



A SCRUTINY OF TRADEMARK DISPUTES IN DOMAIN NAMES

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ABSTRACT :

With the globalization and commercialization of the Internet, area names have taken on another centrality as business identifiers. At the point when the Internet was in its early stages, space names were made to fill in as valuable mental helper methods for finding explicit PCs on the Internet. Area names are currently very noticeable in "genuine space" also - appearing on TV plugs, announcements, magazine promotions, and even the sides of transports.



KEYWORDS : globalization and commercialization , genuine space , magazine promotions.

INTRODUCTION

The very premise of Internet will be Internet Protocol (IP) utilized for bury PC/entomb server correspondence, every PC/server having its very own interesting all numeric IP address. The way that these addresses are not appealing and are hard to recollect has had a noteworthy task to carry out in the improvement of the DNS and the development of space names as corporate resources. In this way, an area name is a famous substitute for the all numeric IP address of a specific server. To make an Internet address more easy to understand, an extraordinary numeric location might be coordinated with a mental aide space name, (for example, 'mcdonalds.com'). This systematization of acknowledgment of intermediary names is arranged as the 'Area Name System'.

Space names are just the addresses of the Internet. E-mail is sent and web pages are found through the use of domain names. For example, the web address for the Microsoft web site is www.microsoft.com, while Bill Gates might have an e-mail address such as bill@microsoft.com (both using the "microsoft.com" domain name). Without the domain name, a computer would have no idea where to look for a web page, and e-mail routers would not be able to send e-mail. Of course, domain names are more than just addresses, since they can be selected by the "addressee" and are usually closely associated with a particular service or product.

Generic and Geographic Top-Level Domain Names

Domain names are divided into hierarchies. The top-level of the hierarchy appears after the last dot ('.') in a domain name. In "microsoft.com", the top level domain name is .COM. The .COM name is the most common top-level domain name, and is used to indicate that the domain name is owned by a commercial enterprise. Other common top-level domain names include .ORG (for non-profit organizations), .NET (for network and Internet related organizations), .EDU (for four-year colleges and universities), and .GOV (for government entities).

In addition to these generic domain names, each country has been given a unique top-level domain name. For instance, .CA indicates a domain in Canada, and .IE indicates an Irish domain. Although there is a .US top-level domain name, most organizations in the United States outside of state and local governments opt for one of the generic names (i.e., .COM, .ORG, .NET), which are available to entities in any country. For

several years there have been proposals to add new generic top-level names, such as .FIRM, .STORE, and .WEB.

The disputes that arise over domain names involve "second level" domain names. The second level name is the name directly to the left of the top-level domain name in an Internet address. For instance, in the address "www.microsoft.com", the second level domain name is Microsoft.

Two identical second level domain names cannot coexist under the same top level domain. In these new pretenses, they here and there struggle with trademarks and other conventional business identifiers. Two elements fuel this contention. Right off the bat, space names are worldwide and must be special - a specific series of letters can connection to just a single site - while trademarks may cover in various businesses or distinctive geological areas. Also, usually practice for some Internet clients to speculate space names. Users often seek to guess the domain name of a prominent company. For example, an Internet user interested in discussing a recent skydiving expedition with the Editors of 'SKY DIVERS', might try "sd.com," "skydive.com," or skydivers.com" to locate this magazine's address. Thus domain names based on intuition become valuable corporate assets.

How assigned?

In order to register a second level domain name under a top-level domain, a request must be made to the organization that has the power to assign names for that top-level domain. For instance, The US Domain Registry administers the registration of second level domain names under the .US top-level domain.

Prior to December 1999, a company called Network Solutions Inc. ("NSI") was almost solely responsible for the registration of second level domain names for the most popular top-level domains, including .COM, .NET, and .ORG. Since the vast majority of domain names are under one of these top-level domains (the most common being .COM domain names), Network Solutions had a great deal of control over how domain names were registered, and how disputes would be resolved. To avoid having to be the arbitrator between two parties who both desire the same domain name, NSI decided to simply adopt a first come, first serve arrangement with respect to domain names. Under this scheme, NSI would not question an applicant's right to have a particular domain name. If the domain name was available, the applicant was given the name.

Under this much maligned policy, NSI created a procedure under which a third-party can challenge the right of a domain name owner to use a particular domain name. If the challenge were successful, the domain name would be suspended. This policy only protected parties that had a nationally registered trademark identical to another party's second level domain name (i.e., Microsoft in "www.microsoft.com"). An owner of an unregistered trademark could not initiate an action under this policy, nor could an owner of a trademark that was confusingly similar (but not identical). If the date that the trademark was first registered predated the domain name registration, the domain name owner had to supply their own trademark registration for the second-level domain name. If the domain name owner could not provide such a trademark registration, NSI would suspend all use of the domain name. This is true even if the challenging party could not properly prove a claim of trademark infringement.

