788 n.9.

104. See *id.* at 785 n.3. There was a trip that the lower court had found to be directly related to the story, although that finding was "hotly disput[ed]" by the writer; the Court found it unnecessary to consider this fact because it based its holding on other factors. See *id.* at 785 n.4.

105. See *id.* at 786.

106. *Id.* at 789.


108. *Id.* at 790.

109. *Id.* at 789.
jurisdiction. In Calder, the "focal point" of both the act (the story) and the harm (the injury to Jones' reputation) was California.\textsuperscript{110} Later in the opinion, however, the Court states that "[a]n individual injured in California need not go to Florida to seek redress from persons who . . . knowingly cause the injury in California,"\textsuperscript{111} suggesting that the test might be satisfied if the harm, but not the act, was aimed at the forum state.\textsuperscript{112} Thus, Calder is ambiguous as to whether it is sufficient that only the harm be felt in the forum State, or whether the act itself must also be focused at the forum State. Thus, depending on the court,\textsuperscript{113} "half a Calder" may be sufficient for jurisdiction.\textsuperscript{114} Considering that the effects of domain name disputes may be felt in places other than where the activity is ostensibly focused, Calder promises to play a heavy role in domain name personal jurisdiction analysis.

A second requirement of reasonableness ensures that exercising personal jurisdiction will not offend "'traditional notions of fair play and substantial justice.' "\textsuperscript{115} This allows a court to ask: even if the contacts are sufficient to allow jurisdiction, would it be unreasonable to hale a particular defendant into court?\textsuperscript{116} However, once minimum contacts are

\begin{footnotes}
\item 110. Id.
\item 111. Id. at 790.
\item 112. The Court has on one occasion granted certiorari to address this point, but the case was dismissed as moot after the parties settled. See Burt v. Board of Regents, 757 F.2d 242 (10th Cir.), cert. granted, Connolly v. Burt, 474 U.S. 1004 (1985), judgment vacated & remanded for dismissal as moot, 475 U.S. 1063 (1986). In Burt, a divided panel held that jurisdiction was proper under Calder when the defendant, a Colorado resident, sent an uncompensatory letter of recommendation to the University of Nebraska on behalf of the plaintiff. See id. at 243. The dissenting judge said that jurisdiction was improper because the "'focal point of the story was Nebraska' not Colorado. Id. at 245 (Seth, J., dissenting).
\item 113. Compare Brainerd v. Governors of the Univ. of Alberta, 873 F.2d 1257, 1259 (9th Cir. 1989) (half Calder) with Reynolds v. International Amateur Athletic Fed’n, 23 F.3d 1110, 1120 (6th Cir. 1994) (full Calder).
\item 115. Asahi Metal Indus. v. Superior Court, 480 U.S. 102, 113 (1987) (O'Connor, J., writing for unanimous Court for this part of the decision) (quoting International Shoe Co. v. Washington, 326 U.S. 310, 316 (1945)). Factors to which courts look include:
\begin{quote}
The burden on the defendant, the interests of the forum State, and the plaintiff's interest in obtaining relief. [A court] must also weigh in its determination "the interstate judicial system's interest in obtaining the most efficient resolution of controversies; and the shared interest of the several States in furthering fundamental substantive social policies."
\end{quote}
Id. (citation omitted).
\item 116. In Asahi, the four Justices who dissented on the issue of "purposeful direction" nonetheless concurred in the judgment on the basis that it would be unreasonable to hale a defendant from Japan when the dispute was between a Japanese and Taiwanese corporation. See id. at 116
\end{footnotes}
satisfied, courts tend to treat such contacts as raising either an inference or a presumption of reasonableness. This can shift the burden from the plaintiff to show reasonableness to the defendant to show unreasonable-ness. In summary, jurisdiction must be analyzed through a three-prong test, which looks at 1) the relation between the suit and contacts; 2) the nature and quality of the contacts, expressed through purposeful availment; and, 3) reasonableness.

B. Personal Jurisdiction Applied to Cyberspace and Domain Name Disputes

1. Paradigm Shifts in Personal Jurisdiction – Something Old, Something Shoe

The difficulties faced by courts today in determining whether personal jurisdiction is proper in Cyberspace are not much different from those faced by the *Pennoyer* and *International Shoe* Courts. Both decisions were prompted in part by great changes in transportation and communications. At the time of *Pennoyer*, massive growth of the rail-

(Brennan, J., concurring in part and concurring in the judgment).


118. *See, e.g., Omeluk v. Langsten Slip & Batbyggeri A/S, 52 F.3d 267, 270 (9th Cir. 1995): (1) The nonresident defendant must do some act or consummate some transaction with the forum . . . by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of its laws[,] (2) [t]he claim must be one which arises out of or results from the defendant's forum-related activities[,] and (3) [t]he exercise of jurisdiction must be reasonable. Id. (emphasis added). This is the test used by the court in the *Panavision* domain dispute case, discussed infra, part V.D.1.

119. This prong poses the question: does the cause of action arise out of the defendant's contacts with the forum State? If not, then jurisdiction is unlikely. Otherwise, specific jurisdiction analysis applies and the test continues. *See, e.g., Omeluk, 52 F.3d at 270. This is often phrased as a "but-for" test.

120. This prong poses the question: what is the nature and quality of the defendant's contacts with the forum State? If the defendant's conduct amounts to an intentional tort, the *Calder* "effects test" may apply. If it seems more like negligence, strict liability, or breach of contract, then the "purposeful availment" test must be satisfied, which, depending on the jurisdiction, will require "purposeful direction" or the mere injection into the stream of commerce.

121. This prong poses the question: does it violate "fair play and substantial justice" to subject the defendant to jurisdiction?

122. *See Terry S. Kogan, A Neo-Federalist Tale of Personal Jurisdiction*, 63 S. CAL. L. REV. 257, 343-44 (1990). Professor Kogan states that due to:

- the acceleration of developments in technology and communications at the end of the nine-
road system, the emergence of a sophisticated postal delivery service, and the development of the telegraph contributed to the expansion of personal jurisdiction.

The personal jurisdiction decisions of the twentieth century are also in large part a reaction to changes to transportation and communication. The advent of the automobile, telephone, and airplane only served to exacerbate the situation. Assuming that it was unfair in 1877 to exercise jurisdiction over a non-resident (despite the existence of the railroad and telegraph), perhaps by the early twentieth century, it no longer seemed so unreasonable. The act of driving through a state, for instance, could trigger personal jurisdiction.

International Shoe, therefore, can be viewed as a rewriting of the rules for the current situation, allowing a look at all the facts to determine if a defendant is sufficiently "present" for purposes of jurisdiction. In doing so, International Shoe and its progeny greatly increased the boundaries of jurisdiction established in Pennoyer. The threshold question for purposes of this comment is whether this model is sufficient to satisfy due process in Cyberspace. It is therefore necessary to review

teenth and beginning of the twentieth centuries . . . , a legal consciousness that attempted to understand interstate relations in purely physicalized, boundary-drawing terms no longer proved adequate to make sense of an increasingly mobile society. A new conceptual structure for rights in society, one which was no longer tied to physicality but was increasingly relational, was now needed.

*Id.* at 343.


124. In 1869, the first railroad to span the entire North American continent was completed. See 16 *World Book Encyclopedia* 116-17 (1996).

125. The Pony Express, for example, reduced the time required to send a letter from Missouri to California from 24 to 10 days. 15 *World Book Encyclopedia* 657-58 (1996). Started in 1860, the Pony Express ended just the next year due to the advent of the transcontinental telegraph. See *id*.

126. See *id*.

127. Automobile registrations in the U.S. in the year 1900 totaled 8,000; by 1945, they totaled nearly 26,000,000. See 1 *World Book Encyclopedia* 959 (1996).

128. The telephone was invented in 1875, a mere two years prior to Pennoyer. See 19 *World Book Encyclopedia* 103 (1996).

129. The Wright Brothers flew the first working airplane in 1903; by 1945, jets existed. See 1 *World Book Encyclopedia* 204 (1996).

130. See, e.g., Hess v. Pavloski, 274 U.S. 352, 356 (1927) (characterizing "motor vehicles [as] dangerous machines . . . attended by serious dangers to persons and property" in upholding statute appointing state registrar as party who can take service for purposes of personal jurisdiction for any party driving in the state).

131. Professor Kogan suggests that "minimum contacts" under International Shoe can be read as an expansion of the notion of presence "to cover symbolic forms of presence." Kogan, *supra* note 122, at 352.

132. Perhaps the truly threshold question is — what is Cyberspace? — i.e., how is it different
personal jurisdiction cases dealing with both Cyberspace in general and domain name disputes in particular. Perhaps then it will be possible to perform an examination similar to one done pre-minimum contacts:

[A] trend is clearly discernible toward expanding the permissible scope of state jurisdiction. . . . In part this is attributable to the fundamental transformation of our national economy over the years. Today many commercial transactions touch two or more States and may involve parties separated by the full continent. With this increasing nationalization of commerce has come a great increase in the amount of business conducted by mail across state lines.133

2. *Cyberspace and Domain Name Personal Jurisdiction Cases*

In an early Cyberspace case, *California Software Inc. v. Reliability Research, Inc.*,134 the court held that jurisdiction existed in California over Nevada defendants who allegedly "made false statements [about the plaintiffs] through the use of the telephone, the mails, and a nationwide computer network."135 James White, a defendant and treasurer of the defendant corporation, Reliability Research, Inc. ("RRI"), sent letters to California residents, and placed messages on RRI's computer bulletin board system ("BBS") that were "available and visible to all [the BBS's] users."136 The messages stated that any licensee of California Software using software which was under dispute would be held financially responsible.137

The BBS message was received by three parties: one in New York, one in Canada, and one in Washington state.138 Although the message was available to a party in California, there was no evidence that the message influenced the California party's "decision not to purchase the product."139 The court refused to find general jurisdiction, stating that "[t]he mere act of transmitting information through the use of interstate communication facilities is not, however, sufficient to establish jurisdic-

135. Id. at 1357 (emphasis added).
136. Id. at 1358.
137. See id. There had been a dispute between the parties at that time concerning the ownership of "resCue/MVS" software, and a suit had been filed in New York. See id.
138. See id.
139. Id. at 1359.
tion over the sender."  

The court, however, found specific (or as it called it, "limited") jurisdiction. The court found jurisdiction on the basis of both the letters and the BBS messages. The court noted that the "[d]efendants made tortious statements which, though directed at third persons outside California, were expressly calculated to cause injury in California." As such, although the letters were a full Calder, the BBS messages were only half a Calder. In this case, the court was not dissuaded. Since the recipients of the defamatory messages diverted their business away from California as a result of the defendants' conduct, and especially because, as a result, the defendants "anticipated benefitting therefrom by maintaining their customers and possibly obtaining new ones," half a Calder was Calder enough. The defendants should have foreseen being haled into court on the basis of their conduct.

One factor that seemed to influence the court was the fact that the BBS messages were made publicly available to "an audience wider than those requesting the information." The court noted in broad dictum that just as the concept of jurisdiction was expanded historically, due to changes in technology and nationwide transactions, so too it must be expanded due to computer technology:

Through the use of computers, corporations can now transact business and communicate with individuals in several states simultaneously. Unlike communications by mail or telephone, messages sent through computers are available to the recipient and anyone else who may be watching. Thus, while modern technology has made nationwide commercial transactions simpler and more feasible, even for small businesses, it must broaden correspondingly the permissible scope of jurisdiction exercisable by the courts.

California Software's approach has been accepted by some courts and rejected by others. For example, in Pres-Kap, Inc. v. System One, the

140. Id. at 1360.
141. See id. at 1360.
142. See id. at 1361-62.
143. Id. at 1361. The letters were sent to California residents concerning a California corporation. See id. at 1361. Thus, both the focus of the act and the injury suffered were in California, making a full Calder.
144. Id. at 1362.
145. See id.
146. Id. at 1363.
147. See id. (quoting McGee v. International Life Ins. Co., 355 U.S. 220, 222-23 (1957)).
148. Id. (emphasis added).
149. Compare Edias Software Int'l v. Basis Int'l, 947 F. Supp. 413, 417, 422 (D. Ariz. 1996) (holding that placement of allegedly defamatory information via personal e-mail to European custom-
defendant, a New York travel agency, was sued in Florida for breach of a lease agreement involving plaintiff’s airline reservation system. The only Florida contacts were the use of an online reservation system based in Florida, and a monthly payment sent to Miami.151 All other contacts between the parties occurred in New York.152

The court refused to exercise personal jurisdiction in Florida on the basis of the payments and the online connection.153 First, the court noted that the mere existence of a contract "'with an out-of-state party alone can[not] automatically establish sufficient minimum contacts . . .' [even where] the foreign defendant allegedly breaches that contract by failing to make the required payments [in the forum State]."154 Second, the court was troubled by the prospect of personal jurisdiction stemming out of the mere use of online communications, because the defendant was not necessarily aware of the "exact electronic location of the subject computer database."155 Finally, the court was disturbed by the far-reaching implications of a contrary decision, in which "'users of such 'on-line' [sic] services could be haled into court in the state in which [a] supplier's billing office and database happen to be located.'"156

These opinions are reconcilable in several ways. First, while Pres-Kap was a breach-of-contract action, California Software involved an intentional tort. This is consistent with the analysis of Burger King and Calder which suggests that purposeful availment is more easily found for an intentional tort than a contract.157 Second, whereas the Pres-Kap defendant purchased information in Cyberspace, the California Software
defendant supplied information. This suggests that those who post information for public use on the Internet are more likely to be haled into court than those who merely read information. Indeed, the Sixth Circuit has upheld a conviction under the federal obscenity laws for pornographic images placed on a BBS in one state and downloaded in another.158

However, what if the defendant is both a purchaser and a supplier of information services? In CompuServe, Inc. v. Patterson,159 there was a dispute between CompuServe and a subscriber who entered into an agreement to provide software for sale on CompuServe's system. After CompuServe started to market software similar to the defendant's, Patterson notified CompuServe, via e-mail, that it was violating Patterson's common-law trademarks by marketing "WinNAV," "Windows Navigator," and "FlashPoint Windows Navigator."160 After Patterson demanded $100,000 to settle, CompuServe filed a declaratory judgment action in Ohio.161

The court held that Patterson was a "provider of services" who entered into an agreement with CompuServe to supply software that would be posted on its system, and that Patterson uploaded and advertised his software repeatedly on CompuServe.162 "In fact, it is Patterson's relationship with CompuServe as a software provider and marketer that is crucial to this case."163 Although neither the existence of a contract without more, nor the injection of Patterson's software into the stream of commerce without more merited jurisdiction, the two in combination were sufficient.164 Furthermore, the de minimus amount of actual software sales to Ohio residents did not merit against finding jurisdiction: "it is the "quality" of the contacts, and not their number or status, that determines whether they amount to purposeful availment."165

158. See United States v. Thomas, 74 F.3d 701, 705-06, 716 (6th Cir.) (holding that the placement of pornographic images on BBS in California subjected defendants to prosecution in Tennessee for federal obscenity charges), cert. denied, 117 S. Ct. 74 (1996).

159. 89 F.3d 1257 (6th Cir. 1996). CompuServe, an Ohio-based corporation, was at the time of the opinion, the second largest provider of information services on the "so-called 'information super-highway.'" Id. at 1260.

