

THE UNIFORM DOMAIN NAME DISPUTE RESOLUTION  
POLICY: A CHEAPER WAY TO HIJACK DOMAIN  
NAMES AND SUPPRESS CRITICS

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## I. INTRODUCTION

Until last year, U.S. trademark owners seeking to assert their rights on the Internet were forced to litigate in a court under the often inapplicable theories of trademark infringement or trademark dilution. Although Congress sought to facilitate legitimate claims of trademark infringement by passing the Anticybersquatting Consumer Protection Act (“ACPA”), the new law did not provide a speedy, inexpensive method of securing the transfer of a domain name from an infringing party.

In October 1999, after receiving authority from the United States Department of Commerce to control domain name registration, the Internet Corporation for Assigned Names and Numbers (“ICANN”) instituted a Uniform Domain Name Dispute Resolution Policy (“Uniform Policy”). This agreement provided an alternative to litigation for abusive cases of cybersquatting (where a speculator registers domain names that are similar or identical to trademarks and seeks to sell these names to the mark owners) and cyberpiracy (where the registrant intentionally diverts customers from a competitor’s website for commercial gain). It left cases where two parties had legitimate competing claims to a domain name for judicial resolution.

While the Uniform Policy represents an improvement over costly litigation and the previous dispute policy implemented by Network Solutions Inc., it can also be used to facilitate reverse domain name hijacking — where a trademark owner asserts overextensive trademark rights over a domain name — and to impinge upon free speech. This Note illustrates the ways in which the Uniform Policy can be used, and has already been used, to enable mark owners to expand their trademark rights on the Internet in ways that are impermissible under United States law.

In Part II, this Note summarizes existing trademark law as it has been applied to the Internet. It defines the boundaries of the law before the passage of the ACPA and attempts to predict the changes wrought by the new law. Part III provides a history of the Uniform Policy and demonstrates its superiority over the previous dispute policy, emphasizing the proper and limited application of the Uniform Policy. Finally, Part IV demonstrates how the Policy exceeds its authority both in its language and — more particularly — in its application by administrative panels. In their decisions, these panels usurp the role of the judiciary by deciding cases properly left to the courts, expand the legal rights of trademark owners by facilitating reverse domain name hijacking, and encroach upon the First Amendment rights of domain name registrants.

## II. BACKGROUND

Domain names — or the alphanumeric identifiers for websites — are exclusive.<sup>1</sup> In other words, two website owners cannot have identical domain names. For this reason, while two non-competing users of a trademark can legally register the same mark, these companies are not able to identify their sites with an identical incorporation of the mark into a domain name. In fact, even if they used similar domain names, some customers would end up in the wrong place notwithstanding the fact that the two companies sold different goods and operated in different states or countries. The desire to stake a claim on the borderless Internet has led to conflict in situations where there used to be (relatively) peaceful coexistence.

The unique aspects of trademark use on the Internet have led companies to adopt strategies to get the most value from their trademarks. For example, since customers tend to type “<company>.com” when seeking a particular company’s web page, there is often a race among businesses to register the most intuitive domain name for their firms.<sup>2</sup>

Attempts by companies to utilize their trademarks as domain names have been threatened by two activities. First, “cyberpirates”<sup>3</sup> obtain

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1. For a brief background to domain names, see 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 25:75 (4th ed. 1998).

2. Judge Calabresi explains this phenomenon in *Sporty’s Farm v. Sportsman’s Mkt.*, 202 F.3d 489 (2d Cir. 2000).

The most common method of locating an unknown domain name is simply to type in the company name or logo with the suffix .com. If this proves unsuccessful, then Internet users turn to a device called a search engine. A search engine will find all web pages on the Internet with a particular word or phrase. Given the current state of search engine technology, that search will often produce a list of hundreds of web sites through which the user must sort in order to find what he or she is looking for. As a result, companies strongly prefer that their domain name be comprised of the company or brand trademark and the suffix .com.

*Id.* at 493 (citations omitted); see also H.R. REP. NO. 106-412, at 5 (1999) (noting this practice).

3. Although this Note distinguishes between “cyberpiracy” and “cybersquatting,” some sources equate the two terms to include both registering domain names with an intent to sell them and registering with an intent to divert customers. See, e.g., H.R. REP. NO. 106-412, at 9 (1999) (“Cyberpiracy (or cybersquatting) consists of registering, trafficking in, or using domain names (Internet addresses) that are identical or confusingly similar to trademarks with the bad-faith intent to profit from the goodwill of the trademarks.”). I will follow WIPO’s nomenclature, which denotes as cyberpiracy violations of intellectual property laws in the content of websites, while cybersquatting refers to abusive domain name registrations. See WIPO, *Final Report of the WIPO Internet Domain Name Process*, “The Management of Internet Names and Addresses:

domain names in order to divert customers from a trademark owner's site to their own, thereby profiting off the mark's goodwill. Cyberpirates benefit by either confusing customers as to the source of the goods or services sold<sup>4</sup> or by generating advertising revenue from drawing additional customers.<sup>5</sup>

A second threat has come from "cybersquatting." A cybersquatter is a "speculator who knowingly reserves a trademark as a domain name merely to sell it for a profit."<sup>6</sup> It has traditionally been difficult for companies to combat this practice in court because it is often easier to pay off the cybersquatter rather than pursue a lawsuit.<sup>7</sup>

Until 1999, trademark owners needed to invoke the provisions of the Lanham Act in order to protect their trademark rights from these threats. Mark owners would generally bring claims under either a trademark infringement or trademark dilution theory.<sup>8</sup> For some cases, the traditional legal framework was easily applied to the Internet scenario; for many others, however, courts artificially extended settled principles

Intellectual Property Issues," ¶ 170, Apr. 30, 1999 [hereinafter WIPO Report], at <http://wipo2.wipo.int/process1/report/finalreport.html>.