Post - December 1999, the ability to register .COM, .NET, and .ORG domain names was spread out among many registrars. These registrars are accredited by The Internet Corporation for Assigned Names and Numbers (or "ICANN"), a non-profit corporation formed specifically to control Internet domain name management and similar functions. NSI continues to assign domain names, but now they are just one of many domain name registrars. Following NSI's precedence, all of these registrars assign names on a first-come, first-serve basis, and do not do any checking before assigning a new domain name.

Domain Grabbing: Sphere of conflict

The rapid growth of the Internet and the use of web sites has generated a growing set of disputes between firms asserting traditional trademark entitlements and the registrants of identical or confusingly similar domain names. The trademark owner may demand that the domain-name registrant cease using the name and/or relinquish it to the trademark owner. Disputes of this sort have been progressing through the litigation system since 1994. These clashes are challenging the law and the Internet community to develop new procedures and legal rules that adequately address the equities involved.

A company wishing to acquire a domain name must file an application with the appropriate agency. Before doing so, a search is done to see if their desired domain name is already taken. A good site for doing such a search is provided by Network Solutions. When a company finds that the domain name corresponding to their corporate name or product trademark is owned by someone else, the company can either choose a different name or fight to get the domain name back from its current owners.

One of the most visible areas of trademark use on the Internet is in domain names. Many companies register a domain name for every trademark they own, so that users of the associated products can easily find more information on it. However, when that domain name is owned by someone else, the company may miss those visitors. In the past, several people have registered domain names for other people's trademarks, in the hopes that they could sell those to the owners once those realized the importance of the Internet. Needless to say, few trademark owners were pleased by this, and some took action by suing the domain name owners for trademark misuse.

If you need to pick a name for your Website domain, ensure that it is sufficiently different from all other sites which offer similar services. Otherwise, you will cause confusion amongst visitors and you may expose yourself to lawsuits and conflicts with the owners of those other sites.

DOMAIN NAME DISPUTES

Companies have realized that having a domain name that is the same as their company name or the name of one of their products can be an extremely valuable part of establishing an Internet presence.

Some of the hugely publicized illustrations of these disputes are:

- **Candyland.com¹:**

Both Hasbro and an adult entertainment provider desired the candyland.com domain name. Hasbro was too late to register the name itself, but it is never too late to sue. The domain name is now safely in the hands of Hasbro.

- **Mcdonalds.com:**

This domain name was taken by an author from Wired magazine who was writing a story on the value of domain names. In his article, the author requested that people contact him at ronald@mcdonalds.com with suggestions of what to do with the domain name. In exchange for returning the domain name to McDonalds, the author convinced the company to make a charitable contribution.

- **Microsoft.com:**

The company Zero Micro Software obtained a registration for micros0ft.com (with a zero in place of the second 'o'), but the registration was suspended after Microsoft filed a protest. When the domain name went abandoned for non-payment of fees, the domain name was picked up by someone else: Vision Enterprises of Roanoke, TX

Case laws regarding trademarks dispute over Internet Domain Names

1. Princeton Review v. Kaplan

Princeton Review, Inc. ("Princeton Review"), a test preparation service, obtained the domain name "kaplan.com," which contains the trademark of its commercial rival, Stanley H. Kaplan Educational Centers, Ltd. ("Kaplan"). In what is believed to be the first ruling on this issue, a mutually agreed three person arbitration panel recently required Princeton Review to relinquish the "kaplan.com" domain name to Kaplan.

The first key fact is that the panel had to assume that Internet addresses can in fact act as trademarks. This is not surprising given the true nature of Internet addresses. Although the name "addresses" conjures up the post office addresses of real-world places, this is only part of the purpose of Internet addresses.

As summarized in the colorful prose of the McDonald's pirate himself: "Domain names are to the Internet what addresses are to the Postal Service. They're more than that, really, since your domain name

¹ 1996 WL 84853 (W.D. Wash. 1996)

can tell the on-line world something about who you are. Domain names are kind of like postal addresses, vanity license plates and billboards, all rolled into one digital enchilada."