160. See id. at 1261.

161. See id.

162. See id. at 1264.

163. Id. (emphasis added).

164. See id. at 1265.

165. Id. (citation omitted). The court also noted that in Mcgee, the existence of a single contract did not prohibit jurisdiction. See id. at 1266.
The final two prongs of the jurisdictional test were also satisfied. The software, uploaded to CompuServe in Ohio, was the subject of the trademark dispute, making the suit arise out of the injury-causing contacts.\footnote{See id. at 1267.} Next, the court noted that an "inference arises that the [reasonableness] factor is also present" when the first two prongs are satisfied.\footnote{Id. at 1268.} Despite the burden to Patterson to come to Ohio to defend himself, the inference survived intact because of the nature of those contacts.\footnote{See id.} Nonetheless, the Sixth Circuit attempted to limit the holding:

We need not and do not hold that Patterson would be subject to suit in any state where his software was purchased or used; that is not the case before us. We also do not have before us an attempt by another party from a third state to sue Patterson in Ohio for, say a "computer virus".\footnote{Id. (emphasis removed) (internal citation omitted).} Finally, we need not and do not hold that CompuServe may... sue any regular subscriber to its service for non-payment in Ohio, even if the subscriber is a native Alaskan who has never left home. Each of those cases may well arise someday, but they are not before us now.\footnote{Id.}

Therein lies the rub. Clearly, the CompuServe court is concerned about opening the floodgates of personal jurisdiction. Looking at these cases suggests that claims asserting contracts or other non-tortious contacts are subject to greater jurisdictional restraint than claims asserting intentional torts. Since the parties in a domain name dispute are not generally involved in a contract situation,\footnote{Considering that twin domain name conflicts arise between parties who have no connection, there rarely will ever be a contract between litigants. But see Digital Equip. Corp. v. Altavista Tech., Inc., No. 96-12192-N6, 1997 WL 136437, at *1-2 (D. Mass. Mar. 12, 1997) (domain name dispute over "altavista.com" arising from license agreement).} one must look at either the defendant’s other contacts or tortious conduct. Absent sufficient contacts, the closer the defendant’s behavior can be analogized to an intentional tort, the more likely courts may be to adopt an expansive California Software approach.

Several of the courts reaching the issue of personal jurisdiction over domain name disputes have engaged in broad definitions of jurisdiction which CompuServe was correctly hesitant to reach. In Inset Systems, Inc. v. Instruction Set, Inc.,\footnote{937 F. Supp. 161 (D. Conn. 1996).} there was a dispute between twins\footnote{See supra part III (discussing squatters, parasites, twins and poachers).} over the defendant’s use of the domain name “inset.com.” The plaintiff, a Con-
necticut corporation, "develops and markets computer software and other related services throughout the world."173 Defendant Instruction Set, a Massachusetts corporation, "provides computer technology and support to thousands of organizations around the world."174 In 1985, the plaintiff filed, and later received, federal registration for the trademark "IN-SET."175 Plaintiff learned of defendant's use of "inset.com" when it attempted to register the domain name.176 Plaintiff filed a complaint in Connecticut alleging federal trademark infringement and state unfair competition, infringement, dilution, and other claims.177

The court upheld personal jurisdiction via a broad stream-of-commerce theory, finding that purposeful availment was satisfied by "direct[ing] its advertising activities via the Internet and its toll-free number toward not only the state of Connecticut, but to all states."178 The Internet site was capable of reaching "as many as 10,000 Internet users within Connecticut alone."179 That, combined with the continuous availability of advertising via the Internet site, met the purposeful availment prong.180 The reasonableness prong was also met because Connecticut's interest in adjudicating the dispute outweighed the minimal inconvenience of defendant's two-hour trip to the forum state.181

This is a poorly reasoned decision whose rationale has been rejected by other courts to reach the issue.182 It can hardly be said that the defendant reached out to Connecticut. There was no assertion that any print, television or radio advertising had occurred that would have made Connecticut residents aware of Instruction Set. In that light, how could people find out about the phone number or the Web site? At best, some-

174. Id.
175. See id. at 163.
176. See id. The defendant also used the telephone mnemonic 1-800-US-INSET. See id.
177. See id. at 162.
178. Id. at 163.
179. Id.
180. See id. The court also assumed the connection between the contacts and the cause of action, presumably meeting the second prong.
181. See id.
body might chance across the Web site by doing a search on an Internet directory or search engine. But even in the best case, the activities would be almost completely unilateral on the part of the customer. Although the defendant can be said to be “reaching out” by establishing a web page, this is a highly untargeted act that can hardly be said to be “reaching out” to a particular forum state. Mere unilateral contacts are insufficient for personal jurisdiction. Furthermore, by the court’s analysis, the defendant would be subject to jurisdiction anywhere in the world.

The Inset court, perhaps, implies that jurisdiction might not lie for a distant defendant. However, Inset confuses the reasonableness prong of the test with the purposeful availment prong. As a result, the court applies the broadest stream-of-commerce analysis possible: the mere act of putting something on the Internet is sufficient to satisfy purposeful availment. For courts that create an inference of reasonableness once purposeful availment is met, jurisdiction would be declined only when the burden on the defendant is very high.

Another case, although not involving a domain name dispute, is on-point, well-reasoned and gives valuable guidance to disputes involving twins. In Bensusan Restaurant Corp. v. King, a federal district court in New York denied jurisdiction over a Missouri defendant using a rationale that essentially rejected that used by the Inset court. The plaintiff corporation owned and operated jazz clubs, including “The Blue Note,” which is also its federally registered trademark. Defendant’s WWW site in Missouri displayed “a fanciful logo which is substantially similar to [Bensusan’s].”

This is a well-reasoned decision. The court noted that “it takes several affirmative steps [by a person browsing the WWW] to obtain access

185. See Maritz, Inc. v. Cybergold, Inc., 947 F. Supp. 1328, 1334 (E.D. Mo. 1996). Maritz involved an unfair competition claim under Lanham Act § 43(a), 15 U.S.C. § 1125(a), between plaintiff, a Missouri corporation, and defendant, a California corporation, over the use of Maritz’ non-registered trademark, “CYBERGOLD.” See id. at 1329. The court allowed jurisdiction using very similar reasoning to that of the Inset court, to which Maritz also cited. See id. at 1334. Maritz made the same error of viewing primarily unilateral conduct as being sufficient for purposeful availment purposes, and interestingly, used the quote from Inset, see supra text accompanying note 178, as further support, while ignoring the CompuServe court’s admonishment that jurisdiction not be extended to any party transmitting information interstate. Nonetheless, a preliminary injunction against Cybergold was later denied. See Maritz, 947 F. Supp. at 1344.
187. See id. at 297.
188. Id. (citation omitted).
to the Web site and utilize the information there." 189 Even assuming jurisdiction was proper under New York's long-arm statute, 190 which it was not, due process precluded jurisdiction: "[c]reating a site, like placing a product into the stream of commerce, may be felt nationwide—or even worldwide—but, without more, it is not an act purposefully directed toward the forum state." 191 The court cited the Asahi plurality which rejected a broad stream-of-commerce analysis. 192

In cases involving twins, courts should follow Bensusan. Indeed, several have; one suggests that a "sliding scale" controls Internet personal jurisdiction, with clear business contacts on one end, and mere Web sites on the other. 193 Bensusan is also the first court to offer guidance in determining whether jurisdiction is proper concerning activities on the World Wide Web. The court asked: (1) did the defendant actively encourage visitors to access his site; 194 and (2) did the defendant conduct any part of his business in the forum state? 195 The court dismissed plaintiff's sole argument on the point of foreseeability of confusion, stating "that [the defendant] should have foreseen that users could access the site in New York and be confused . . . is insufficient to satisfy due process." 196 The disclaimer provided on the defendant's Web page probably convinced the court that King had acted to avoid confusion, showing a lack of tortious intent, thus precluding a Calder analysis. 197 This suggests

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189. Id. at 299.
191. Bensusan, 937 F. Supp. at 301 (emphasis added). One might even expect that faced with the CompuServe facts, the Bensusan court would still have found jurisdiction, despite its rejection of the stream-of-commerce theory.
192. See id. The court could have rejected CompuServe, but instead distinguished it, noting that under the present facts, there were "no allegations that [the defendant had] in any way directed any contact to, or had any contact with, New York or intended to avail itself of any of New York's benefits." Id.
194. See Bensusan, 937 F. Supp. at 301.
195. See id.
196. Id.
197. Also consider that the existence of the disclaimer suggests that King was aware of the possibility of confusion. The disclaimer said "The Blue Note's Cyberspot should not be confused with one of the world's finest jazz club[s] [the] Blue Note, located in the heart of New York's Greenwich Village. If you should find yourself in the big apple give them a visit." Id. at 297-98. Prior to the suit, King even had a "hyperlink" to The Blue Note so that a visitor could go from King's page to The Blue Note. See id. Were the court to apply a Calder analysis, it would be faced with half a Calder, because the intentional misrepresentation would not be directed at New York, even if the effects were felt there—unless the court were to hold that on the Internet, the misrepresen-
that good-faith disclaimers can serve in three ways: (1) as a way of precluding personal jurisdiction; (2) as a way of avoiding liability on the merits; and, (3) as a remedy, allowing an otherwise valid concurrent use by a twin to continue.

In cases involving squatters, parasites, and perhaps, poachers, courts may find grounds for personal jurisdiction in the defendant's intentionally tortious activity. Still, this approach should be limited only to cases clearly involving predatory behavior or bad faith.198 In Panavision International v. Toeppen,199 a squatter demanded $13,000 in return for a domain name; here, the court allowed personal jurisdiction. Defendant Dennis Toeppen, an Illinois resident, registered “panavision.com” and placed a picture of Pana, Illinois on his WWW site.200 The term “Panavision” is a federally registered trademark belonging to the plaintiff, a California corporation, who never “authorized [Toeppen] to use the Panavision Marks.”201 After Panavision notified Toeppen that it intended to use the domain name, Toeppen demanded $13,000 to surrender the name.202

The court disallowed general jurisdiction, but did find specific jurisdiction.203 Significantly, the court treated the test for purposeful availment differently depending on the underlying cause of action. For contract actions, more than “merely contracting” must be shown.204 For intentional torts, however, as in the present case, the court used a test requiring essentially a full Calder: “(1) intentional actions (2) expressly aimed at the forum state (3) causing harm, the brunt of which is suffered—and which the defendant knows is likely to be suffered—in the forum state.”205 Because Toeppen acted as a “spoiler,” by attempting to profit from Panavision’s failure to seasonably register its own trademark as a domain name, the claim was “more akin to a tort claim than a contract claim,” and ac-

198. “Except perhaps in the clearest case of a cybersquatter or where intent is undisputed . . . it would be a serious mistake for personal jurisdiction to turn on the issue of the defendant’s intent, which itself is a major merits issue.” Hearst, 1997 WL 970977, at *19 (declining to follow Panavision as one of those cases where “‘hard cases make bad law’ ”).
200. See id. at 619. Presumably he did this to make his claim to “panavision.com” seem more legitimate.
201. Id.
202. See id. After the dispute started, Toeppen also registered plaintiff’s registered “Panaflex” trademark as “panaflex.com.” See id.; see also discussions of Toeppen, supra part III.A, and infra part V.D.1.
204. See id. at 620-21.
205. Id. at 621 (citing Core-Vent Corp. v. Nobel Indus., 11 F.3d 1482, 1486 (9th Cir. 1993)).
Accordingly, *Calder* provided the appropriate analytic framework. The test was met, due to Toeppen's intentional attempt to profit from a party in the forum state, knowing the harm would also be felt in California.

The court distinguished *Bensusan* and *CompuServe* because those cases essentially involved non-tortious contacts, whereas here, Toeppen was "running a scam directed at California." The "arises out" prong of the test was met with a "but-for" analysis: but for Toeppen's behavior, Panavision could have registered "panavision.com." Finally, Toeppen's inability to make a "compelling case that jurisdiction is unreasonable" satisfied the reasonableness prong. Specifically, if a nonresident "intentionally causes injuries within the state, local jurisdiction is presumptively not unreasonable . . . [and to defeat jurisdiction, such a defendant] must present a compelling case" showing that jurisdiction is unreasonable. Since both prongs of the test were satisfied, jurisdiction was proper.

C. Conclusions

Looking at the varying approaches taken by courts, several conclusions and suggestions can be reached:

1) Squatters, Poachers & Parasites—These categories may be analyzed together because all share the determinative quality of bad faith which is analogous to intentionally tortious conduct. The more it appears that the defendant is a squatter, parasite or poacher, a court's inclination to apply the *Calder* analysis rises (Panavision, California Software).

a) Purposeful availment—The test is more difficult to meet if the particular jurisdiction requires a full rather than half a *Calder*. However, since the effects of Cyber-infringement

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206. See id. (internal quotation marks and citation omitted).
207. See id. at 621-22.
208. Id. at 622.
209. See id.
210. Id.
211. Id. (quoting *Core-Vent*, 11 F.3d at 1486) (internal quotation marks omitted) (emphasis added).
212. See id. at 623. It is interesting to note that in *CompuServe*, a contracts case, only an inference of reasonableness was created by meeting the purposeful availment prong. This suggests that in personal jurisdiction analysis, there is a sliding scale that makes reasonableness more presumptive along with the level of intentionality or egregiousness shown by the defendant's conduct.
213. See supra part III (discussing domain name dispute categories).
can be said to be directed everywhere (and nowhere), a court determined to reach a result can hold that this activity satisfies even a full *Calder* (as in the half *Calder of California Software*). Courts must be hesitant to use a *Calder* analysis, since trademark infringement is not necessary an intentional act. Only when bad intent can be strongly inferred from the pleadings should a court apply this test.

b) *Specific jurisdiction*—The "arising out of" test will *always* be met, because the harm is always rooted in the contacts via the use of the domain name.

c) *Reasonableness*—In these cases, jurisdiction will almost never fail because of the difficulty of overcoming an inference or presumption of reasonableness applied by courts. Because courts consider squatting an egregious activity, it is doubtful that any court will find it unreasonable to "hale in" the offending party, since the interests of both the plaintiff and the State are high when it comes to allegedly tortious conduct.