4. See, e.g., *The Comp Exam'r Agency v. Juris, Inc.*, 1996 WL 376600 (C.D. Cal. 1996) (granting an injunction against Comp Examiner Agency to prevent them from using the "juris.com" domain name to sell goods similar to those marketed by Juris).

5. See Diane Cabell, *Domain Names: World Standard Set for Key Internet Disputes*, 6 DISP. RESOL. MAG. 12 (2000), available at <http://www.mamatech.com/pub.htm> (last visited Nov. 8, 2001).

Revenue on the web is still driven largely by advertising, and advertising is based on traffic ("hits") to the site, rather than sales from the site. Thus, many "cyberpirates" try to lure this traffic by registering domains that are identical or similar to popular trademarks. Misspelling Nike as nikee.com does indeed draw consumers and generate more hits.

*Id.* at 12.

6. Jennifer Golinveaux, *What's in a Domain Name: Is "Cybersquatting" Trademark Dilution?*, 33 U.S.F. L. REV. 641, 647 (1999).

7. See H.R. REP. NO. 106-412 (1999).

Regardless of the ultimate outcome of litigation, trademark owners must expend significant resources and endure the inevitable delay associated with bringing a civil action in order to validate their rights. Many companies simply choose to pay extortionate prices to [cybersquatters] in order to rid themselves of a potentially damaging headache with an uncertain outcome. For example, Gateway recently paid \$100,000 to a [cybersquatter] who had placed pornographic images to the Web site 'www.gateway20000.'

*Id.* at 6.

8. Although unfair competition under 15 U.S.C. § 1125(a) is also asserted by plaintiffs in abusive domain name registration suits, the "test for unfair competition under Section 1125(a) is essentially the same as that for trademark infringement under Section 1114, namely whether there is a likelihood of confusion between the marks." *Jews v. Brodsky*, 993 F. Supp. 282, 309 (D.N.J. 1998).

to address the unique problems raised by abusive domain name registration. In 1999, Congress responded to the requests of trademark owners to pass a law more specifically applicable to their needs. The result was the ACPA.<sup>9</sup>

This Section briefly summarizes the development of traditional trademark law as it pertains to domain names. It points out some of the problems of applying this law to cyberspace and then analyzes how the passage of the ACPA was seen as an effort to solve these problems.

#### A. Trademark Infringement by Confusion

A traditional trademark infringement claim is only applicable when the alleged infringer causes customer confusion as to the source of goods or services.<sup>10</sup> This action is most effective against cyberpiracy, where the registrant uses a confusing domain name to lure customers to his or her site for commercial gain.

However, it is difficult to fit cybersquatting under this definition of trademark infringement. Although courts use numerous tests to determine whether confusion exists,<sup>11</sup> most instances of cybersquatting do not confuse consumers to any appreciable degree. A speculator who registers a domain name for the purpose of selling it to the trademark

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9. See 15 U.S.C. § 1125(d) (1999).

10. See 15 U.S.C. § 1114(1) (1997). The statute provides:

Any person who shall, without the consent of the registrant — (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with *which such use is likely to cause confusion, or to cause mistake, or to deceive*; or (b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with *which such use is likely to cause confusion, or to cause mistake, or to deceive*, shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used *to cause confusion, or to cause mistake, or to deceive*.

*Id.* (emphasis added).

11. The classic test considers the eight “Polaroid factors”: the strength of plaintiff’s mark; the degree of similarity between plaintiff’s and defendant’s marks; the proximity of the products or services; the likelihood plaintiff will bridge the gap; evidence of actual confusion; defendant’s good faith in adopting the mark; the quality of defendant’s product or service; and the sophistication of the buyers. See *Polaroid v. Polarad Elec. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961), *cert. denied*, 368 U.S. 820 (1961).

holder often does not attempt to deceive customers who access that website.<sup>12</sup> Moreover, since the registrant often does not post anything at all to the site, the complaining mark owner is unable to demonstrate that the defendant used the mark in commerce, as required by trademark infringement law. In fact, the registrant often does not post anything at all to the site.

### B. Trademark Dilution

Due to the difficulty of proving trademark infringement under 15 U.S.C. § 1114(1), mark owners typically sue under the Federal Trademark Dilution Act (“FTDA”).<sup>13</sup> The dilution statute provides for an injunction “against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.”<sup>14</sup> Thus, to sue under the dilution statute, plaintiffs do not need to prove the presence of competition between the parties or any likelihood of consumer confusion, mistake, or deception.<sup>15</sup> The legislative history of the Act indicates that Congress meant for the Federal Trademark Dilution Act to apply to cyberpiracy and cybersquatting,<sup>16</sup> and it has accordingly been used for that purpose.<sup>17</sup>

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12. One commentator has looked to “pre-website arrival confusion” as the basis for a trademark infringement claim. See Michael B. Landau, *Problems Arising Out of the Use of “WWW.TRADEMARK.COM”: The Application of Principles of Trademark Law to Internet Domain Name Disputes*, 13 GA. ST. U. L. REV. 455, 474–76 (1997). As an analogous example, the author suggests that if he opened a used car lot called “Mercedes City,” but actually sold Fords, there would be no confusion once the customer got to the lot. However, there is still a pre-arrival “likelihood of confusion,” evidenced by the fact that the customer went to the lot in the first place. Some courts have employed the same concept, sometimes under the rubric “initial interest confusion,” in order to find trademark infringement. See, e.g., *Brookfield Communications, Inc. v. West Coast Entm’t Corp.*, 174 F.3d 1036, 1062 (9th Cir. 1999) (finding initial interest confusion to be actionable under the Lanham Act when competitor used plaintiff’s “MovieBuff” and “moviebuff.com” marks in its HTML code).