The second key fact about the "kaplan.com" case confirms the ability of domain names to serve as trademarks. To quote the McDonald's pirate again: "If you logged into kaplan.com, you could read a Q&A comparing the programs offered by [Princeton Review and Kaplan]. Which one do you think came out looking better?" Internet users, unaware that Princeton Review was the real owner of this address, would no doubt think that Kaplan was the owner of this address and the source of the information located there.

In short, Princeton Review's registration of the domain name "kaplan.com" very likely not only produced confusion among Internet users over the source of the information located at this address, but real damage to Kaplan's goodwill.

The third important fact is that the President of the Princeton Review, John Katzman, admitted they had registered the domain name "kaplan.com" "in part just to irritate [Kaplan] . . . Clearly, we've done that." This equity "unclean hands" aspect of the "kaplan.com" case may be applicable to many other "domain grabbing" cases likely to arise from the current gold rush. Assuming that this factor played a role in the panel's decision, they most likely followed traditional trademark law regarding bad intent. Under traditional trademark law, intent to adopt a mark to derive a benefit from the reputation of another is one of several factors in evaluating whether the infringing use is likely to cause confusion in the market.

2. MTV Networks v. Curry²

A former MTV video jockey, Adam Curry, registered the Internet domain name "mtv.com" while working for MTV Networks ("MTVN"). Internet users connected to the "mtv.com" address could find the posting of "MTV's Top Ten Music List," outtakes from MTV Networks ("MTVN") programming, a printout of the text of a dialog between MTVN characters Beavis and Butt-head, and a giveaway of MTV-logo T-shirts to subscribers. Promptly after Curry's departure from MTV Networks, he was sued by MTV Networks for trademark infringement, among other things, because he refused to stop using the "mtv.com" Internet address. Although the court only addressed pre-trial motions before the case settled, two significant points may be gleaned from the court's initial decision.

The first is that Curry never argued that the Internet was exempt from trademark law. Instead, Curry argued that the domain name "mtv.com" was not going to be used in a confusing manner. The issue, claimed Curry, was whether MTV Networks has "some inherent right in mtv.com."

The second important point is the clue provided by the MTV Networks v. Curry court about how it might rule on the key issue succinctly stated by Curry. In a footnote, the court explains Internet domain names and analogizes them to "telephone number mnemonics." The analogy is apt because, as noted above, the Internet domain names are in fact mnemonics for the true, but unwieldy, initial section of a numerical address.

Although the MTV Networks v. Curry court did not address the scope of trademark protection for Internet domain names, its telephone number mnemonics analogy suggests a fruitful line of analysis.

4. Wired v. WIRE

The last case that has arisen recently regarding claims of trademark infringement based on an Internet domain name found the cutting-edge cyberspace magazine entitled Wired complaining about the domain name used by WIRE, a computer network devoted to women's issues. Wired used "wired.com" as its domain name; WIRE used "wire.net." Rather than litigating the issues, WIRE decided that as a start-up company it could not afford legal wrangling and had to focus on its business instead. The parties settled with WIRE agreeing to change its name to Women's Wire and its domain name to "wwire.net." In return, Wired agreed to pay half the cost of the name change expenses, such as redoing on-line graphics and identity materials.

Although the Wired case never even advanced as far as a cease-and-desist letter, it does illustrate two interesting issues. The first is that Wired demanded that WIRE change not only its Internet domain name, but its business name too. Given the fairly close similarity between "wire" and "wired," requiring WIRE to also change its business name to WOMEN'S WIRE helps to minimize - in the context in which these

² 867 F. Supp. 202 (S.D.N.Y. 1994) dated October 28, 1994

Internet addresses are used - any likelihood of confusion. The second interesting issue is that domain names, for purely technical reasons, preclude parties from distinguishing themselves by capitalization, stylized formats, or designs. Companies often use capitalization of letters in their marks as part of the mark itself. WIRE obviously sought to do this, but was technically precluded from including this additional information in its domain name. For the same reason, special stylized formats and designs are also excluded from domain names. As a result, companies will find it even more difficult to keep their domain name distinguishable from other domain names because there are fewer ways to make domain names distinctive.

Remedies: Dispute Resolution Policies

Preceding November 1999, space name debate in the United States were chosen by courts under three essential speculations of trademark law. The principal guarantee is conventional trademark encroachment, which necessitates that the purportedly encroaching use cause a probability of purchaser perplexity. The second reason for activity, which has been most effectively utilized, is the statement that a space name "weakens" the estimation of a trademark. At long last, unreasonable challenge, a case like trademark encroachment, might be utilized in situations where the trademark isn't governmentally enlisted. In November 1999, Congress included another reason for activity to the Lanham Act ["Anti-digital hunching down Consumer Protection Act"] explicitly intended to avoid digital crouching. This new enactment is probably going to change altogether the manner in which area name debate are dealt with and prosecuted.