2) **TWINS**—The *Calder* test will surrender to a contract/contacts analysis when the domain name holder registered the name in good faith or holds a colorable claim to the name (*Bensusan, Inset, CompuServe, Pres-Kap*):

a) *Purposeful availment*—If the court follows a broad stream-of-commerce theory (*Inset*), then this prong may be satisfied by the mere placement of a site on the WWW. Future courts should decline to follow this approach, because subjecting any party using the WWW to jurisdiction anywhere is inconsistent with the Supreme Court's notions of due process. If the courts instead require "purposeful direction," or at least more than the mere stream-of-commerce theory (*CompuServe, Bensusan*), then other factors beyond the mere existence of a WWW site must be shown: either 1) other non-trivial contacts; or 2) a contract.\(^{214}\) Courts should look towards other contacts to the

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\(^{214}\) Considering that twin domain name conflicts arise between parties who have no connection, there rarely will ever be a contract between litigants. *But see* Digital Equip. Corp. v. Altavista Tech., Inc., No. 96-12192-N6, 1997 WL 136437, at *1-2 (D. Mass. Mar. 12, 1997) (domain name dispute over "altavista.com" arising from license agreement).
forum state, such as the number of actual (not potential) customers, and the number of times the page had been accessed in the forum state. Although trademark infringement and dilution are analogous to intentional torts, unless bad faith can be shown, the defendant's conduct does not necessarily rise to the level of an intentional tort. Absent such bad faith, courts must refuse to apply the Calder effects test. Otherwise, since the effects of infringement are felt everywhere the product or service exists in commerce, jurisdiction would lay almost anywhere.

b) Specific jurisdiction—Since the alleged injury will be trademark infringement, unfair competition or trademark dilution, and at least some of the contacts will involve the use of the domain name and the Internet, the harm will always "arise out" of the contacts.

c) Reasonableness—It is unlikely that courts will give this part of the test any more attention than they have in the past. Whether courts express purposeful availment as an inference or a presumption of reasonableness, once purposeful availment is established, the test is essentially a done deal for anybody in the country. Courts should stop ignoring this prong, especially when the jurisdiction in question subscribes to the stream-of-commerce theory. Courts that insist that "presence on the Internet" equals "purposeful availment" must now rise to the demands of due process and conduct a meaningful reasonableness inquiry to ensure that "fair play and substantial justice" are met.

V. STOP IN THE NAME.COM215 OF THE LAW.COM216 — LEGAL ANALYSIS OF DOMAIN NAME DISPUTES

This part explores whether domain names are a new form of property worthy of legal protection. If so, which body of existing law provides the best legal framework for determining the scope of such property rights? Concluding that domain names are worthy of protection, it

215. See Internet Name Services (visited Jan. 3, 1997) <http://www.name.com/>. Internet Name Services provides vanity e-mail services. "John Smith" could use this service to set up a custom e-mail address of "anyid@JohnSmith.name.com."

216. Strangely enough, there was no such domain name in use as of the writing of this comment.
then explores the extent to which federal trademark, unfair competition, and dilution law provide a workable legal framework for protecting the rights of domain name holders, trademark owners, and the public at large. This part explores problems of concurrent use, distinctiveness, and the problematic nature of applying infringement, unfair competition, and dilution analysis to domain names.

After exploring the legal framework, this comment turns to decided cases. First, this part discusses cases involving telephone mnemonics, which are strongly analogous to domain names, but remain involved in an intercircuit conflict. Second, this part turns to the few decided domain name cases and analyzes them in light of the previous analysis.

A. Are Domain Names “Property?”

Property rights in domain names, assuming they exist, do not arise merely because of value, labor, or because somebody has a vested interest. They exist because the law chooses to protect them. The mad rush on domain names combined with the increasing number of disputes attests handily to the “value” of domain names. But this begs the question of whether the law should protect them. Not all things of value merit the protection of the law. As Justice Holmes said, dissenting in International News Service v. Associated Press:

Property, a creation of law, does not arise from value. . . . Many exchangeable values may be destroyed intentionally without compensation. Property depends upon exclusion by law from interference, and a person is not excluded from using any combination of words merely because someone has used it before, even if it took labor and genius to make it.

217. Words such as property rights, fair value, title, contract, etc., “are not defined either in terms of empirical fact or in terms of ethics but . . . are used to answer empirical and ethical questions alike.” Felix S. Cohen, Transcendental Nonsense and the Functional Approach, 35 Colum. L. Rev. 809, 820 (1935). Thus, in defining these terms, courts “create and distribute a new source of economic wealth or power. . . . That is to say, property is a function of inequality.” Id. at 816.

218. For example, the compilation of a telephone directory may require great amounts of time and money, but the listings are facts that remain in the public domain and are not protected by copyright law. See Feist Publications v. Rural Telephone Serv. Co., 499 U.S. 340, 342-44, 363-64 (1991).


220. Id. at 246 (Holmes, J., dissenting) (emphasis added). In INS, the Associated Press sought to enjoin International News Service from copying war news from AP’s east-coast newspapers and bulletins; by doing this, INS was able to benefit from the news-gathering efforts of AP, even beating AP papers to the street in west-coast markets. See id. at 230-31. Property and value are not the same thing; for example, there can be valueless property and propertyless value. See Felix S. Cohen, Dialogue on Private Property, 9 Rutgers L. Rev. 357, 378 (1954). Rather, a “realistic definition of private property [is] in terms of exclusions which individuals can impose or withdraw with state backing against the rest of society.” Id. INS v. AP is an example of this kind of property-creating
What we think of as "property" is really just a shorthand way of defining the rights and limitations each of us has in relation to one another and to other things. New technology and historical developments, such as the invention of the printing press, tend to lead to changes in the concepts and rights involved in property.\textsuperscript{221} Similarly, the nationalization of commerce made nationally recognized business names feasible and presumably led in part to the Lanham Act.\textsuperscript{222} The globalization of communications via the Internet has led to a system where trademarks and trade names may be used as a method of communications, via domain names. Thus, domain names may be both address and trademark. Should the law protect these addresses-cum-trademarks? The body of law most analogous to domain name disputes is that of unfair trade, which today is embodied in the law of trademarks, unfair competition, and dilution through the Lanham Act. Thus, to answer this question, it becomes necessary to examine this body of law to determine its applicability, and determine to what extent, if any, that an address-cum-trademark deserves legal protection.


No one can reasonably dispute that the neo-copyright is a part of American copyright jurisprudence: compulsory licenses are neo-copyrights; copyrights for live television broadcasts are neo-copyrights; copyrights for computer databases containing factual material are neo-copyrights. Nor can one reasonably dispute that the three conditions giving rise to the neo-copyrights in the twentieth century are similar to conditions that gave rise to the stationers' copyright in the sixteenth century: new technology (the printing press in earlier times, television and computers in modern times); a concentration of economic power (the Stationers' Company and media conglomerates); and a desire for information control (in the sixteenth century by the government to protect its power; in this century by media conglomerates to protect their profits). The analogy also applies in relation to the efforts of the booksellers in the eighteenth century to get courts to override the statutory copyright with the common-law proprietary copyright.

\textit{Id.}

\textsuperscript{222} See Cohen, \textit{supra} note 217, at 817. One author states in discussing the law as it applies to trade names, that a frank analysis of the law of property must ask the question:

[Are all words] originally alike in commercial potentiality, but become differentiated by advertising and other forms of commercial exploitation, [and if so,] is this type of business pressure a good thing, and should it be encouraged by offering legal rewards for the private exploitation of popular linguistic habits and prejudices?

\textit{Id.}
B. How Good a Fit Is the Federal Law of Trademarks, Unfair Competition and Dilution?

1. Are Domain Names Trademarks?

A trademark is "any word, name, symbol, or device, or any combination thereof" which is used in commerce to "identify and distinguish ... goods ... from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." Other kinds of marks are registrable under the Lanham Act. For example, service marks identify and distinguish the source of services or persons, even covering "titles, character names, and other distinctive features of radio or television programs." Although other types of marks exist, since all such marks are generally treated the same by the Lanham Act and by courts, this comment will refer to them as "trademarks," regardless of whether they stand for goods or services. These marks, as registered on the Principal Register of the Patent and Trademark Office ("PTO"), merit protection against infringement, unfair competition, and dilution.

Similarly, "trade names" are names used to identify a person's business or vocation. They are not registrable as trademarks, but are still entitled to protection against unfair competition. Since the protection offered and the test used is generally the same for both trademark infringement and unfair competition, the discussion of trademarks is also applicable to trade names, unless indicated otherwise.

As one commentator has noted, "[d]omain names are evolving as a new breed of trademark as commerce and high technology meet on the Internet. [They are] 'like postal addresses, vanity license plates and billboards all rolled into one digital enchilada.'" Just as a trademark may be indicated on a product's packaging or in its advertising, so too can a domain name, incorporating that trademark, be written on products and appear in television ads. More typically, however, the trademark-cum-domain name is used by the consumer, rather than the trademark owner.

224. Id. Westlaw is an example of a service mark.
225. Collective and certification marks are two examples. See id.
229. See infra part V.B.3.a.
as an affirmative method of contacting the trademark owner via a Web browser.\textsuperscript{231} Either the consumer will know the domain name outright or will make an educated guess.\textsuperscript{232} In either case they are browsing the Web via a well-known trademark or trade name. To the extent that a domain name contains a trademark, the trademark within is subject to trademark protection. Eventually, the entire domain name, "\texttt{.com}" and all, may itself be registrable as a trademark.\textsuperscript{233}

Professor Burk asks whether domain names are more like addresses and other "real space" geographic designators rather than trademarks.\textsuperscript{234} Since marks that are primarily geographic in nature are not entitled to geographic protection,\textsuperscript{235} neither would be domain names if they were more like street addresses than trademarks: "[i]n general, names are thought of as discrete emblems used to establish or designate identity; addresses are thought of as emblems designating location."\textsuperscript{236}

Yet this name/address and identity/location distinction is problematic. First, although one use for a trademark is to identify goods, another is to indicate the \textit{source of the goods or services}, whether or not the source is known.\textsuperscript{237} To the extent that a mark identifies the source of goods or services, it too serves a function similar to an address. Second, designators that are geographic but hold a secondary meaning are protected as trademarks.\textsuperscript{238} Also, even some types of \textit{names}, such as surnames, are not registrable without proof of secondary meaning.\textsuperscript{239}

Thus the real value of the name/address distinction lies in examining \textit{when} a term has an address character \textit{also} meets the criteria of the law of trademarks and unfair competition. For example, while radio station call letters have been treated as trademarks, the frequency identifiers of such stations generally have not.\textsuperscript{240} Further, the PTO has indicated that

\begin{itemize}
\item \textsuperscript{231} Note however that one may simply click on a hyperlink to get to another site and that the user can be entirely oblivious to the underlying domain name. Would such an "invisible" use of the mark be considered "use" of a trademark?
\item \textsuperscript{232} When one inputs a phrase, such as "sony," into Netscape Navigator, it automatically defaults to the .com domain and assumes one is looking for "\texttt{http://www.sony.com}.
\item \textsuperscript{234} See Burk, \textit{supra} note 17, at ¶ 29-39.
\item \textsuperscript{236} Burk, \textit{supra} note 17, at ¶ 29.
\item \textsuperscript{238} See id. § 2(f), 15 U.S.C. § 1052(f) (1994); see infra part V.B.2.b (discussing distinctiveness and secondary meaning).
\item \textsuperscript{240} See Burk, \textit{supra} note 17, at ¶ 40-51.
\end{itemize}
it may be amenable to registration of domain names as trademarks, and notes the analogy between domain names and mnemonic telephone numbers (such as 1-800-COLLECT), stating that it has been treating the "COM portion of the mark like the 800 part of telephone number applications." Under certain conditions, courts have held that mnemonic telephone numbers that contain trademarks are themselves protected marks. Although PTO guidelines are not binding on courts, they are persuasive; this suggests that domain names, when acting as marks, also deserve some sort of protection under trademark and unfair competition law.

Part V.C will explore in detail the analogy between domain names and mnemonic telephone numbers. First, however, it is necessary to establish the fundamental principles of trademark law for the subsequent analysis. In doing so, this comment will also explore the problems involved in trying to fit trademark law onto domain names.

2. Fitting “Round” Domain Names into “Square” Trademark Law

a. Concurrent Use and Remote Senior/Junior Users

Federal trademark law allows concurrent use of the same mark by others as long as such use is not likely "to cause confusion, or to cause mistake, or to deceive." This allows the United Way and United Airlines, or Apple Records and Apple Computer to operate using highly similar trademarks, since each operates in a different field of business. On the other hand, the same standard might preclude somebody besides

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241. See United States Patent and Trademark Office, Registration of Domain Names in the Trademark Office (last modified Feb. 12, 1996) <http://www.uspto.gov> (this statement has since been withdrawn pending release of a revised statement). A copy of the cited statement may still be found at Electronic Frontier Foundation (last modified Feb. 12, 1996) <http://www.eff.org/pub/intellectual_property/Internet_address_disputes/pto_domain_statement>. One source states that "[a]ccording to a brief Administration statement, the U.S. Patent & Trademark Office will hold hearings in early 1997 to 'address the trademark and unfair competition issues relating to domain names.' No date appears to have been set yet." Electronic Frontier Foundation, Newsybbles: PTO to Hold Domain Name Trademark & Unfair Competition Hearing, EFFector, vol. 10 (Jan. 9, 1997) <http://www.eff.org/pub/EFF/Newsletters/EFFector#10>.


243. See infra part V.C (dealing with mnemonics case law).

244. One might interpret the PTO's withdrawing of the policy as dissatisfaction with it. In light of the boom of domain names and subsequent case law giving protection to marks, it is far more likely that the PTO is merely taking the time to come up with a more detailed statement of policy. In any case, were the PTO to refuse to register domain names as trademarks (which seems unlikely), this would not prevent courts from enforcing the rights of trademark owners who use their mark as part of a domain name.

Apple Computer from registering “AppleSoft Computers,” or some variation of “Apple” for use in the computer business.

However, when twins want the same domain name, concurrent use is not possible. There can be only one instance of “apple.com” or “united.com” for the entire world. However, this does not prevent there from being both “applerecords.com” and “applecomputer.com,” but since the value of a domain name corresponds to the simplest, shortest way of expressing a trademark or trade name, doubtlessly most parties prefer the shorter version.246 In such cases, courts should carefully scrutinize how closely the shortened domain name corresponds to the actual trademark.247

Often parties with entirely different trademarks or trade names will register an acronym or shortened version of that name as their domain name, in which case, more than one party might want the same name.248 For instance, International Business Machines owns “ibm.com,” and Procter & Gamble owns “pg.com.” The acronym “IBM,” of course, is well-known by consumers, but few people think of Procter & Gamble as “PG.” Thus, courts should be wary when the disputed name itself does not contain or match the actual trademark or trade name. In such a dispute, the domain name should go to the party whose trademark or trade name it actually reflects.249

Similarly, federal trademark law sometimes gives limited protection even when the same mark is used by the same kind of business in different geographic areas.250 Suppose Bob starts a paper clip boutique called “ClipTique” in New York and sells items with the “ClipTique” mark. This makes him the “senior” user of the mark. Later, Sally does the same thing in Los Angeles, without any knowledge of Bob’s existence, and later, federally registers the trademark. As the “junior” user, Sally

246. One solution would be to allow multiple uses of the domain name, such as “apple1.com,” “apple2.com,” etc. This is done with vanity license plates. However, since the value of a domain name consists in its simplicity and uniqueness, this hardly seems satisfactory.

247. Thus, in a suit between Titan Inc. and Titan Metal Inc. over “titan.com,” the former should win since it more closely corresponds to its trade name.

248. For instance, Procter & Gamble owns “pg.com,” which would also be a reasonable domain name for the Pittsburgh Post-Gazette, which is commonly known in Pittsburgh as the “PG.” Similarly, if the Pittsburgh Post-Gazette and Pittsburgh Plate Glass both wanted “ppg.com,” both would have colorable claims.