13. Federal Trademark Dilution Act, Pub. L. No. 104-98, 109 Stat. 985 (1996) (codified as amended at 15 U.S.C. § 1125(c) (2001)).

14. 15 U.S.C. § 1125(c) (2001).

15. “The term ‘dilution’ means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of — (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception.” 15 U.S.C. § 1127 (2001).

16. In his remarks to the United States Senate when introducing the bill, Senator Leahy (D-Vt.) advised, “Although no one else has yet considered this application, it is my hope that this antidilution statute can help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others.” 141 CONG. REC. S19,312 (daily ed. Dec. 29, 1995) (statement of Sen. Leahy).

17. See, e.g., *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998)

The trademark dilution law does not perfectly fit all instances of abusive domain name registration, however. First, some activities do not fit into either of the traditional theories of trademark dilution: blurring or tarnishment. “‘Blurring’ is the unauthorized use of a mark on dissimilar products or for dissimilar services that may cause the mark to cease functioning as a unique identifier of the goods and/or services of the owner of the mark.”<sup>18</sup> The Northern District of Illinois applied the “blurring” rationale in *Intermatic, Inc. v. Toeppen*<sup>19</sup> when it found that the defendant, a domain name speculator, diluted the plaintiff’s mark. The court noted, “The harm caused by dilution is, for example, that the distinctiveness of the name [Intermatic] and the favorable association that accrued to it by virtue of [Intermatic’s] commercial success would be undermined by the use of similar names in connection with other non-competing and non-confusing products.”<sup>20</sup> On the other hand, “[t]arnishment occurs where a mark becomes consciously or unconsciously linked with poor quality, unsavory, or unwholesome goods or services.”<sup>21</sup> For example, the Western District of Washington granted a preliminary injunction preventing a sexually explicit Internet site from using the domain name “candyland.com,” (a trademark used in connection with a children’s board game) due to the plaintiff’s likelihood of prevailing on its dilution claims.<sup>22</sup> The court was clearly concerned that the adult Internet site would tarnish the toy company’s mark.

While abusive domain name registrations often either blur or tarnish the mark owner’s trademark, there are many cases where neither theory applies. For example, when a cybersquatter registers a trademarked domain name and seeks to sell the name to the mark holder without posting anything to that Internet site, no blurring or tarnishment occurs. However, courts have not been troubled by an inability to fit dilution into one of the traditional theories. In *Panavision International v. Toeppen*, the Ninth Circuit held that “[t]o find dilution, a court need not rely on the traditional definitions such as ‘blurring’ and ‘tarnishment.’”<sup>23</sup> Instead, the *Panavision* court based its finding of dilution on the fact that the defendant’s conduct “diminished ‘the capacity of the Panavision

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(affirming district court’s finding that defendant’s speculation activities constituted trademark dilution). As one commentator has noted, “[t]he Federal Trademark Dilution Act is probably the strongest weapon against unauthorized use of a trademark in a domain name by parties with no colorable claim to the mark.” Landau, *supra* note 12, at 478.

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

19. 947 F. Supp. 1227 (N.D. Ill. 1996).

20. *Id.* at 1239 (quoting Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Celozzi-Ettelson Chevrolet, Inc., 855 F.2d 480, 485 (7th Cir. 1988)).

21. Abramson, *supra* note 18, at 19.

22. *See* Hasbro, Inc. v. Internet Entm’t Group, Ltd., 40 U.S.P.Q.2d 1479 (W.D. Wash. 1996).

23. *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316, 1326 (9th Cir. 1998).

marks to identify and distinguish Panavision's goods and services on the Internet."<sup>24</sup> A commentator has labeled this rationale "dilution by elimination."<sup>25</sup>

A second problem with applying dilution law to cybersquatting and cyberpiracy is that a trademark dilution claim is only available to owners of "famous" marks.<sup>26</sup> It is speculated that, if cybersquatting cases continue to be litigated under the dilution statute, the "famousness" restriction will result in either lowered protection for owners of non-famous marks<sup>27</sup> or an artificial extension of the definition of "famous" by the courts.<sup>28</sup> In cybersquatting cases, courts have tended to interpret the "famousness" requirement broadly. For example, the *Hasbro* court found that the plaintiff would likely win its dilution suit without considering whether Hasbro's "CANDY LAND" mark could be considered "famous."<sup>29</sup>

A final difficulty in applying the dilution statute to many domain name cases is the "commercial use in commerce" requirement. Courts have held that "non-commercial use of a domain name that impedes a trademark owner's use of that domain name does not constitute dilution."<sup>30</sup> However, the "use in commerce" requirement has not limited the application of the statute to cases where products are bought and sold. In a notable example, a New Jersey district court found that the defendant engaged in commerce when he used the plaintiff's trademark as the domain name for a website that protested against the plaintiff organization.<sup>31</sup> The court found that the defendant met the "use

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24. *Id.* (quoting *Panavision Int'l, L.P. v. Toeppen*, 945 F. Supp. 1296, 1304 (C.D. Cal. 1996)).

25. *See* Abramson, *supra* note 18, at 20. The need for this new justification demonstrates the unique nature of domain name cases, where simply the use of a trademarked domain name prevents the mark owner from using that name.

26. *See* 15 U.S.C. § 1125(c) (1999).

27. *See* Rebecca W. Gole, *Playing the Name Game: A Glimpse at the Future of the Internet Domain Name System*, 51 FED. COMM. L.J. 403, 415 (1999).

28. *See* Landau, *supra* note 12, at 478–80 (warning that overextending the definition of "famous" would obviate the need for a "likelihood of confusion" test, the primary factor for determining traditional trademark infringement).

29. *See* *Hasbro, Inc. v. Internet Entm't Group, Ltd.*, 40 U.S.P.Q.2d 1479 (W.D. Wash. 1996) available in 1996 WL 84853; *see also* Landau, *supra* note 12, at 495 ("It appears as though courts are overexpansive in their definition of a 'famous' mark.").