So as to give an option in contrast to the court framework, ICANN - the association in charge of area name the board - as of late executed a uniform debate goals system (UDRP) that will administer certain space name question. Compelling January 3, 2000, trademark holders can conjure the UDRP as an option in contrast to suit in space name debate where the registrant has acted in "dishonesty."

Thus, Cyber squatting and cyber piracy are the common terms for the bad-faith registration of another's name or mark by the registrant of a second-level domain name.

ICANN Uniform Domain Name Dispute Resolution Policy

On October 24, 1999, a new Uniform Domain Name Dispute Resolution Policy was promulgated by ICANN, a California not-for-profit corporation that has assumed some of the duties of administration of the DNS. ICANN operates under close supervision by the U.S. Department of Commerce. NSI, the largest domain-name registrar, adopted the ICANN policy shortly thereafter, and in November 1999 NSI ceased processing disputes under its old policy. Domain names that were placed on hold under the old NSI policy are now being reactivated, and parties may seek relief under either the new ICANN policy or the new Anti-cyber squatting Consumer Protection Act. The ICANN policy differs from the prior NSI policy-which had been in effect since 1996-in three key respects. Under the new ICANN policy: the trademark holder is not required to own a trademark registration for the mark that has been incorporated in the domain name to which the trademark owner objects.

The domain name will not be suspended pending resolution of the dispute, the way the NSI policy provided; rather, the status quo will remain until resolution.

The policy will result in an administrative decision that is final by its terms, rather than in suspension of a domain name pending outside resolution. (However, an ICANN administrative decision is final only if neither of the parties brings an action in court.)

The ICANN policy forbids registration of a domain name if (1) the domain name is identical or confusingly similar to another's trademark, (2) the entity registering the domain name has no legitimate right to it, or (3) the domain name was registered and used in bad faith.

Disputes under the ICANN rules are referred to a one- or three-member administrative panel that decides the dispute promptly and publishes the decision. The administrative decision is final and binding on the registries and registrars subject to ICANN control, but it can be superseded by court action. The proceeding is intended to be fast and inexpensive, to be conducted by e-mail with no personal appearances, and to require minimal production of documents (unless voluntarily offered by the parties or requested by the panel). The policy also offers some protection to the domain-name holder, who may have legitimate rights to a domain name. The policy permits the panel to rule that the complaint was brought in bad faith to "reverse hijack" the domain name or to harass the domain-name holder. Relief for such conduct is limited to a declaration of abuse of the administrative proceeding.

The first dispute under the ICANN policy was decided on January 14, 2000, and has been published by the World Intellectual Property Organization (WIPO), which provided the single panelist. In *World Wrestling Federation Entertainment, Inc. v. Michael Bosman*, the domain name at issue- "worldwrestlingfederation.com"- was registered by Bosman through an Australian domain-name registrar. The panel found bad faith under the relevant factors in light of Bosman's own statement that his primary purpose in registering the domain name was to sell it to the WWF. Although Bosman had not established a Web site under the disputed domain name, the panel found "use" in Bosman's offer to sell the domain name to the WWF. The decision required transfer of the domain-name registration to the WWF.

One limitation on the usefulness of the ICANN policy is that it is a hybrid of mediation and arbitration. By the terms of the policy, neither party to a proceeding is barred, at any time, from resort to litigation in any court of competent jurisdiction. Any final judgment by such a court will supersede any ruling by an ICANN dispute-resolution service provider.

Hurdle to be crossed

Neither the Anti-cyber squatting Consumer Protection Act nor the ICANN policy addresses the trickiest situations on the Internet, which arise when there are two legitimate claimants for a particular domain name, such as geographically remote users of the same name or companies selling entirely different types of goods or services. It remains to be seen whether the new law or policy will be stretched to accommodate such scenarios in some fashion.

CONCLUSION

This is a rapidly changing area of law, and additional remedies may become available in the near future. Some U.S. state legislatures are considering state remedies, and there is the remote possibility that ICANN may acquire jurisdiction over ccTLD registrations, with the result of broader imposition of the ICANN policy.

In general, the advantages of the ICANN policy are clearly its speed, its low cost, and its ability to resolve cross-border disputes. If a remedy is available under the Lanham Act, as amended by the Anti-cyber squatting Consumer Protection Act, the advantages are final adjudication and the availability of damages.