249. Thus in a suit between Procter & Gamble and the Pittsburgh Post-Gazette over the acronym “pg.com,” assuming that neither had a registered mark in “PG,” a court should not favor the challenger, unless it could show that it was commonly known by consumers as the “PG.” Otherwise the rule in such cases should be first-come, first-served.

could not enjoin Bob from using the mark in his own area, even though Sally holds exclusive rights to use the mark everywhere else in the nation. In fact, Bob could enjoin Sally from use of the mark in his own geographic area. Even if Bob started to use the mark after Sally filed her trademark application, Sally could not enjoin Bob until she actually moved into Bob’s market.

But who has priority rights in Cyberspace? If Bob, as senior user, had priority to the domain name, he could preclude Sally from exercising her right of priority everywhere else in the United States. But if Sally, as owner of the federally registered trademark, had priority to the domain name, then she could preclude Bob from reaching his own market via “cliptique.com.” A court should let Sally prevail. Even as a junior user, she has federally registered the mark and should get priority; although registry on the Principal Register does not require that the mark be used nationally, it declares a stronger intent to enter the national market, and the benefits of the domain name are better served by favoring Sally. Further, if Bob conducted business over the Internet under the “ClipTique” mark, he would be competing with Sally in her home market, which is forbidden by Sally’s registration of the mark. Although favoring Sally would allow her to compete with Bob in Bob’s market, that is the lesser of the two burdens.

b. Distinctiveness

Another problem that arises is that names that could not be registered or protected as trademarks are nonetheless receiving a perpetual monopoly as domain names. Trademarks that consist of “immoral, de-

251. See id. This would be true even if Bob started his business after Sally’s, as long as he did so without knowledge of Sally’s use and started prior to Sally’s registration. See id. A registration application gives constructive notice of ownership of the mark which gives nationwide priority over everyone but a person using the mark prior to filing. See id.

252. Since a paper clip store is presumably a local enterprise, the market would be limited to the immediate area. Since the test is “likelihood of confusion,” there could be no confusion between Sally & Bob’s shops unless they were in the same geographic market. See infra, part V.B.3 (discussing protections under the Lanham Act).

253. Nothing would prevent Bob from registering “clip-tique.com.” But this would allow him to compete with Sally with a highly similar name, which would probably lead to the “likelihood of confusion” which is the benchmark for trademark infringement. See infra part V.B.3.

254. Further, Bob had the opportunity to register and failed to do so. Also, courts might, as a matter of fairness, require that Sally place a disclaimer on her web site to prevent confusion with Bob’s ClipTique. Finally, courts could require that Sally refrain from doing business with customers originating from Bob’s geographic area. Nonetheless, the solution seems unsatisfying. The absolute scope of the “.com” TLD tramples the subtleties behind the geographic concurrent use, making an equitable solution problematic.
ceptive, or scandalous matter,"255 or which are "primarily geographically descriptive,"256 or are primarily surnames257 are not capable of registration.258

Furthermore, marks must be "distinctive" in order to be registered.259 Marks that consist of coined words or arbitrary uses of language are "arbitrary" or "fanciful" and are considered to be inherently distinctive.260 Also, marks that require a mental leap of "imagination, thought and perception to reach a conclusion as to the nature of goods" are "suggestive," and also inherently distinctive.261 On the other hand, marks which are "merely descriptive" or "generic" are not capable of becoming trademarks.262 Although descriptive terms can attain "secondary meaning" through use and advertising and thus become distinctive and registration-worthy,263 generic terms, as the common descriptive term for the genus of a product or service, are never distinctive and cannot get protection as trademarks.264

The purpose of the distinctiveness requirement is to keep common words and phrases in the public domain to ensure a competitive marketplace.265 For instance, it would be unfair to allow a monopoly to the first person to use "Pittsburgh" as part of their business name, since this would preclude many other Pittsburgh businesses from using the name. Similarly, many people use their own surname as the family business name.266

258. Similarly, an assertion of genericness may be used to attack a registered mark, even one that has become "incontestable" due to over five years of continuous use. See id. §§ 14(3), 15, 15 U.S.C. §§ 1064(3), 1065 (1994).
260. See Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 11 (2d Cir. 1976). A coined term, such as "Exxon" is fanciful. "Tea Rose" for soap is arbitrary.
262. See Lanham Act § 2(e)(1), 15 U.S.C. § 1052(e)(1) (1994). Descriptive terms "describe" the product or service. Examples are "Italian Restaurant" and "chocolate soda." Generic terms are terms that are literally the name of a product or service, such as "cheese," "beer," and "cigarettes."
264. See Park 'n Fly, 469 U.S. at 194.
265. See Abercrombie, 537 F.2d at 9 (explaining that one cannot have exclusive use of a generic term, thus "depriv[ing] competing manufacturers of the product of the right to call an article by its name").
266. Allowing monopolies in such things may also cause a problem under the Copyright
However, domain names of these types exist. NSI has allowed registration of surnames, geographic terms, merely descriptive terms, and generic terms as domain names, such as "television.com" and "diarrhea.com." Although nothing in trademark law prevents a business from using a generic or geographic term as its name, it does so at its own risk; the law will provide no remedy against even a direct competitor who uses the same generic name. But a person registering a generic term as a domain name has locked up a perpetual monopoly in the use of those names on the Internet, since only one use of a particular domain name is possible. Although the entire Domain Name System need not conform to trademark law, NSI's practices, which allow exclusive ownership of marks that are otherwise not registrable, frustrate the purposes of the Lanham Act. After all, who would not want to have exclusive use of the words "beer," "vacation," or "books?"

On the other hand, the traditional fanciful/arbitrary-suggestive-descriptive-generic categories break down somewhat when applied to the Internet. A generic term used in an arbitrary way becomes distinctive for the registrant, but this use would still preclude others from using the term in its generic sense, such as using the word "slate" for the on-line magazine "slate.com," as opposed to using "slate" to describe a slate company. This use of an otherwise generic term would satisfy trade-

Clause of the Constitution. See U.S. CONST. art. I, § 8, cl. 8. This clause gives Congress the authority to grant "for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." Id. Copyright law, as codified, gives limited protection for expressions of ideas, but not the ideas themselves. See 17 U.S.C. § 102 (1994). When an idea may be expressed in only one or a few ways, it is said to have "merged" with the idea, and may not be copyrighted. See, e.g., Morrissey v. Procter & Gamble Co., 379 F.2d 675, 678-79 (1st Cir. 1967). In trademark language, generic and merely descriptive terms can also be said to merge with their respective product or service. To allow a perpetual monopoly in them arguably frustrates copyright law.

267. "Taiwan.com" and "arab.net" are among geographic terms that are registered domain names. Surnames that have been registered include "dole96.com" (the official campaign site), "dolekemp.com," and "clinton96.org" (a parody site). Generic domain names include "tv.com" and "radio.com." See Kim S. Nash, Dueling for Domains-In a Buyer's Market, Web Denizens Vie for Hot Domain Names, COMPUTERWORLD, Sept. 30, 1996, at 61, 64. Procter & Gamble owns "diahrea.com." See also supra part IIIA.

268. See Morrissey, 379 F.2d at 678-79.

269. Still, one should not be able to enjoin a competitor from using a similar generic name, such as "tv.com" or "diarrheal.com," or from using the same name under a different TLD, such as "television.net" or "television.org."

270. There might be disputes between an owner of a distinctive mark who seeks to enjoin the use of the mark by a domain name holder whose use is generic. When a generic term is used in an arbitrary fashion, it becomes distinctive and registrable. See Abercrombie, 537 F.2d at 10 (stating that a term may "be generic in one market and descriptive or suggestive or fanciful in another"). Suppose somebody was using "generalmotors.com" as a generalized information site about engines and
mark law, but on the Internet, achieves the same lock-out effect as would a merely generic use of the term. Short of scrutinizing all domain applications for signs of genericness, or wholesale changes to the DNS, there is simply no way to escape this problem.

3. **Forms of Protection Under the Lanham Act**

   a. **Infringement and Unfair Competition**

   Protection against trademark infringement is available for federally registered trademarks under section 32(1) of the Lanham Act.\textsuperscript{271} Infringement occurs when one either uses a "reproduction, counterfeit, copy, or colorable imitation" of a registered trademark in commerce or applies it to goods or services, and such use is "likely to cause confusion, or to cause mistake, or to deceive."\textsuperscript{272}

   Although non-registered trademarks and trade names are not protected by section 32(1) of the Lanham Act, similar protection is nonetheless available against "unfair competition" for all marks, registered or not, as well as trade names under section 43(a) of the Lanham Act.\textsuperscript{273} Unlike section 32(1), unfair competition provides broader protection, both in scope of the protected subject matter as well as the prohibited activity: section 43(a) protects any "word, term, name, symbol, or device, or any combination thereof."\textsuperscript{274} Section 43(a) prohibits confusion by "passing off" or "reverse passing off" of "affiliation, connection, or association" of persons, or of the origin, sponsorship or approval of goods or services.\textsuperscript{275} It also prohibits misrepresentation of the nature or origin of goods via false advertising or disparagement.\textsuperscript{276}


\textsuperscript{272} Id.


\textsuperscript{274} Id.

\textsuperscript{275} Id. § 43(a)(1)(A), 15 U.S.C. § 1125(a)(1)(A) (1994). Passing off occurs when A passes off his goods as B's (such as fake Rolex watches). Reverse passing off is when A passes off B's goods as his own. See, e.g., International News Serv. v. Associated Press, 248 U.S. 215, 247 (1918) (Holmes, J., dissenting) ("The ordinary case, I say, is palming off the defendant's product as the plaintiff's, but the same evil may follow from the opposite falsehood--from saying whether in words or by implication, that the plaintiff's product is the defendant's.").

\textsuperscript{276} See Lanham Act § 43(a)(1)(B), 15 U.S.C. § 1125(a)(1)(B) (1994). False advertising would be if A misrepresents the qualities or origin of her own goods or services. Misrepresentation is when A misrepresents the qualities or origin of another's goods or services.
Like infringement under section 32(1), however, the standard for determining unfair competition under section 43(a) is the same: likelihood of confusion, mistake, or deception.\textsuperscript{277} Courts have thus treated this and infringement alike and use the same multi-factor test in determining whether a likelihood of confusion exists.\textsuperscript{278} These factors have included:

(1) strength of the plaintiff’s mark; (2) relatedness of the services; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care and sophistication; (7) intent of the defendant in selecting the mark; and (8) likelihood of expansion of the product lines using the marks.\textsuperscript{279}

No one factor is dispositive in this test, and which factors are determinative vary with the circumstances of the case.\textsuperscript{280} However, a finding of bad faith or evidence of actual confusion weighs heavily in the determination.\textsuperscript{281}

Although the determination of these factors will depend on the facts of the case, commonalities among domain name disputes suggest that several of these factors might unfairly skew the decision in favor of finding infringement even when in actuality no real likelihood of confusion exists. What real possibility is there of confusion when one surfs the World Wide Web? No matter how much an Internet surfer may mistakenly believe that “xyz.com” belongs to XYZ Corp., once she gets to the site, its content, absent an affirmative intent to deceive, will usually put her on notice that she has arrived elsewhere.\textsuperscript{282} The expectations of the

\textsuperscript{278} See Polaroid Corp. v. Polarad Electronics Corp., 287 F.2d 492, 495 (2d Cir. 1961) (enunciating the original factors). Factors included:
the strength of [plaintiff’s] mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion, and the reciprocal of defendant’s good faith in adopting its own mark, the quality of defendant’s product, and the sophistication of the buyers. Even this extensive catalogue does not exhaust the possibilities—the court may have to take still other variables into account.
\textsuperscript{279} Id. All the Courts of Appeals use a variation of this test. See 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, § 23.03[1] (3d ed. 1996).
\textsuperscript{280} Holiday Inns, Inc. v. 800 Reservation Inc., 86 F.3d 619, 623 (6th Cir. 1996), cert. denied, 117 S. Ct. 770 (1997).
\textsuperscript{281} See, e.g., Nikon Inc. v. Ikon Corp., 987 F.2d 91, 94 (2d Cir. 1993) (noting that the Polaroid factors are not exhaustive and no one factor is determinative).
\textsuperscript{282} See, e.g., Amstar Corp. v. Domino’s Pizza, Inc., 615 F.2d 252, 263 (5th Cir. 1980). The court stated that the “intent of defendants in adopting ‘their mark’ is a critical factor, since if the mark was adopted with the intent of deriving benefit from the reputation of ‘the plaintiff,’ that fact alone ‘may be sufficient to justify the inference that there is confusing similarity.’” Id. (citation omitted). Moreover, “[a]lthough evidence of actual confusion is not necessary to a finding of likelihood of confusion, it is nevertheless the best evidence of likelihood of confusion.” Id.
typical surfer can at best be described as an educated guess, rather than
an absolute expectation that typing in the company name will always get
you to your desired destination. Courts should therefore evaluate these
factors with caution.\footnote{283}

First, the marks at issue will almost always be identical or highly
similar, especially in the case of squatters or twins who battle over the
same word. In most trademark disputes, the color, size, shape, surround-
ing words, artwork, and even sound will factor into determining similarity;
for domain names, however, only alphanumeric characters are used.
The existence of a domain name dispute, by definition, suggests that the
words are highly similar. Thus, this factor should nearly always favor the
plaintiff.

Second, although the strength of the mark\footnote{284} should be considered in
the plaintiff’s favor when it involves domain name squatting or parasitic
domain name use, courts should consider carefully the relative strengths
of the marks when the dispute is between twins.\footnote{285} With twins, both par-
ties have valid claims to the mark or trade name; in fact, both parties
may have federal registrations to use the mark in different spheres of
business pursuant to section 2(d) of the Lanham Act.\footnote{286} Also, the regis-
tration might belong to the weaker mark, or to a stronger mark poaching
against a domain name holder who has a weaker mark, but an otherwise
valid claim to the domain name. In such cases, assuming there is other-
wise no likelihood of confusion, the court should not find for the plain-
tiff. Regardless of whether the domain name holder has the stronger or
weaker mark, his reliance interest is sufficiently high that “first-come,
first-served” should prevail.\footnote{287} Although it is hard to argue that a squatter
should prevail over a trademark owner who sat on his rights by waiting
too long to register, one can keep a much straighter face asserting this
argument for twins.

\footnote{283. Although several courts have found infringement in domain name dispute cases, the current trend is to instead find dilution. \textit{See infra} part V.B.3.b.}
\footnote{284. The strength of the mark is a reflection of the goodwill the mark represents; it is a com-
bination of its distinctiveness of the mark and the effort and expenditure incurred in advertising and
promoting the mark. \textit{See} Intermatic Inc. v. Toeppen, 947 F. Supp. 1227, 1236 (N.D. Ill. 1996) (citing
Polaroid Corp. v. Polarad Inc., 319 F.2d 830, 837 (7th Cir. 1963)).}
\footnote{285. \textit{See supra} part III (discussing domain name dispute categories).}
\footnote{287. One can imagine a series of suits where each defendant is a twin with a valid, but
weaker, claim to the mark, and each successive plaintiff is a slightly bigger shark.}
Third, in reference to the sophistication and care exercised by consumers, the casual "surfing" nature of the Net makes many people believe that "sony.com" will take them to Sony's web site. While the computer sophistication of Net surfers may be high, the level of care they use when surfing may be relatively low, increasing the risk of confusion. On the other hand, even if people expect to find XYZ Corp. at "xyz.com," the content displayed at the site, in most cases, will dispel any confusion as to where they have arrived. Thus, a disclaimer by the domain name owner that this is not "XYZ Corp.," even with a forwarding link to XYZ's official site, might help to alleviate the risk of confusion. Smart domain name holders will do this, and courts should use this as a remedy in twin cases.\(^{288}\)

Fourth, the marketing channels factor is also problematic. Does this refer to the channels used by the parties prior to the Internet dispute (were the goods sold via mail order, in a department store, a specialty retail shop, etc.), or does it mean the marketing channel at issue: the Internet? If it refers to the latter, then in all cases both parties are trying to use the same marketing channel. Courts should not weigh this factor heavily. For instance, if the dispute is between parties using the Internet in different ways, one to sell products on-line, the other to provide customer support, then this should weigh against finding a likelihood of confusion. On the other hand, the mere fact that both use the Internet for on-line sales should have no bearing on the outcome.