30. *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 960 (C.D. Cal., 1997) (granting Internet domain name registrar's motion for summary judgment because registrar's acceptance of registrations for domain names resembling manufacturer's mark was not a "commercial use" within the meaning of the Federal Trademark Dilution Act); *see also* *Panavision Int'l, L.P. v. Toeppen*, 945 F. Supp. 1296, 1303 (C.D. Cal. 1996) ("Registration of a trade[mark] as a domain name, without more, is not a commercial use of the trademark and therefore is not within the prohibitions of the [Federal Trademark Dilution] Act.").

31. *See* *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 307–08 (D.N.J. 1998) (granting



in commerce” requirement by (1) “hyperlinking” to an organization that sells merchandise and (2) harming the plaintiff organization commercially.<sup>32</sup> A similar extension of the “commercial use” requirement has been seen in cybersquatting cases. In *Panavision*,<sup>33</sup> the Ninth Circuit affirmed the district court’s finding that, even though “mere registration” of a domain name does not constitute commercial use, selling these names to trademark owners is such a use. These activities stretch the definition of “commercial use” and demonstrate the willingness of courts to find dilution in cybersquatting cases.<sup>34</sup>

### C. Anticybersquatting Consumer Protection Act

Despite the success that trademark owners have had in challenging cyberpirates and cybersquatters under traditional claims of infringement and dilution, Congress passed the ACPA<sup>35</sup> in 1999 to target certain “bad faith” domain name registrations more specifically and to avoid reliance on an often inapplicable dilution claim. In the first case decided under the ACPA, Judge Calabresi recognized this justification for the new law, opining, “[W]e think it is clear that the new law was adopted specifically to provide courts with a preferable alternative to stretching federal dilution law when dealing with cybersquatting cases.”<sup>36</sup>

The new law establishes civil liability when a person has a bad faith intent to profit from the registration, traffic, or use of a domain name that is identical or confusingly similar to a distinctive trademark, or is identical, confusingly similar to, or dilutive of a famous mark.<sup>37</sup> Like the dilution statute, the ACPA does not require competition<sup>38</sup> or customer confusion.<sup>39</sup> It expands the theoretical reach of the Lanham Act by

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injunction against defendant who had registered “jewsforjesus.org” to make disparaging statements about the Jews for Jesus organization and to attempt to divert individuals away from the organization).

32. *See id.* at 308.

33. 141 F.3d 1316, 1324 (9th Cir. 1998).

34. *See Golinveaux, supra* note 6, at 647–48. “Mere reservation of a domain name which contains another’s trademark, with no additional use of either the trademark or Web site, should not be considered dilution, even in the case of cybersquatting. There is no commercial use in commerce as required by the Lanham Act’s anti-dilution provision.” *Id.* at 671.

35. 15 U.S.C. § 1125(d) (1999).

36. *Sporty’s Farm v. Sportsman’s Mkt.*, 202 F.3d 489, 497 (2d Cir. 2000).

37. *See* 15 U.S.C. § 1125(d) (1999).

38. The Act applies “without regard to the goods or services of the parties.” *Id.* § 1125(d)(1)(A).

39. The Act applies even if the domain name is merely “dilutive” of a trademark. *Id.* § 1125(d)(1)(A)(ii)(II).

extending beyond “famous” marks;<sup>40</sup> however, it narrows the scope of “commercial use” to apply only to “bad-faith intent to profit.”<sup>41</sup>

The Act then lists nine factors for courts to apply in order to determine whether “bad-faith intent” exists:

- Whether the domain name holder has any trademark or other intellectual property rights in the domain name;
- The extent to which the domain name consists of the holder’s name;
- The domain name holder’s prior use of the domain name in connection with the bona fide offering of any goods or services;
- The domain name holder’s bona fide noncommercial or fair use of the mark on the website;
- Whether the domain name holder intended to divert consumers from the mark owner’s site for commercial gain or to tarnish the mark;
- Whether the holder offered to sell the domain name to the mark owner or a third party for financial gain, without intending to use the domain name in the bona fide offering of any goods or services; or a pattern of such conduct;
- The provision of material and misleading false contact information;
- The holder’s registration or acquisition of multiple domain names that are identical or confusingly similar to other distinctive marks;
- Whether the mark is distinctive or famous within the meaning of the FTDA.<sup>42</sup>

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40. *See id.* § 1125(d)(1)(A)(ii)(I).

41. *See id.* § 1125(d)(1)(A)(i).

42. *See id.* § 1125(d)(1)(B)(i).

Regardless of whether these conditions are met, there will be no liability if the court finds that the domain name holder reasonably believed that the use of the domain name was a fair use or otherwise lawful.<sup>43</sup>

### III. DEVELOPMENT OF THE UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY

#### A. Network Solutions, Inc.

In 1991, the National Science Foundation gave a private company, Network Solutions, Inc. (“NSI”), a monopoly in registering domain names on the Internet.<sup>44</sup> By 1995, NSI had created a dispute resolution policy to insulate itself from potential litigation.<sup>45</sup>

To invoke the NSI Dispute Policy, the complainant would have to give notice to the registrant that there had been an alleged trademark violation because the “creation date” of the registrant’s domain name registration followed the “effective date” of the complainant’s registration of an identical trademark.<sup>46</sup> After NSI received a copy of the complaint, the registrant would have thirty days to prove that he owned a trademark in the contested name.<sup>47</sup> If he could not, NSI would put the domain name on “hold” until a resolution was reached, either between the parties or through litigation.<sup>48</sup>

The NSI Dispute Policy was criticized by many because it did not, in fact, resolve the dispute. As the Policy itself stated, “Network Solutions neither acts as arbiter nor provides resolution of disputes between registrants and third party complainants arising out of the registration or use of a domain name.”<sup>49</sup> A related problem was that the NSI Policy facilitated “reverse domain name hijacking,” which occurs

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43. See *id.* § 1125(d)(1)(B)(ii).