Finally, and most significantly, the intent of the party in selecting the mark should bear special significance. When the defendant is a squatter, bad faith alone may warrant a finding of confusion as a matter of fairness. Although it can be argued that speculation is part of the American tradition, it is doubtful that courts will allow somebody who paid $100 for a domain name to profit by thousands of dollars at the expense of a registered trademark holder. Parasites may make an even stronger case for finding bad intent, since they appropriate a trademark (or some commonly mistaken variation) with the intent of trading off of the hits, or number of visits, received. To the extent that they engage in the same or similar business as does the trademark holder, such intent may be dispositive. On the other hand, if parasites merely take advantage of the extra hits without creating an impression of affiliation, connection, or association with the trademark holder, then perhaps the intent to take a free

\(^{288}\) See infra part VLB (discussing legal solutions to domain name problems).
ride will not be dispositive.\footnote{See infra part V.C (discussing recent telephone mnemonics cases that address parasitic phone numbers).} For twins, the intent should weigh in favor of the domain name holder, since they are entitled to the name.

\textit{b. Trademark Dilution}

Protection is also available for famous trademarks against dilution of the mark.\footnote{See Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (codified as amended at 15 U.S.C. § 1125(c)(1), 1127 (1994 & Supp. I 1995)) (subsequent references to this act will be cited to the appropriate sections of the Lanham Act). The Dilution Act states in relevant part: (1) The owner of a \textit{famous mark} shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person’s \textit{commercial use in commerce} of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection.} Dilution is the “lessening of the capacity of a famous mark to identify and distinguish goods or services,” even if the use is non-competitive or there is little likelihood of confusion.\footnote{Id.} Thus, the existence of “\textit{DUPONT} shoes, \textit{BUICK} aspirin, and \textit{KODAK} pianos would be actionable.”\footnote{Id.} To prevail, a plaintiff must show \textit{actual} dilution of a \textit{famous} mark, via “\textit{commercial use in commerce},” and not just a likelihood of dilution.\footnote{Id.} Protection is available against dilution by “\textit{blurring, by tarnishment and disparagement, and by diminishment.”}\footnote{Id.} Tarnishment is “\textit{when a famous mark is linked to products of poor quality or is portrayed in an unwholesome manner.”} Blurring is when the use of a

\footnote{See infra part V.C (discussing recent telephone mnemonics cases that address parasitic phone numbers).}
mark "‘whittl[es] away’ . . . the selling power and value” of the mark through unauthorized use.296

The purpose of the Dilution Act is to protect the value of famous marks and the substantial investments made by the mark’s owner against “those who would appropriate the mark for their own gain.”297 Further, the legislative history indicates that one use suggested for the Dilution Act was to deal with domain name squatting298 on famous marks.299 Thus, to determine the significance of federal anti-dilution law to domain name disputes, it becomes necessary to determine the meaning of “famous mark,” “commercial use in commerce,” and “noncommercial use.”

What qualifies as a “famous” mark? It is significant that the Dilution Act protects only famous marks and not marks in general.300 A mark protected under the Act must have “geographic fame [which] must extend throughout a substantial portion of the U.S.”301 Famous marks ordinarily are used on a nationwide basis.302 The Dilution Act states several non-exclusive factors in making this determination.303 However, these

domain name “adultsrus.com” for adult services and products tarnished goodwill of toy retailer “Toys ‘R’ Us”).

296. Panavision, 945 F. Supp. at 1304. Thus, “Sony Chocolate Bars” would “whittle away” at the use of the famous mark “Sony.”


298. See supra part III (discussing squatting and other domain name dispute categories).

299. See supra part III (discussing squatting and other domain name dispute categories).


302. See id. at 1030. All of the examples given in the House Report refer to well-known, nationally recognized marks such as DuPont, Buick, and Kodak. See id. Senator Leahy, upon recommending reading and passing of the Act, noted that the act would protect “well-known” marks such as IBM and Ben & Jerry’s. See 141 Cong. Rec. S19312 (daily ed. Dec. 29, 1995). The Senate read and passed the Act without change. See id.

303. Section 43(c)(1) states in relevant part:

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;
factors, which themselves resemble the factors used in likelihood-of-confusion claims, provide little guidance in determining what is meant by "famous." Since the only Congressional guidance lists household names, this author suggest that dilution protection be limited to marks meeting that standard, vague as it may be. Further, fame should be decided as a matter of law to ensure predictability in the cases.

Thus, in a domain name dispute, the court should not apply dilution unless the mark is sufficiently famous. Most cases involving squatting have involved famous names: this is not unsurprising, since the incentive to squat presumes property of value to someone. In cases involving parasites, the temptation to try to free-ride off of a trademark or a close variation thereof also seems to necessitate the use of a famous mark. If the mark were not sufficiently famous, then it is doubtful that anybody would have any reason to visit, albeit accidentally, the parasite's site.

When the dispute concerns twins, the analysis is more problematic. For example, can Howard Johnson's enjoin Mr. Howard Johnson from using "howardjohnson.com?" Such generic use of a famous name, or "genericide," is neither prohibited nor specifically permitted by the Lanham Act; enjoining such use on a dilution basis, however, would substantially expand trademark law by removing surnames and generic terms from public use. On the other hand, when such use is between competitors, a stronger case for enjoining genericide exists.

Even worse, dilution could eliminate concurrent use of trademarks on the Internet, Twins concurrently use the same or similar mark in different geographical areas, or even in the same area if the uses are suffi-
ciently different. Yet dilution protection, taken to its extreme, would preclude concurrent use. Reading sections 43(c) and 2(d) of the Lanham Act together suggests that a strong showing of either famousness or of the amount of dilution must exist, since enjoining the defendant’s use would preclude concurrent use otherwise acceptable under section 32(1)(a). In fact, the existence of concurrent use is a factor to be considered in the determination of whether the plaintiff’s mark is famous. Thus, although Coca-Cola could enjoin “Coca-Cola jelly beans,” courts should be much more hesitant to enjoin the use of “United” by the United Way at the behest of United Airlines. So too should courts hesitate to enjoin the use of “united.com” by either of the two parties to first register that domain name.

The Dilution Act also requires the defendant to engage in “commercial use in commerce” of a mark or trade name that dilutes plaintiff’s mark. Use in “commerce” means “all commerce which may lawfully be regulated by Congress.” In other words, it must be a commercial use that takes place within interstate commerce. Indeed, noncommercial use of a mark is not actionable.

When might the use of a domain name be noncommercial? A homepage that expresses one’s interests, or some non-profit fan site is arguably noncommercial. Although domain name squatting is commercial in the sense that the name is being held with the hope of financial gain,

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310. See supra part V.B.2.a (discussing concurrent use of trademarks as domain names).
314. Id. § 45, 15 U.S.C. § 1127 (1994). In other words, all acts touching interstate commerce that may be regulated through Congress’s Commerce Clause powers. Most uses of a domain name are uses “in commerce” that might be regulated by Congress, even under United States v. Lopez, 115 S. Ct. 1624, 1631 (1995) (federal statute banning handguns in school zones beyond commerce power because not “commercial” activity). Most intrastate, private uses of domain names can probably be reached since they are “commercial” kinds of activity, even if not used for commercial purposes. See Wickard v. Filburn, 317 U.S. 111, 128-29 (1942) (holding that a small amount of wheat grown for entirely personal intrastate use, when taken together with all such uses, has effect on interstate commerce and may be reached by Congress). On the other hand, the mere fact that a personal home page is on the Internet, by itself, should not be enough to satisfy “use in commerce.”
what if the squatter otherwise used the domain name for a personal home page? Any dilution resulting from the latter use is noncommercial. The fact that the name was held for ransom is by itself not a source of dilution. Use by a parasite would generally be commercial, since the site would usually be used for commercial gain via advertising sold because of the high hitload or through actual business conducted on the site itself. Use by twins depends on the facts of the case.

Use of a domain name for economic gain is doubtlessly commercial. But if the twin was using his surname for personal use, the use is noncommercial. Use of a geographic name by a resident for purposes of local information may also be noncommercial.

C. Call 1-800-GET-HELP for Guidance – Cases Involving Telephone Mnemonics

1. How Analogous Are Telephone Mnemonics to Domain Names?

Others have noted the similarity between phone numbers that are known by the words they mnemonically spell out, such as 1-800-CALL-ATT, and domain names, which are words that correspond to a numeric IP address.\(^{316}\) Comparison of domain names with telephone mnemonics helps to reinforce the conclusion that domain names can be treated as trademarks. Ideally, telephone mnemonics would provide a relevant guiding body of law. These cases, however, are subject to several intercircuit conflicts and, at best, show the difficult issues that will also arise in domain name cases. Looking at them shows, at best, the inherent difficulties involved in wholesale application of trademark law to domain name disputes.

a. Similarities and Differences Between Domain Names and Telephone Mnemonics

Whereas telephone mnemonics actually correspond to and depend upon the numbers which they represent, domain names serve as a proxy for the corresponding IP address.\(^{317}\) A particular IP address dictates no particular domain name. Nonetheless, both serve as an easy way of remembering how to contact a source of goods or services. Both either

\(^{316}\) See MTV Networks v. Curry, 867 F. Supp. 202, 203 n.2 (S.D.N.Y. 1994) ("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."); see also Burk, supra note 17, at ¶ 52.

\(^{317}\) See supra part II (discussing IP addresses and other Internet terminology).
may contain a trademark, as do 1-800-CALL-ATT and “att.com,” or may be a famous mark themselves due to their notoriety as a phone number or domain name, such as 1-800-COLLECT and “yahoo.com.” In the first case, trademark protection lies in the use of an already famous mark; in the second, the mark itself serves as a way of providing identity or source of products and services.

Both require an affirmative act by a consumer to be of use to the owner. Generally, one intentionally calls a mnemonic telephone number based on one’s actual knowledge, via advertising, of the mnemonic. When one enters a domain name into a browser, one might have actual knowledge, or merely have made an educated guess. Still, one might make a telephone call or contact a Web site without knowledge. For instance, one might call a telephone number unaware that it is also a mnemonic. Similarly, one might click on an Internet hyperlink, in which case no knowledge of the domain name is necessary. One distinction remains. Unlike domain names, it is doubtful that one would dial 1-800-CALL-XYZ based upon a mere guess that maybe it is the correct number. Although one might type in domain names just to see where it might take you, no rational person randomly calls phone numbers just to see who’s at home.

The purpose of having mnemonics and domain names is essentially the same: they are easier to remember and increase the likelihood that a user will reach the site. A short and catchy name is the most effective. Telephone mnemonics have no choice but to be short, since one is limited to four digits, or seven in the case of an 800 number. In addition, the letters “Q” and “Z” are unavailable. Further, since the numbers two (2) through nine (9) on a phone each correspond to three letters, one mnemonic word may preclude other words: 1-800-BEER-R-US is the same number as 1-800-BEEP-R-UP, and 1-800-4-DOLE-96 is the same as 1-800-I-FOLD-96.

Domain names, however, may be twenty-six characters long, and may comprise almost any alphanumeric character. Nonetheless, people want the shortest, simplest name. Thus, General Motors is at “gm.com,” not “generalmotors.com,” and Texas Instruments is at “ti.com.” Further, the shorter the name, the more likely someone else either uses or wants to use the name.

318. Thus the rationale behind domains such as “badbreath.com” and “diarrhea.com.” See supra note 62 and accompanying text (discussing Procter & Gamble’s registration of these domains).

319. See Domain Name Instructions, supra note 48.

320. Thus there has been a domain name dispute between Fry’s Electronics (an appliance and
Most significantly, for both telephone mnemonics and domain names, there is only one occurrence of each within any exchange, area code, or TLD.\textsuperscript{321} This allows duplication of the same telephone mnemonic through multiple exchanges and area codes,\textsuperscript{322} but in modern practice, everyone wants an 800- or 888-number mnemonic, which has national reach. Likewise, everyone wants the global reach of the generic TLDs, despite the existence of geographical TLDs.\textsuperscript{323} Unlike telephone mnemonics, domain names offer many more possibilities for the existence of similar domain names. Thus, although there might be only one “netsearch.com,” there could also be a “netsearcher.com,” “netsearch.com,” and “searchnet.com.”

\textbf{b. Types of Disputes as Compared to Domain Name Disputes}

1) \textit{Different exchange or area code} – There have been disputes over the same mnemonic in different exchanges,\textsuperscript{324} but more typically, disputes arise between businesses using different area codes.\textsuperscript{325} These disputes even occur between competitors who use a generic term, typically corresponding to the famous trademark of another.\textsuperscript{326} Such uses correspond closely to a hypothetical dispute between the use of the same domain name under different \textit{geographical} TLDs,\textsuperscript{327} and somewhat less closely to a case involving differing \textit{generic} TLDs, since categories such as “.com” and “.org” add some extra meaning to the entire mark.\textsuperscript{328} Similarly, area

\begin{itemize}
\item electronics store) and Frenchy’s Fry’s (a french fry equipment company) over the latter’s use of “frys.com.” \textit{See supra} note 76.
\item 321. There can be only one 1-800-COLLECT, but there can also be 1-888-COLLECT or 1-412-COLLECT. Similarly, although there can be only one “mcdonalds.com,” there could also be “mcdonalds.org,” “mcdonalds.co.uk,” “mcdonalds.de,” etc.
\item 322. Thus the mnemonic “HELP” could exist as 521-HELP and 687-HELP, etc., in every area code.
\item 323. \textit{See supra} part II.C.
\item 325. \textit{See} Dial-A-Mattress Franchise Corp. v. Page, 880 F.2d 675, 677 (2d Cir. 1989) (detailing a suit between owner of mnemonic spelling “MATTRES” in New York area code and owner of 1-800-MATTRES).
\item 327. Such as “mcdonalds.uk,” “mcdonalds.de,” “mcdonalds.fr,” or under the “.us” TLD, such as “mcdonalds.ny.us” and “mcdonalds.nj.us.”
\item 328. On the other hand, since both commercial and personal sites use the .com designation, the amount of meaning given by generic TLDs is questionable. Although new generic TLDs have been proposed, they do not seem to be any more distinctive or discrete than the current ones. \textit{See infra} part VI.A.
\end{itemize}
codes and local exchanges add geographic meaning to telephone mnemonics.

2) Rewording or reordering of mnemonic — Another type of dispute involves the rewording or reordering of the mnemonic, such as 1-800-CALL-LAW and 1-800-LAW-CALL. Domain names create many more opportunities for such activity, shown by the plethora of official, speculative, and even parody presidential campaign sites.

3) Parasitic use of complementary numbers — Recent disputes have involved the use of commonly-misdialed numbers corresponding to well-known mnemonics; such “complementary” numbers tend to be used by parties who engage in entirely passive parasitic activity. Domain name parasites have also done this to a lesser degree.

4) No disputes between “twins” — There have been no disputes between holders of concurrent marks over telephone mnemonics, such as American Standard suing or being sued over the use of 1-800-AMERICAN. On the other hand, many such disputes have arisen between domain name twins.

2. How Have the Courts Dealt with Telephone Mnemonics?

Two issues relevant to domain name disputes have emerged in telephone mnemonics cases. At least one, and arguably both, of these issues is currently the subject of an intercircuit conflict. First, should telephone mnemonics that spell out generic terms receive protection? Second, is passive use of a parasitic, complementary number actionable?

a. Generic Terms

The Second Circuit held that the use of the same term as part of a telephone mnemonic between direct competitors may be unfair competi-
tion, even when the mnemonic term is generic. In *Dial-A-Mattress Franchise Corp. v. Page*, the plaintiff used the mnemonic "MATTRES" as a telephone number for the various area codes of the New York metropolitan area along with the slogan "DIAL-A-MATTRESS and drop the last 'S' for savings." A competitor obtained the number 1-800-MATTRES, which he promoted as 1-800-MATTRESS. The plaintiff conceded and the court agreed that generic terms cannot be protected, even between direct competitors; nonetheless, the court held that such a competitor might have a duty to distinguish itself, or risk being "enjoined from passing itself or its product off as the first user or that user's product." The court concluded that the plaintiff sought protection against the defendant's use "of a confusingly similar telephone number and a confusingly similar means of identifying that number" rather than protection of a generic term, and upheld the injunction against defendant's use of that term in plaintiff's geographic area.

*Dial-A-Mattress* seems to be based on a broad reading of unfair competition which strongly resembles the holding of *INS v. AP*. The *INS* Court held that the appropriation of news, otherwise unprotected under copyright law, was nevertheless unfair when done by a direct competitor. The competition in *INS* could be reasonably characterized as unfair because the defendant news service had copied and published verbatim news collected at great expense by the plaintiff. *Dial-A-Mattress* holds essentially the same thing in the context of the appropriation of the same mnemonic by a direct competitor. However, mere competition is not unfair competition. Since the possible number of terms spelled with a telephone mnemonic is extremely limited, a holding that locks up a generic term for a broad geographic area will have anti-competitive effects by precluding others from engaging in the same kind of marketing.


335. 880 F.2d at 676. Those area codes included 201, 212, 516, 203, and 718. See id. at 677.

336. See id.

337. Id. at 677-78.

338. Id.


341. See id. at 231.

342. See *Dial-A-Mattress*, 880 F.2d at 677-78.
The plaintiff's choice to market itself using an otherwise unprotected term was done at its own risk. Since the purpose of disallowing protection for generic terms is to prevent the first party using such a term from obtaining a monopoly, *Dial-A-Mattress* frustrates the very purpose of the distinctiveness requirement. Further, the extent to which the public might be confused by such use is irrelevant, since distinctiveness of a mark is a prerequisite to an action for infringement or unfair competition.343

The *Dial-A-Mattress* rationale has been rejected by the Third Circuit and several other courts addressing the issue of genericness and telephone mnemonics.344 For instance, in *Dranooff-Perlstein Associates v. Sklar*, the Third Circuit held that the word "INJURY" used as part of a telephone number by personal injury lawyers was generic and unprotectible.345 Explicitly rejecting the holding of *Dial-A-Mattress*, the court refused to preclude defendants from having "the right to call the practice of personal injury law by its name."346 Since mnemonics preclude the use of long terms, allowing the plaintiff to monopolize "INJURY" would give it "the kind of unfair competitive advantage the genericness doctrine is supposed to prevent."347 This rationale seems to be gaining wider acceptance. As another court said in the same context, "[g]ranting protection to generic terms that correspond with certain telephone numbers would be particularly harsh in our modern era with the plethora of '800' and '900' numbers."348 The PTO has also adopted administrative guidelines refusing trademark registration for parties attempting to register a generic or merely descriptive term in the form of a telephone number.349

However, the genericness limitation only extended to the generic portion of the mark. The *Dranooff-Perlstein* court remanded the case for consideration of whether the telephone number as a whole, emphasizing the non-generic portion of the mark, possessed either distinctiveness or secondary meaning; in other words, does the "1" portion of "INJURY-
1” meet this standard, and if so, was there a likelihood of confusion with “INJURY-9?” 350 Although the court did not reach this latter question, it seems doubtful that the mere use of “1” along with the mnemonic could suffice to make the mark distinctive, since all phone numbers need to have digits. Perhaps if sufficient secondary meaning had been developed through advertising and use, as in the case of 1-800-COLLECT, then the mark as a whole might become distinctive.

To the extent that domain names consist of generic terms, a Dial-A-Mattress rationale would allow unfair competition claims. This widely-rejected holding would create even more problems for domain name disputes, since there are many more variations possible using the same generic term in a domain name. For example, “books.com” could be expressed as “book.com,” “bookstore.com,” or “book-store.com,” all of which would be precluded by the first party to register the generic domain name using “book.” The Dranoff-Perlstein court, however, correctly refused to enjoin such competition, even if between direct competitors. The Dranoff-Perlstein court recognized that the true unfairness would not be a likelihood of confusion, but rather the prevention of normal competition.

Does either the “http://www” or the “.com” portion of the URL help to make a generic mark, as a whole, distinctive, as suggested by Dranoff-Perlstein? If so, does the functionality doctrine preclude considering these portions as part of the trademark-cum-domain name? 351 The PTO has suggested that it might treat the “http://” and “.com” portions of domain names the same as the “800” portion of a telephone number registered as a trademark, disregarding it as adding to distinctiveness. 352 Although this policy seems correct as to the mandatory “http://www,” it may be somewhat heavy-handed for the TLD. First, there are several TLDs: “.com,” “.org” and “.edu” have deeper meanings than a mere difference in geographic area codes. Second, there will eventually be more TLDs, offering more variety in meaning for the TLD. 353 Finally, domain names are increasingly becoming known as the name plus the

350. See Dranoff-Perlstein, 967 F.2d at 861-62.
351. See 1 McCarthy, supra note 278, § 7.26 (functional features, even if distinctive, are not protected as trademarks).
352. See supra notes 241-44 and accompanying text. A new policy should emerge soon, since the PTO will be conducting public hearings into the matter of domain names as trademarks. See supra note 241.
353. See Jason Levitt, Name Games on the Net, INFO. WEEK, Jan. 13, 1997, available in 1997 WL 7601105 (stating that the International Ad Hoc Committee, charged with recommending changes to the DNS, urges extra domain names).
TLD: Slate magazine might be expressed in conversation as “Slate dot com.” But even assuming that a TLD can turn a generic term into a distinctive domain name, the TLD is functional because, albeit meaningful, it is a mandatory prerequisite of reaching the site. Therefore, courts should disregard TLDs as functional.

b. Parasitic Complementary Telephone Mnemonics

People often confuse the letter “O” and the numeral “0” (“zero”) or the letter “I” and numeral “1” (“one”) in a mnemonic and therefore dial the wrong number.\textsuperscript{354} May trademark holders get protection against the use of frequently misdialed telephone numbers that correspond to mnemonics spelling out their trademark? What if the defendant’s use of the mark is entirely passive; rather than advertising such a complementary number, one merely sits waiting to take advantage of misdialed calls. In \textit{Holiday Inns, Inc. v. 800 Reservation, Inc.}, the Sixth Circuit held that such activity does not constitute a “use” of the mark and is therefore not actionable, creating in effect a second intercircuit conflict concerning telephone mnemonics.\textsuperscript{355}

In \textit{Holiday Inns}, the defendant obtained the number 1-800-H\{zero\}LIDAY which complimented plaintiff’s 1-800-HOLIDAY.\textsuperscript{356} The defendant neither actively advertised, used, nor created the confusion surrounding the mark; in fact, the defendant claimed he gave a disclaimer to all callers to clarify that the caller had reached something other than \textit{Holiday Inns}.\textsuperscript{357} Although the plaintiff “invested a great deal of time, money, and effort to increase the traveling public’s awareness of its [mnemonic telephone number],” the \textit{defendant} had not used the mark “in commerce” or made a misleading representation, and therefore the plaintiff had no cause of action.\textsuperscript{358} Following \textit{Holiday Inns}, the Eastern District of


\textsuperscript{355} \textit{See} id. at 626. The intercircuit conflict is between the Sixth and Second Circuits. The Second Circuit ordered the defendant to notify the telephone company not to connect any telephone calls within the plaintiff’s geographic area, rather than merely enjoining advertising the number in New York. \textit{See} Dial-A-Mattress Franchise Corp. \textit{v. Page}, 880 F.2d 675, 678 (2d Cir. 1989). This would prevent even mistaken calls from coming through, thus preventing defendant from passively using the mnemonic, contrary to the Sixth Circuit.

\textsuperscript{356} \textit{Holiday Inns}, 86 F.3d at 620.

\textsuperscript{357} \textit{See} id. at 621, 625-26.

Michigan in *Miss Dig Systems, Inc. v. Power Plus Engineering, Inc.*\(^{359}\) denied summary judgment over the use of the 800 number version of an area code 810 mnemonic, holding that it makes no difference "regardless of whether the defendant has the same core telephone number" or a complementary number.\(^{360}\)

Both cases might be criticized for their hypertechnical reading of "use in commerce" for infringement or unfair competition,\(^{361}\) since defendants are implicitly using the marks in commerce through the number corresponding to the mnemonic. Indeed, *Holiday Inns* seems to acknowledge that such activity does indeed, as asserted by the court below, "violat[e] . . . the spirit, if not the letter, of the Lanham Act."\(^{362}\) On the other hand, these cases correctly conclude that the confusion was not created by the defendants, but rather existed in the public beforehand. As long as defendants do not answer in a way that creates an *independent* likelihood of confusion, it may well be *within the spirit* of the Lanham Act to allow this kind of activity, by allowing more people to enter the market.

Although there have been reports of complementary "misnomers" corresponding to famous domain names,\(^{363}\) it is much more likely that somebody on the WWW will simply type in "xyz.com," thinking he will reach XYZ Corp., but arrive elsewhere. If courts applied the *Holiday Inns* standard to domain name disputes, no finding of infringement would occur when the defendant's use of the name was entirely passive. Any confusion would pre-exist in the mind of the public and not be created by the domain name holder. On the other hand, the actual trademark is usually being used rather than a misdialing or misspelling: one is hardly likely to enter "c[zero-zero]rs.com" in order to reach Coors Beer. The critical factor in such cases is what the Net surfer *sees* when he gets to the site. If the content either implicitly allows one to reasonably believe they have reached XYZ Corp., or actively induces such a belief, then infringement must be found. On the other hand, if a person arrives at "windows.com" and sees a site featuring window panes, then the fact that he went to that site is his own dumb luck, and therein no action should lie.

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360.  Id. at 604.
362. *Holiday Inns*, 86 F.3d at 624 (quoting district court).
363. See *supra* note 66.
D. Domain Name Case Law

As of this writing, a handful of district court cases have addressed domain name disputes. As previously suggested, the use of trademark infringement has been problematic,\(^{364}\) leading most (but not all) courts to instead rely on the Trademark Dilution Act of 1995.\(^{365}\) However, the application of dilution itself is also problematic and holds serious potential for abuse by poachers\(^{366}\) who seek to "reverse domain name grab" a mark that otherwise would be permitted under concurrent use. In other words, these plaintiffs cannot show a likelihood of confusion and seek to overextend their trademarks by alleging dilution to grab a mark from another who also has the right to use it. Further, many courts have demonstrated great ignorance of the nature of the Internet, which brings both the basis and guiding value of some of these cases into question.

1. Squatters — Dilution to the "Rescue"

All the written decisions involving squatters involve one individual, Dennis Toeppen, who registered numerous trademarks of others as domain names, including "americanstandard.com," "panavision.com," "aircanada.com," and "yankeestadium.com."\(^{367}\) In *Panavision*, the defendant registered plaintiff's trademark "Panavision" as a domain name, and used his WWW site to display an "aerial view[] of Pana, Illinois."\(^{368}\) Toeppen demanded $13,000 to discontinue use of the domain name.\(^{369}\)

The court found that Toeppen had violated state and federal anti-dilution statutes and ordered a preliminary injunction.\(^{370}\) The marks, having been used since 1954, were in the eyes of the general public and producers, directors and movie studios, "famous" marks within the meaning of the act.\(^{371}\) Toeppen's use of the domain name lessened the capacity of the mark to "identify and distinguish goods or services" under the Dilution Act, and further diluted the mark by preventing *Panavision* from

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364. See *supra* part V.B.3.a.
366. See *supra* part III.C (discussing twins, squatters, poachers and parasites).
368. *Panavision*, 945 F. Supp. at 1300. Toeppen also registered plaintiff's mark "Panaflex" as a domain name. See *id*.
369. See *id*.
370. See *id*. at 1306.
371. See *id*. at 1303.
using its trademark verbatim as a domain name.\textsuperscript{372}

Finding "commercial use in commerce," however, was also problematic for the court. Although Toeppen never used the mark in connection with the sale of any goods or services, the court nonetheless found commercial use in the business of "register[ing] trademarks as domain names and then [selling them] to the trademarks' owners."\textsuperscript{373} This stretches "commercial use" to its limit by emphasizing the commercial aspect of Toeppen's intent rather than how he was actually using the mark. The court contrasted Toeppen's behavior with a hypothetical party whose use of Panavision's mark would be noncommercial "fair use": one who "innocently" registered the famous trademark as a domain name for constitutionally protected speech, such as "a citizen of Pana, Illinois who registers 'panavision.com' in order to provide a community political forum."\textsuperscript{374} This suggests that squatters who passively await the "best offer" would better be able to characterize their use as noncommercial. Finally, the injunction not only barred Toeppen from using "Panavision," "Panaflex," or any confusingly similar mark as a domain name, but also ordered Toeppen to transfer the domain names to the plaintiff.\textsuperscript{375} These court-ordered transfers have been attacked by commentators, but are legally valid.\textsuperscript{376}

\textsuperscript{372} Id. at 1304 (citation omitted). A better way of arguing this latter point might be to suggest that preventing Panavision from using "panavision.com" as a domain name forces them to use something else, such as "panavision-inc.com" or "panavision-intl.com," thus making Panavision dilute its own mark. Still, this argument is weak, because these available, albeit less desirable alternatives would all be valid uses of the "Panavision" mark were they done by plaintiff.

\textsuperscript{373} Id. at 1303. The court did not address the requirement of use "in commerce" which is an additional requirement to "commercial use."

\textsuperscript{374} Id. at 1304. The placement of the aerial view of Pana, Illinois on the page was doubtlessly a token use proffered to pass as protected free speech and have some relationship to "Panavision," since it was a "vision" of Pana, Illinois, Toeppen's home state. The court implicitly did not "buy" this use and therefore did not address whether such use is protected speech.