44. See Andrew R. Basile, *Recent Developments: Intellectual Property Law and the Internet*, 584 PLI/PAT 293, 299 (1999). Basile provides an excellent background of intellectual property law on the Internet, as well as a summary of the major developments from June 1998 to June 1999.

45. See *id.* at 300. Future cases established that NSI had no obligation to screen domain name registrations for potential trademark violations. See *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949 (C.D. Cal. 1997); see also *Acad. of Motion Picture Arts & Scis. v. Network Solutions, Inc.*, 45 U.S.P.Q.2d 1463 (C.D. Cal. 1997).

46. See Abramson, *supra* note 18, at 32 (containing Revision 03 of Network Solutions Domain Name Dispute Policy (“NSI Policy”). The final revision of the NSI Policy can be found in MCCARTHY, *supra* note 1, § 25:75.

47. See Abramson, *supra* note 18, at 32, paras. 9(c)–(d).

48. See *id.* para. (d). The registrant could avoid having his domain placed on hold by commencing a declaratory action in a court of competent jurisdiction. This way, he could stay online pending a final court decision. See Abramson, *supra* note 18, at 14.

49. Abramson, *supra* note 18, at 32, para. 3.

when a trademark owner asserts trademark rights over a domain name even though these rights exceed those afforded to him by law. Reverse domain name hijacking was made possible by the combination of (1) an easy method of placing an alleged infringer's domain registration on hold and (2) the limited defense available to the registrant, consisting solely of showing that he or she owned a trademark in a mark incorporated in the domain name. In a policy paper known as the "White Paper," the National Telecommunications and Information Administration ("NTIA") of the Department of Commerce reported that retaining a system such as NSI's "would significantly extend trademark holders' rights beyond what is accorded in the real world."<sup>50</sup>

In 1999, the U.S. Department of Commerce transferred authority of the domain name registration system to a non-profit organization, the Internet Corporation for Assigned Names and Numbers ("ICANN").<sup>51</sup> Soon after, ICANN took a more active role in resolving domain name disputes.

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50. Management of Internet Names and Addresses, Statement of Policy, 63 Fed. Reg. 31,741, 31,746 (June 10, 1998) [hereinafter White Paper], available at [http://www.ntia.doc.gov/ntiahome/domainname/6\\_5\\_98dns.htm](http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.htm) (last visited Nov. 8, 2001). The White Paper followed a preliminary policy statement known as the "Green Paper." See Improvement of Technical Management of Internet Names and Addresses, 63 Fed. Reg. 8825, 8827 (1998) (to be codified at 15 C.F.R. pt. 23) [hereinafter Green Paper].

51. The transfer of authority from NSI to ICANN had been the primary recommendation of the NTIA's White Paper. See White Paper, *supra* note 50; see also MCCARTHY, *supra* note 1, § 25:73.1. "ICANN consists of a broad coalition of business leaders, technical advisers, academics, and other Internet users." Marcelo Halpern & Ajay K. Mehrotra, *From International Treaties to Internet Norms: The Evolution of International Trademark Disputes in the Internet Age*, 21 U. PA. J. INT'L ECON. L. 523, 547 (2000); see also A. Michael Fromkin, *Wrong Turn in Cyberspace: Using ICANN to Route Around the APA and the Constitution*, 50 DUKE L.J. 17, 50-93 (2000) (detailing the history of ICANN).

*B. Uniform Domain Name Dispute Resolution Policy*1. Development of the Uniform Domain Name Dispute Resolution Policy<sup>52</sup>

In its White Paper, the NTIA requested that the World Intellectual Property Organization (“WIPO”) of the United Nations conduct a consultative study on domain name and trademark issues.<sup>53</sup> Among its recommendations to WIPO, the NTIA suggested that a system be adopted whereby domain name registrants, at the time of registration, would agree to and be bound by an alternative dispute resolution system designed to resolve trademark conflicts.<sup>54</sup>

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52. A useful outline of the Uniform Policy’s history is available at ICANN’s website. See *Timeline for the Formulation and Implementation of the Uniform Domain-Name Dispute-Resolution Policy*, at <http://www.icann.org/udrp/udrp-schedule.htm> (last updated Oct. 17, 2000). For an exhaustive and critical look at ICANN’s history, see Froomkin, *supra* note 51, at 50–93. Other commentators have outlined the history of ICANN in a more complimentary light. See, e.g., Halpern & Mehrotra, *supra* note 51, at 546–60; MCCARTHY, *supra* note 1, at 25:73.1.

53. See White Paper, *supra* note 50, at 31,751. WIPO “is one of the sixteen [16] specialized agencies of the United Nations system of organizations”, and “is responsible for the promotion of the protection of intellectual property throughout the world through cooperation among States, and for the administration of various multilateral treaties dealing with the legal and administrative aspects of intellectual property.” What is WIPO, at <http://www.wipo.org/eng/dgtext.htm> (last visited Nov. 8, 2001).

54. See White Paper, *supra* note 50, at 31,750–51. The White Paper enumerated four suggestions in the “Trademark Issues” section:

1. Domain registrants pay registration fees at the time of registration or renewal and agree to submit infringing domain names to the authority of a court of law in the jurisdiction in which the registry, registry database, registrar, or the “A” root servers are located.
2. Domain name registrants would agree, at the time of registration or renewal, that in cases involving cyberpiracy or cybersquatting (as opposed to conflicts between legitimate competing rights holders), they would submit to and be bound by alternative dispute resolution systems identified by the new corporation for the purpose of resolving those conflicts. Registries and Registrars should be required to abide by decisions of the ADR system.
3. Domain name registrants would agree, at the time of registration or renewal, to abide by processes adopted by the new corporation that exclude, either pro-actively or retroactively, certain famous trademarks from being used as domain names (in one or more TLDs) except by the designated trademark holder.
4. Nothing in the domain name registration agreement or in the operation of the new corporation should limit the rights that can be asserted by a domain name registrant or trademark owner under national laws.