\textsuperscript{375} See id. at 1306.

\textsuperscript{376} Carl Oppedahl, a trademark practitioner, has criticized transfer of marks, noting that normal relief in trademark cases is to enjoin further use of the mark, and in rarer cases, to order destruction of the materials bearing the mark. See Carl Oppedahl, Courts Grapple with Remedies in Domain Name Trademark Lawsuits, N.Y. L.J. Oct. 22, 1996, at 5. Oppedahl is correct that courts have failed to clearly explain why this is possible, but a case for the transfer of domain names may be made. Section 43(c)(2) of the Lanham Act allows articles bearing plaintiff's marks to be "delivered up and destroyed," if under section 36 "willful intent is proven, . . . subject to the discretion of the court and the principles of equity." Lanham Act §§ 36, 43(c)(2), 15 U.S.C. §§ 1118, 1125(c)(2) (1994 & Supp. I 1995) (emphasis added). Ordering cancellation of the mark would be the equivalent of destruction; so too, the only way to "deliver" the mark at issue is through a transfer. Further, although Oppedahl is correct that such a remedy is traditionally not used, section 43(c)(2) specifically grants the court discretion to do so. Thus, such a remedy is within the court's ability.
Another case involving the same defendant, *Intmatic, Inc. v. Toeppen*,\(^{377}\) granted summary judgment on the issue of trademark dilution, but denied it on the issues of trademark infringement and unfair competition. Toeppen had first used the site for a proposed software product he intended to call "Intmatic," but upon demand of the plaintiff removed it within a week in lieu of a map of his home town, Champaign-Urbana.\(^{378}\) Like *Panavision*, Toeppen never advertised the site or used it in connection with the sale of goods or services.\(^{379}\)

The court found federal trademark dilution on grounds almost identical to those of the *Panavision* court, but addressed several issues completely ignored by *Panavision*.\(^{380}\) Since Toeppen did not dispute that the mark was famous, the court found dilution because commercial use was satisfied by his intention to arbitrage the domain name.\(^{381}\) However, the mere use of " .com," by itself, did not establish commercial use, since it is currently used for both personal and commercial purposes.\(^{382}\) Still, such reasoning does not preclude a future court from holding otherwise once additional TLDs are made available. This might occur if new, specific TLDs were reserved to commercial enterprises, along with registration policies to ensure that only commercial entities obtained one.

The court found that the "use in commerce" requirement, ignored by *Panavision*, was satisfied by the mere use of the Internet: 

"Because Internet communications transmit instantaneously on a worldwide basis there is little question that the "in commerce" requirement would be met in a typical Internet message, be it trademark infringement or false advertising." \(^{383}\) This is yet another expansive interpretation of the "use in commerce" requirement, because it would make any use of the Internet subject to Congress' powers to regulate interstate

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\(^{377}\) 947 F. Supp. 1227 (N.D. Ill. 1996). The court held that the factual nature of infringement under 15 U.S.C. § 1114(1) and unfair competition under 15 U.S.C. § 1125(a) precluded summary judgment. See id. at 1241. The court suggested that most factors, especially the ones relating to intent, similarity, strength of the mark, and the degree of care taken by consumers would favor the plaintiff. See id. at 1235-36. The third reported case so far involving Toeppen has to date resulted in a preliminary injunction by Toeppen's consent, pending resolution of the litigation. See American Standard Inc. v. Toeppen, No. 96-2147, 1996 U.S. Dist. LEXIS 14451, at *1 (C.D. Ill. Sept. 3, 1996).

\(^{378}\) See *Intmatic*, 947 F. Supp. at 1232.

\(^{379}\) See id. at 1233.

\(^{380}\) See id. at 1240.

\(^{381}\) See id. at 1239. The use of the trademark as a software program did not qualify as dilution because such use ended prior to the enactment of the Dilution Act. See id.

\(^{382}\) See id. This is because the .com TLD includes commercial, non-commercial, and personal domain names. It is "commercial" in name only.

\(^{383}\) Id. (citation omitted).
commerce.\footnote{384}

The dilution requirement was met just as in \textit{Panavision}.\footnote{385} First, the plaintiff was unable to use its own mark, causing dilution through plaintiff's inability to meet the expectations of consumers who would "expect to locate Internatic on the Internet through the 'internatic.com' domain name."\footnote{386} This argument completely ignores plaintiff's ability to register "internatic-inc.com" and other such variants. Second, using reasoning that can only be described as bizarre, the court found dilution because the plaintiff's trademark would appear "on the web page and . . . on every page that is printed from the web page."\footnote{387} This court fundamentally misunderstood how browsing software works. Assuming that Toeppen was not using the name "Internatic" on the "internatic.com" homepage,\footnote{388} the only places where the name might appear are within the browser URL window and via a browser printout. Such uses of the name are caused by the nature of browsing software and by not by actions of Toeppen.\footnote{389}

2. \textit{Parasites}

\textit{a. Use of the Same Name Between Competitors -- Infringement}

Parasites who obtain a domain name corresponding to the trademark of a competitor will rightly be found liable for infringement.\footnote{390} In \textit{Comp Examiner Agency, Inc. v. Juris, Inc.},\footnote{391} the Central District of California granted a preliminary injunction against a defendant who used plaintiff's federally registered trademark as a domain name to "sell, distribute, ad-
vertise, and/or market its goods and services to Juris’ target market of lawyers and law firms.392 Although the court provided no explanation, its finding of trademark infringement under sections 32(1) and 43(a) of the Lanham Act is reasonable: the use of A’s registered trademark by B to market the same products as A, to A’s target market, is the paradigm of infringement and “passing off.” The court enjoined the defendant from using “Juris” or any confusing variant; nonetheless, defendant was granted three months to continue using the domain name and web site to post a text-only referral notice to defendant’s new site.393

b. “Trading off” of Plaintiff’s Name – Dilution

Unlike the squatter cases, courts have had little difficulty finding dilution in the context of competitors, or even non-competitors who “trade off” a domain name based on the fame of a plaintiff’s famous mark.394 The first case involved a sexually explicit Internet site, “candyland.com.”395 The owner of the children’s game “CandyLand” sought to enjoin this use on federal and state dilution grounds; the court granted an injunction similar to that of Comp Examin er, allowing the defendant to post a non-hyperlink referral notice for 90 days.396 Although the decision lacked analysis, the basis for dilution was presumably blurring via the use of the mark and tarnishment via association of a child’s game with pornography.397

The court mistakenly found that “Candyland” is sufficiently famous to merit dilution protection. First, there are many other uses of the term in commerce.398 Second, the use was a parody, which plays off the

392. Id. at *1.
393. See Comp Examin’r, 1996 WL 376600, at *1. The court also makes the odd holding that the defendant may continue to use “juris.com” for e-mail purposes “[as] long as this function does not in any way require users to input or otherwise use or see the name ‘juris.com.” Id. at *2. This is an impossible requirement to meet, since all e-mail sent or received contains the domain name as part of the e-mail address.
394. For example, the Southern District of New York granted a preliminary injunction against the use of “plannedparenthood.com” by an active anti-abortionist who used the site to sell an anti-abortion book. See Planned Parenthood v. Bucci, No. 97 Civ. 0629 (KMW), 1997 WL 133313, at *1, 12 (S.D.N.Y. Mar. 24, 1997).
396. See id. at 1479-80.
397. See supra part V.B.3.b (discussing “blurring” and “tarnishment”).
398. For instance, the defendant claimed there were “23 trademark applications and registrations involving Candy Land [sic] and variations, as well as 59 unregistered (common law) uses of the mark by third parties.” See Jonathan Rosernoer, Famous Trademarks (visited Nov. 1, 1996) <http://www.cyberlaw.com/cylw0296.html> (discussing CandyLand case). The defendant also argued
public's awareness of the mark and the image associated with it. For such a parody to work, the initial object must be renown to some degree, but that renown does not per se rise to fame. Third, the parodic use is not primary: the effectiveness of "Candyland" for an adult site stands alone, with the parody an inside joke. The fact that the name stands alone without need to refer to the children's game cuts further against an argument of fame.

Another case, Toys 'R' Us v. Akkaoui,399 involved similar circumstances, but a less defensible parody. A prominent toy retailer sought to shut down the Internet site "Adults R Us" running at "adultsrus.com."400 The court noted that plaintiff's "'R' Us" trademarks were especially famous and distinctive and that defendant's use of "Adults R Us" diluted those marks by tarnishing those marks by "associating them with a line of sexual products that are inconsistent with the image Toys 'R' Us has striven to maintain for itself."401

3. Twins and Poachers – Maybe Infringement, But Hold the Dilution

Twins presuppose otherwise acceptable concurrent use by multiple parties who share identical or nearly identical trademarks. One such case to come down involved near-twins, and found violations of section 43(a) of the Lanham Act for likelihood of confusion, false designation of origin and sponsorship, and state dilution.402 In Actmedia v. Active Media International, defendant had registered "actmedia.com" rather than "activemedia.com" as its domain name.403 Plaintiff, owner of the registered

that plaintiff's market was limited to three-year olds. See id.

399. 40 U.S.P.Q.2d (BNA) 1836 (N.D. Cal. 1996). Unlike Hasbro, the name "adultsrus.com" makes no sense unless one also thinks of "Toys 'R' Us."

400. See id. at 1837.

401. Id. at 1838. The "commercial use in commerce" requirement, not addressed, was surely met since defendant was marketing sex products via the Internet site. See id. at 1837. The court, finding dilution, saw no need to address plaintiff's infringement claim. See id. at 1838. The remedy in this case also reflected an especially poor understanding of the Internet. The court ordered the defendant to cancel the domain name, as well as to notify all "publishers of directories or lists, including Internet search engines, in which Defendants' 'Adults R Us' name appears, to delete all references . . . from their public databases [and] search engine directories." Id. at 1840. Such an order is impossible to accomplish due to the large number of lists and databases on the Internet. See Dan Goodin, Reality Trumps Legal Theory in Internet Trademark Suit, Recorder, Dec. 10, 1996, at 4 (stating that the defendant "might as well have been commanded to put a sink full of toothpaste back in its tube").

402. See Actmedia v. Active Media Int'l, No. 96C3448, 1996 WL 466527, at *2 (N.D. Ill. July 17, 1996). The court, like most others, ordered defendant to transfer the domain name to plaintiff. See id.

403. Id. at *1.
mark “Actmedia,” provided advertising and media services; defendant was apparently an Internet consulting firm, a different kind of business.\footnote{404}

Due to the brevity of the decision, it is unclear whether the court’s decision hinged on the nature of the defendant’s business, or instead on the highly similar names. Assuming that the defendant’s services and clientele were quite different from that of the plaintiff, the crucial fact is that although the defendant’s domain name corresponded \textit{exactly} to plaintiff’s registered trademark, it was in fact only a convenient shortening of the defendant’s trade name. This suggests that the court may have confused dilution with infringement.

In fact, dilution \textit{should} be a harder claim for true twins to assert. The \textit{Intermatic} court, while dealing with squatters, suggests in dictum that dilution is not actionable in cases involving use by twins: “[t]his is not a situation \ldots by competing parties and a race to the internet between them.”\footnote{405} The court noted that an example of “parties who have actively used the same name in their business [is the use of the] term ‘United’ by United Airlines, United Van Lines, United Mineworkers Union and the United Way.”\footnote{406} This example strongly suggests that when the dispute involves twins, dilution \textit{should not always} apply \textit{even if} the plaintiff is famous. Relevant factors courts should use in determining the outcome include the relative fame of each trademark, the similarity of the products, and the resemblance of the domain name to each party’s actual trademark.\footnote{407} Although United Airlines should be allowed to enjoin “unitedair.com” and “united-airlines.com,” it should not be able to enjoin “united.com,” “unitedvan.com,” or “unitedway.com.”

So far, courts seem to be wary of poachers. One court has refused to grant computer manufacturer Gateway 2000 a preliminary injunction against a computer consultant who has used the domain name “gateway.com” since 1988.\footnote{408} Another refused to enjoin the use of “colum-

\begin{footnotes}
\footnote{404}{See \textit{id}. The decision itself does not state the nature of Active Media’s business, but another source indicates that defendant was a “small Internet consulting firm.” Gurrola, \textit{supra} note 55.}

\footnote{405}{Intermatic Inc. v. Toeppen, 947 F. Supp. 1227, 1240 (N.D. Ill. 1996) (emphasis added).}

\footnote{406}{Id. at 1233.}

\footnote{407}{See Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1035 (2d Cir. 1989) (Sweet, J., concurring). In this case, where the court held that the automobile name “Lexus” did not dilute “LEXIS,” the law database service, District Judge Sweet suggested a multifactor test to determine “likelihood of dilution.” These factors include: 1) similarity of the marks, 2) similarity of the products covered by the marks, 3) sophistication of consumers, 4) predatory intent, 5) renown of the senior mark, [and] 6) renown of the junior mark.” \textit{Id}. Perhaps another relevant factor would be the existence of concurrent uses of the same or similar marks.}

\end{footnotes}
bia.net” by a health-care provider who was sued by Columbia University. The fact that these twins exist tends to suggest the mark is not sufficiently famous to merit dilution protection. A truly famous mark would tend to preclude the existence of similar marks. Courts must therefore be hesitant to apply dilution to twins. Further, if the businesses are similar but geographically disparate, courts should also be hesitant to apply infringement absent bad faith or predatory intent.

An interesting case that is coming down is the dispute over the Internet search engine “Yahoo!.” There is little possibility that infringement can be found, since the market of the senior user (snack cakes) is so different from that of the junior user (Internet search engine). Further, both parties have registered the mark. Ya-Hoo cakes might have a stronger claim for dilution by Yahoo!, the more well-known junior user, but considering that the use and fame of “yahoo.com” occurs in a context different from that of Ya-Hoo cakes, this claim would require an uncomfortable stretching of dilution.

VI. POLICY AND LAW AT THE FRONTIER’S EDGE

A. Changes to the Domain Name System

NSI has been widely criticized for its policy that unilaterally cuts off a domain name at the behest of a trademark holder, even in the absence of infringement or dilution, and ignoring otherwise permissible concurrent use of registered and common law trademarks. This policy also encourages poaching by trademark holders who might not otherwise have a colorable claim in court. Since domain name disputes will continue to exist regardless of NSI’s biased policies, NSI should get out of the business of evaluating the merits of competing claims. At most, it should


410. See supra note 75.

411. See Copyright Protection on the Internet: Hearings on H.R. 2441 Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary, 104th Cong. 300 (1996) (statement of Catherine Simmons-Gill, President of International Trademark Association) (“[NSI’s policy] satisfies almost no one [because it does not] deal with the rights of ‘common law’ trademark owners . . . [or] issues raised by ownership of [non-famous] marks . . . [which are] the subject of dozens of federal trademark registrations for goods and services that can be sold under that name without likelihood of confusion of the consuming public.”); Mikki Barry, Is the InterNIC’s Dispute Policy Unconstitutional? (last modified Sept. 18, 1996) <http://www.mids.org/legal/dispute.html> (arguing that NSI violates procedural due process by acting unilaterally without guidance from legislative, judicial or administrative law authorities); see supra part II.D.

require arbitration, and at the least, it should do nothing unless and until a court directive to the contrary is received. This would discourage poaching and allow domain name holders due process via adjudication of claims in court, where all aspects of trademark law may be addressed.

Others have suggested changes to the DNS itself, to either reduce the number of disputes or to simply address a perceived future shortage of domain names. Most significantly, an international ad hoc committee ("IAHC") organized to address the problem of generic TLDs has recommended that seven new TLDs be introduced: ".firm," ".store," ".web," ".arts," ".rec," ".info," and ".nom." This is a cure that kills the cow. First, owners of famous names can be expected to register every imaginable variant of their own name under each TLD to preempt squatters and avoid potential dilution of their marks. Second, each of the new TLDs is sufficiently broad that they overlap. A company like Sony would have reason to register its name under every new TLD except ".nom." Third, although the IAHC has the worthy goal of discouraging monopolies, it creates TLDs that are

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413. See Gigante, supra note 412.
414. See Barry, supra note 411.
416. See International Ad Hoc Committee, Final Report of the International Ad Hoc Committee: Recommendations for Administration and Management of gTLDs, § 3.1 (last modified Feb. 4, 1997) <http://www.iahc.org/draft-iahc-recommend-00.html> [hereinafter IAHC Final Report]. The descriptions of each are as follows:

.firm for businesses, or firms
.store for businesses offering goods to purchase
.web for entities emphasizing activities related to the World Wide Web
.arts for entities emphasizing cultural and entertainment activities
.rec for entities emphasizing recreation/entertainment activities
.info for entities providing information services
.nom for those wishing individual or personal nomenclature, i.e., a personal nom de plume

Id.

417. See supra part V.B.3.b.
418. Sony is a business (satisfying IAHC's ".firm" TLD); it offers goods (satisfying ".store"); it offers content just for the WWW (".web"); it has "cultural and entertainment" information about its recording artists and movies on its site (".arts"); which is also "recreational/entertainment" in nature (".rec"); and provides online support (".info"). If "Bob Sony" wanted a domain name, however, he might still have "sony.nom" available to him.

419. See IAHC Final Report, supra note 416, § 3.2.1 (stating that the proposed TLDs are "natural forms of competition [that] will assist in preventing the operators of any particular [general
so similar that they increase the likelihood of confusion, which is the touchstone of trademark infringement.420

These problems are caused by a lack of discrete boundaries between the proposed TLDs. Although it is difficult to come up with discrete categories, the IAHC should at the very least have suggested TLDs that had more meaningful, discrete names, such as “.pol” (for political sites), “.sex” or “.xxx” (for adult sites) and “.nfp” (for non-profit organizations).421 Although some of the above suggestions are prey to the same criticism, they are nonetheless sufficiently different from existing TLDs that they may help to prevent, rather than increase, the likelihood of confusion, and perhaps even decrease the likelihood of dilution.422

Some have taken the idea of creating new TLDs to its obvious conclusion by creating alternative registries, dubbed “AlterNICs.”423 Such registries provide any number of TLDs, such as “.sex,” “.ltd,” “.radikal,” or “any name a user requests.”424 One need only reset one’s browser to an AlterNIC for DNS service to instantly access the new TLDs.425 The AlterNIC movement is in part an attempt to provide more and fanciful TLDs,426 as well as to challenge the authority of NSI and the

TLD (from assuming the role of a monopoly provider with the associated inherent risks of monopoly-based market trading practices”).

420. The proposed TLDs “.firm” and “.store,” “.web” and “.info,” and “.arts” and “.rec” are confusingly similar. Were one to register “yahoo.web,” one would likely be subject to a viable infringement claim from Yahoo! <http://www.yahoo.com>. See Gene Koprowski, Foes Vow to Take Domain Name Fight to FCC (last modified Feb. 6, 1997) <http://www.wired.com/news/politics/story/1919.htm>.

421. See Levitt, supra note 352, at 70. Levitt suggests “.nfp,” “.soft” and “.hard” among others for software and hardware vendors and “.flame” for sites containing strong opinions. See id.

422. It might also make a dilution claim somewhat more difficult for plaintiffs to sustain. Had “candyland.com” instead been “candyland.sex,” the Hasbro defendant might be able to better argue that, under the Mead Data dilution factors, the dissimilarity in the products and the relative sophistication of Web surfers who realized the difference between the “.com” and hypothetical “.sex” TLDs, minimized the likelihood of dilution. Since courts look at the mark “as a whole,” the existence of meaningful, discrete TLDs would force courts to compare “CandyLand” and “candyland.sex” as whole marks. See Dranoff-Perlstein Assoc. v. Sklar, 967 F.2d 852, 861 (3d Cir. 1992) (stating that the validity of a trademark is determined by examining the mark as a whole).

423. See AlterNIC, AlterNIC.NET <http://www.alternic.net>-. The Internet Society itself originally proposed adding up to 150 new TLDs, prior to forming the IAHC. See Internet Society, Blue Ribbon International Panel To Examine Enhancements to Internet Domain Names System (last modified Oct. 22, 1996) <http://www.isi.edu/iana/isoc-ildl-comm-pr.html>.


426. See id. (quoting Paul Garrin of “name.space” (an AlterNIC) that InterNIC’s database does not list “fanciful domain names”).
IAHC to unilaterally determine Internet policy.427

If this movement were successful, it would have the effect of diluting the strength of the current TLDs, since there would be so many TLDs in use. One benefit would be to discourage squatting, since a squatter who registers “sony.biz” could not preclude Sony from choosing the alternatives “sony.web” or “sony.corp.” Still, the AlterNICs raise more problems than they solve. First, it is highly doubtful that a plethora of TLDs would result in discrete, well-known categories, subjecting the AlterNICs to the same criticisms given to the IAHC proposal above. In other words, using the same SLD, such as “Sony,” along with a plethora of TLDs, such as “.biz,” “.corp,” and “.ltd,” would cause a very high likelihood of both confusion and dilution. Second, the supposed purpose of using TLDs is their simplicity. There is nothing simple about having to guess from hundreds of TLDs. There is no point to using a cure that kills the patient.

In fact, one might suggest that rather than allowing a multitude of TLDs, one might instead de-emphasize, or simply get rid of generic TLDs. This is what other commentators have suggested, while others suggest requiring a shift to geographic TLDs.428 Neither solution will work. First, although geographic TLDs are used widely around the world, experience has shown the geographic TLDs to be virtually ignored in the United States.429 Second, even if all domain names in the United States were to use the “.us” TLD, that would in no way lessen the specter of disputes over a name such as “mcdonalds.com.us.” Finally, this proposal ignores “one of the most important aspects of the Internet—the ability to transcend geographical boundaries,” because “many newly established ‘virtual’ businesses exist only in [C]yberspace and do not have geographic boundaries.”430

Others suggest that each domain name include a one-word description of the type of business as part of the domain name, such as “apple-

427. See Tom Abate, What’s in a Domain? Problems Arise As Web Sites Tangle With Trademarks, S.F. EXAMINER, Jan. 19, 1997, at D1. Abate suggests that NSI’s global monopoly over generic TLDs is a restraint in trade, and that the IAHC has no formal authority to decide such matters. See id. In fact, the so-called Net “governance” really is nothing more than an “informal system of governance” that has been reached through “informal Internet processes.” Id.


429. See supra part II.C.

grocery.com” (making the generic business type part of the SLD) or “apple.grocery.com” (making the generic type the SLD and bumping the “apple” to a subdomain). This suggestion has some merit, but is unrealistic. First, people want short, memorable domain names. Second and more significantly, this stretches the DNS to its limit by asking it to serve as a directory system, a task for which the DNS is particularly ill-equipped.

Indeed, more radical thinkers have suggested that the DNS be abolished altogether in favor of a universal directory system, on the premise that “it is not realistic to rely on names themselves to provide sufficient information to differentiate multiple entities with the same name.” Such a system would allow one to type “apple” into a browser, and get a “license plate” showing all sites that have a “name” that corresponds to it. This suggestion has the most merit and the plethora of “search engines” popping up on the Internet attest handily for the desire for an easier way to find things on the Internet. This arrangement would allow concurrent use between twins, since all “Apples” could be listed together, along with descriptions that would help prevent a likelihood of confusion. It would also virtually eliminate the incentives for squatters or parasites to take advantage of the famous name of another.

This suggested arrangement will probably happen in one form or another. The IAHC and AlterNIC proposals, by adding too many new TLDs that “muddy” the DNS waters, may lead to a rush for better search engines to act as de facto Internet directories. Indeed, Net surfers faced with “.firm,” “.store,” “.web,” “.info,” “.com,” and “.org” could no longer reasonably rely on guesswork to find a domain name and will instead be forced to find simpler ways of getting to their Internet destination. This will destroy the simplicity and guessability that are the hallmark and true value behind the quest for property in domain names. Rather than implementing a universal directory from the “top,” it

431. See Morando & Nadan, supra note 428, at n.44 and accompanying text.
432. See supra part II.D.
434. See Paul Vixie, External Issues in DNS Scalability (visited Oct. 9, 1996) <http://ksgwww.harvard.edu/lip/vixie.html>; see also Mitchell et al., supra note 433 (“[R]eliance on the DNS for a directory service only indicates our desperate need for a real directory service; it does not prove that the DNS should be that service. . . . We also feel that facilitating the use of the DNS as a directory service is the wrong goal and that the Internet needs a universal directory system to continue to move forward.”).
would be better to let the open market determine what is the best way to organize the Internet, and not try to fix things by breaking them further.

B. Changes to the Law and Remedies

Several states are either considering or have enacted *sui generis* protection against Internet trademark infringement. The ACLU has filed suit in Georgia to enjoin one such statute. These statutes pose many problems. First, the Georgia statute has an overly broad definition of venue: violations of the act exist when committed "[i]n any county *from which, to which or through which any use* of a computer or computer network was made, whether by wires, electromagnetic waves, microwaves, or *any other means* of communication." This definition is so broad that it could include an out-of-state defendant whose Internet server was in Georgia, or even a defendant whose transmissions were routed automatically through Georgia. Such overbreadth is not compatible with due process.

Second, the statute does not specify the types of activities it reaches. Rather than addressing infringement or dilution, it merely refers to "use" of the mark or "falsely stat[ing] or imply[ing]" that one has permission to use the mark. Although this language seems to be aimed at squatters, it is much broader than federal dilution or infringement; as such, the statute reaches twins who otherwise have the right to use their common law trademarks despite the existence of a registered trademark.

Although it is too early to note whether federal trademark law should be changed, the overreaching results of the most recent change, the addition of federal dilution, suggest that future protection should be

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438. Cf. supra part IV (discussing personal jurisdiction in Cyberspace); but see United States v. Thomas, 74 F.3d 701, 709-10 (6th Cir.) (placing pornographic images on BBS in California subjected defendants to venue in Tennessee for federal obscenity charges), cert. denied, 117 S. Ct. 74 (1996).


440. See supra part V.B.3.a.
against, and not for, trademark holders.\textsuperscript{441} Although the PTO, as of this writing, is reformulating a domain name policy,\textsuperscript{442} it is doubtful that the PTO would ever want, or be capable of handling, the volume of domain name registrations. One is not required to register a mark to engage in commerce; why should the Internet be different? Although nothing should prevent a domain name from serving as a trademark, this entire comment has, if nothing else, attempted to show the dubiousness of trying to squeeze the square trademark peg into the round domain name hole.

The affirmative defense of “trademark misuse” has been suggested as a way of punishing poachers who overextend the reach of their trademarks.\textsuperscript{443} Courts could punish those who overextend the scope of their trademark by refusing to enforce the plaintiff’s trademark rights.\textsuperscript{444} Although these commentators concede that the misuse defense has been rarely used, they suggest that reverse domain name grabbing provides the ideal circumstance for courts to act equitably against those who would overextend their trademarks.\textsuperscript{445} Although this argument is appealing, it is doubtful that it will ever work. Poachers are nothing more than twins behaving badly. As twins, it will be rare that they assert a frivolous claim, thus precluding trademark misuse. Therefore, short of suits that implicate the antitrust laws,\textsuperscript{446} it is doubtful that this defense will succeed.

Finally, the unique character of the Internet allows new, creative remedies. For instance, the actions of the Comp Examiner court, which allowed the defendant to retain the domain name for three months to post a referral,\textsuperscript{447} might be taken one step further. In the case of twins, a court could order the defendant to simply post a reasonably visible referral link, allowing the defendant to retain his domain name. Such an ap-

\textsuperscript{441} See supra part V.D.

\textsuperscript{442} See supra note 241 and accompanying text.


\textsuperscript{444} See id. at 15.

\textsuperscript{445} See id. at 19.

\textsuperscript{446} See id. at 14-15 (stating that trademark misuse has only been used in the antitrust context).

\textsuperscript{447} See Comp Exam’r Agency v. Juris, Inc., No. 96-0213-WMB (CTx), 1996 WL 376600, at *1 (C.D. Cal. May 22, 1996). For non-competitive twins, this would pose little discomfort. However, this remedy would place direct competitors in the uncomfortable position of referring customers to one’s competitors.
proach would restore, to some extent, the concurrent use that the DNS otherwise lacks and avoid inequitable or absurd results.448

VII. CONCLUSIONS

Domain names have come from almost nowhere to become a hot, contested item of value. Along with domain names have come problematic challenges to the existing legal doctrines covering jurisdiction and property rights. This comment has suggested that the categories of squatter, parasite, twin, and poacher can be used as an analytical framework in deciding these disputes.

Courts must take the special nature of the Internet into consideration when evaluating questions of personal jurisdiction. Mere use of the Internet cannot allow nationwide jurisdiction, especially when the dispute involves twins. Further, courts should not use the Calder effects test unless bad intent is clear and substantial. Finally, courts must finally treat with seriousness the reasonableness prong of the jurisdiction test.

Domain names are a valuable property interest that deserve the protection of the law. The Lanham Act provides a good, albeit flawed, analytical framework for settling domain name disputes. If courts continue to apply expansive interpretations of trademark law, particularly dilution law, the effects will be anti-competitive and subvert the Lanham Act's purpose of allowing concurrent trademark use. As the analysis of the telephone mnemonics and domain name cases suggests, courts should be especially wary with cases involving twins and not enjoin uses that do not clearly create a likelihood of confusion. Furthermore, courts should not protect generic names. Courts must be especially careful not to apply trademark dilution to anything but the most famous of marks. Otherwise, owners of registered trademarks will end up with a de facto property right that exceeds anything that might otherwise be allowed under traditional principles of concurrent use.

Finally, although it is doubtless that the DNS will be changed, it is equally doubtful that these changes will lessen the number of domain name disputes. Domain names are simply too valuable and disputes between individuals too tempting for these disputes to disappear. NSI should keep out of dispute resolution, as should state legislatures. The

448. For example, every time a stronger twin won a suit, he might lose the site to the next biggest twin on the block.
proper place for resolution of trademark disputes is between negotiating parties, before an arbitrator, or in a federal court.

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Considering the nature of the topic, many sources in this comment may be found on the World Wide Web. Thus, even when something is available in print, if a parallel citation is available online, it has been so indicated. Due to the transient nature of the Internet, copies of all Internet-only sources have been kept on file with the *University of Pittsburgh Law Review*. This comment will also be available online at <http://www.law.pitt.edu/lawrev/58-4/articles/domain.htm>.