*Id.*

WIPO submitted a Final Report to ICANN in April 1999.<sup>55</sup> WIPO recommended the adoption of a mandatory dispute resolution procedure to address allegations of cybersquatting.<sup>56</sup> Like the White Paper, WIPO's recommendation called for a minimalist approach, limited to "cases of bad faith, abusive registration of domain names that violate trademark rights ('cybersquatting,' in popular terminology)."<sup>57</sup> In

55. See WIPO Report, *supra* note 3.

56. See *id.* ¶¶ 129–244.

57. *Id.* at v; see also Halpern & Mehrotra, *supra* note 51, at 551. The WIPO Report noted that such cybersquatting "was universally condemned throughout the WIPO Process as an indefensible activity that should be suppressed." WIPO Report, *supra* note 3, at vi. The WIPO Report's definition of "abusive registration" was a precursor to ICANN's Uniform Policy:

The definition of abusive registration that we recommend be applied in the administrative procedure is as follows:

(1) The registration of a domain name shall be considered to be abusive when all of the following conditions are met:

- (i) the domain name is identical or misleadingly similar to a trade or service mark in which the complainant has rights; and
- (ii) the holder of the domain name has no rights or legitimate interests in respect of the domain name; and
- (iii) the domain name has been registered and is used in bad faith.

(2) For the purposes of paragraph (1)(iii), the following, in particular, shall be evidence of the registration and use of a domain name in bad faith:

- (a) an offer to sell, rent or otherwise transfer the domain name to the owner of the trade or service mark, or to a competitor of the owner of the trade or service mark, for valuable consideration; or
- (b) an attempt to attract, for financial gain, Internet users to the domain name holder's website or other on-line location, by creating confusion with the trade or service mark of the complainant; or
- (c) the registration of the domain name in order to prevent the owner of the trade or service mark from reflecting the mark in a corresponding domain name, provided that a pattern of such conduct has been established on the part of the domain name holder; or
- (d) the registration of the domain name in order to disrupt the business of a competitor.

... The cumulative conditions of the first paragraph of the definition make it clear that the behavior of innocent or good faith domain name registrants is not to be considered abusive. . . . Domain name registrations that are justified by legitimate free speech rights or by legitimate non-commercial considerations would likewise not be considered to be abusive. And, good faith disputes between competing right holders or other competing legitimate interests over whether two names were misleadingly similar would not fall within the scope of the procedure.

addition, the Final Report recommended that the administrative procedure be “quick, efficient, cost-effective and conducted to a large extent on-line” and that determinations under it be “limited to orders for the cancellation or transfer of domain name registrations and the allocation of the costs of the procedure (not including attorneys’ fees) against the losing party.”<sup>58</sup>

WIPO’s suggestions were submitted to and revised by the Domain Name Supporting Organization (“DNSO”), a subgroup of ICANN.<sup>59</sup> The DNSO did not alter WIPO’s recommendations in any meaningful way; it urged that ICANN promptly adopt a Uniform Dispute Resolution Policy that “should apply only to bad-faith/abusive domain name registrations (cybersquatting) on a mandatory basis, but without precluding the parties’ ability to litigate the dispute.”<sup>60</sup>

On August 26, 1999, ICANN accepted the DNSO’s recommendation to create a uniform dispute resolution procedure. It called upon a small committee to draft a policy,<sup>61</sup> using as a starting point WIPO’s Final Report, as well as a proposed “Model Dispute Resolution Policy for Voluntary Adoption” created by a group of twenty registrars.<sup>62</sup>

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WIPO Report, *supra* note 3, ¶¶ 171–72.

58. WIPO Report, *supra* note 3, at vi. The WIPO report also recommended a mechanism for reserving domain names identical to famous trademarks for the mark owners. *See id.* ¶¶ 245–303. At a recent ICANN Board Meeting, the board resolved to ask WIPO for a list of “globally-famous trademarks” to assess whether to reserve domain names for these trademarks on new generic top-level domains. *See* Preliminary Report of the Meeting of the ICANN Board in Cairo, at <http://www.icann.org/minutes/prelimreport-10mar00.htm> (Mar. 10, 2000).

59. *See* Results of DNSO Names Council Teleconference on June 11th, 1999, at <http://www.dnso.org/dns/notes/19990612.NCtelecon.html> (Jun. 12, 1999); WG-A Final Report to the Names Council [hereinafter DNSO Report], at <http://www.dnso.org/dns/notes/19990729.NCwga-report.html> (Jul. 29, 1999); *see also* Christopher S. Lee, *The Development of Arbitration in the Resolution of Internet Domain Name Disputes*, 7 RICH. J.L. & TECH. 2, 27 (2000).

60. DNSO Report, *supra* note 59. While the DNSO recommended that WIPO clarify some of its provisions, it ultimately urged the speedy implementation of WIPO’s Uniform Policy. *See id.*

61. The members of the drafting committee were chosen because of their legal drafting abilities and because they collectively represented a diversity of viewpoints. *See* Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy [hereinafter First ICANN Staff Report], at <http://www.icann.org/udrp/staff-report-29sept99.htm> (Sept. 29, 1999).

62. *See* Minutes of Meeting of Aug. 26, 1999, at <http://www.icann.org/minutes/minutes-26aug99.htm> (approved Oct. 24, 1999); *see also* Model Domain Name Dispute Resolution Policy for Voluntary Adoption by Registrars, at <http://www.icann.org/santiago/registrar-dispute-policy.htm> (Aug. 20, 1999). The operative section of the proposed Model Dispute Resolution Policy for Voluntary Adoption provided the basis for creating implementation documents for ICANN’s uniform dispute resolution policy:

[4.]a. Applicable Disputes. You are required to submit to a

In September 1999, the first draft of the “implementation documents,” consisting of a policy and procedural rules, was appended to an ICANN staff report.<sup>63</sup> In this report, the drafting committee suggested three areas in which the registrars’ Model Dispute Resolution Policy should be revised. First, in determining whether a domain name has been registered in bad faith, consideration should be given to whether the domain name holder is making a legitimate noncommercial or fair use of the mark, without intent to misleadingly divert consumers for commercial gain or to tarnish the mark; whether the domain name holder (including individuals, businesses, and other organizations) is commonly known by the domain name, even if the holder has acquired no trademark or service mark rights; and whether, in seeking payment for transfer of the domain name, the domain name holder has limited its request for payment to its out-of-pocket costs. Second, there should be a general parity between the appeal rights of complainants and domain name holders. Third, the dispute policy should seek to define and minimize reverse domain name hijacking.<sup>64</sup> The draft implementation documents attempted to respond to these concerns.<sup>65</sup>

The following month, after a period for public comment, ICANN adopted a second set of implementation documents, which had not been meaningfully changed from the first.<sup>66</sup> The two sets of implementation

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mandatory administrative proceeding in the event that a third party (a “complainant”) asserts to the applicable Provider, in compliance with that Provider’s rules of procedure, that (i) your domain name is identical or misleadingly similar to a trademark or service mark in which the complainant has rights; and (ii) you have no rights or legitimate interests in respect of the domain name; and (iii) your domain name has been registered and is being used in bad faith.

[4.]b. Evidence of Registration and Use in Bad Faith. For the purposes of Paragraph 4(a)(iii), the following, in particular but without limitation, shall be evidence of the registration and use of a domain name in bad faith: (i) offer to sell, rent or otherwise transfer the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration; or (ii) your attempt to attract, for financial gain, Internet users to your website or other on-line location, by creating confusion with the trademark or service mark of the complainant; or (iii) your registration of a domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that a pattern of such conduct has been established on your part; or (iv) your registration of a domain name in order to disrupt the business of a competitor.

*Id.* ¶¶ 4(a)–(b).

63. See First ICANN Staff Report, *supra* note 61.

64. See *id.*

65. See *infra* note 67.

66. See Second Staff Report on Implementation Documents for the Uniform Dispute



documents responded to the major criticisms of the registrars' Model Dispute Resolution Policy.<sup>67</sup> The resulting Uniform Domain Name Dispute Resolution Policy<sup>68</sup> ("Uniform Policy") became fully effective on January 3, 2000.<sup>69</sup>

The Uniform Policy and its accompanying rules<sup>70</sup> are incorporated by reference into all registration agreements with approved registrars and purport to "set[] forth the terms and conditions in connection with a dispute between [the registrant] and any party other than [the registrar] over the registration and use of an Internet domain name registered by [the registrant]."<sup>71</sup> The Policy requires all domain name registrants to submit to a mandatory administrative proceeding upon the complaint by a trademark owner.<sup>72</sup> In the event the mark owner prevails in this proceeding, the Policy provides for the transfer of the domain name to the complainant.<sup>73</sup>

To prevail on a claim under the Uniform Policy, a trademark owner must prove: (i) the registrant's domain name is "identical or confusingly similar to a trademark or service mark in which the complainant has rights"; (ii) the registrant has "no rights or legitimate interests in respect of the domain name"; and (iii) the domain name "has been registered and is being used in bad faith."<sup>74</sup>

The registrant may show that she has "rights or legitimate interests" with respect to the domain name by demonstrating:

- (i) before any notice to [her] of the dispute, [her] use of, or demonstrable preparations to use, the domain name or a name

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Resolution Policy [hereinafter Second ICANN Staff Report], at <http://www.icann.org/udrp/udrp-second-staff-report-24oct99.htm> (Oct. 24, 1999).

67. First, the suggested modifications to the "bad faith" factor were taken into account. *See id.* § 4.4. Second, the suggestion regarding parity of appeals was addressed via a two-prong approach. *See id.* § 4.8. Finally, the concern regarding reverse domain name hijacking was taken into account in other sections. *See id.* § 4.10. The terms of the implementation documents are essentially the same as the Uniform Policy ultimately adopted by ICANN. The Policy's main terms are set forth *infra* at notes 74–78 and accompanying text.

68. *See* Uniform Domain Name Dispute Resolution Policy [hereinafter Uniform Policy], at <http://www.icann.org/udrp/udrp-policy-24oct99.htm> (approved Oct. 24, 1999).

69. *See* Timeline for the Formation and Implementation of the Uniform Domain-Name Dispute-Resolution Policy, at <http://www.icann.org/udrp/udrp-schedule.htm> (last visited Nov. 8, 2001).

70. *See* Rules for Uniform Domain Name Dispute Resolution Policy [hereinafter Rules], at <http://www.icann.org/udrp/udrp-rules-24oct99.htm> (approved Oct. 24, 1999).

71. Uniform Policy, *supra* note 68, ¶ 1.

72. *See id.* ¶ 4.

73. *See id.* ¶ 4(i).

74. *Id.* ¶ 4(a).

corresponding to the domain name in connection with a bona fide offering of goods or services; or

(ii) [she] (as an individual, business, or other organization) [has] been commonly known by the domain name, even if [she has] acquired no trademark or service mark rights”; or

(iii) [she is] making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.<sup>75</sup>

This list is meant to be non-exhaustive.<sup>76</sup>

With respect to the third element, the complainant may prove bad faith by showing any of the following four circumstances:

(i) circumstances indicating that you [i.e., the registrant] have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or

(ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or

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75. *Id.* ¶4(c).

76. *See id.* (“Any of the following circumstances, in particular but without limitation,” if proven, will demonstrate registrant’s right to and legitimate interest in the domain name.).

(iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or

(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.<sup>77</sup>

As above, this list is meant to be non-exhaustive.<sup>78</sup>

## 2. Proper Scope of the Uniform Policy

The Uniform Policy was not meant to grant relief to every domain name registration that violates trademark law. Rather, the Uniform Policy was meant to be confined to abusive cases of cybersquatting and cyberpiracy where the registrant has no legitimate claim to the domain name. The White Paper stipulated:

[I]t should be clear that whatever dispute resolution mechanism is put in place by the new corporation, that mechanism should be directed toward disputes about cybersquatting and cyberpiracy and not to settling the disputes between two parties with legitimate competing interests in a particular mark. Where legitimate competing rights are concerned, disputes are rightly settled in an appropriate court.<sup>79</sup>

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77. *Id.* ¶ 4(b).

78. *See id.* (“The following circumstances, in particular but without limitation,” if proven, will demonstrate “registration and use of a domain name in bad faith.”)

79. White Paper, *supra* note 50, at 31,747; *see also* The Thread.com, LLC v. Poploff, WIPO Case No. D2000-1470 (Jan. 5, 2001), at <http://arbitr.wipo.int/domains/decisions/html/2000/d2000-1470.html> (last visited Nov. 8, 2001) (“This Panel is not a general domain name court, and the Policy is not designed to adjudicate all disputes of any kind that relate in any way to domain names. Rather, the Policy is narrowly crafted to apply to a particular type of abusive cybersquatting.”)

The virtues of maintaining two avenues for relief — arbitration under the Uniform Policy and litigation in a court — were recognized in the very first panel decision. A cybersquatter had registered a domain name identical to a trademark owned by the World Wrestling Federation and, three days later, sought to sell the domain name to the mark owner.<sup>80</sup> In finding for the complainant, the panel noted, “Complainant acknowledged that it could have proceeded to litigation under the United States ‘Anticybersquatting Consumer Protection Act,’ but that it elected not to. By engaging in this proceeding, complainant has sought to protect complainant’s intellectual property interests while preserving the relationship between complainant and its fans at a minimal cost to all concerned.”<sup>81</sup> In recognition of the limitations of arbitration, the panel in *Adaptive Molecular Tech., Inc. v. Woodward*,<sup>82</sup> denied a domain name transfer on the grounds that the existence of disputed legal issues made the case “inappropriate for resolution under the Policy.”<sup>83</sup> There had been a contention by the respondent that it was the complainant’s distributor and that the registration of the domain name was a fair use of the trademark.<sup>84</sup>

#### IV. ANALYSIS OF THE UNIFORM POLICY AND ITS APPLICATION

The Uniform Domain Name Dispute Resolution Policy is an improvement over the NSI Dispute Policy. By offering a resolution to the abusive cases and allowing court proceedings when applicable, the Policy provides a cheap and quick method of disposing of most cases of cybersquatting.

However, the Uniform Policy seeks to accomplish too much. Procedurally, it resolves disputes more properly left to the courts. Domain name registrants with arguably legitimate claims are being

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80. See *World Wrestling Fed’n Entm’t, Inc. v. Bosman*, WIPO Case No. D99-0001 (Jan. 14, 2000), at <http://arbiter.wipo.int/domains/decisions/html/1999/d1999-0001.html> (last visited Nov. 8, 2001). The published opinions of arbitration hearings are at <http://www.icann.org/udrp/proceedings-list.htm> (last visited Nov. 8, 2001).

81. *Id.*

82. WIPO Case No. D2000-0006 (Feb. 28, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0006.html> (last visited Nov. 8, 2001).

83. *Id.*

84. See *id.*; see also *Telaxis Communications Corp. v. Minkle*, WIPO Case No. D2000-0005 (Mar. 5, 2000) at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0005.html> (last visited Nov. 8, 2001). The panel in *Telaxis* found that the dispute was more properly suited for litigation since it involved the competing rights and legitimate interests of two parties. In that case, the respondent had registered the “telaxis.com” domain name before the respondent filed an application for the “telaxis” trademark.

forced to transfer their registrations to trademark owners without a proper trial, and then must race to court if they wish to retrieve the domain names. More dangerously, however, the Uniform Policy in its words and application substantively extends the reach of trademark law by taking properly held domain names from registrants and giving them to the mark owners without any legal basis.

This Section will examine how the Uniform Policy, as well as the administrative panels that interpret and implement it, exceed their legal authority under U.S. law.<sup>85</sup> First, it will deal generally with the problem of reverse domain name hijacking, wherein a mark owner, typically a large firm, brings an action under the Uniform Policy in order to obtain a monopoly on all domain names similar to its trademarks, regardless of the legitimacy of the current mark owner's use. Second, it will examine the tarnishment doctrine as used by the Uniform Policy. Despite the apparent terms of the Policy and the decisions by the administrative panels, the act of tarnishing a trademark should not give rise to liability under the Policy. Punishment for trademark tarnishment is a form of speech suppression, and courts — not arbitration panels — should be performing the necessary balancing between the rights of a trademark owner and the free speech interests of the critic. Finally, this Section examines a category of recent cases where both of these problems are highlighted.

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85. Although this Note focuses on the relationship between U.S. law and the Uniform Policy, it should be noted that the Policy was intended to be global in scope and does not specify any controlling national law. See Rules, *supra* note 70, ¶ 15(a) (“A Panel shall decide a complaint on the basis of ... these Rules and any rules and principles of law that it deems applicable.”). Panels have often applied the law of the country where the parties are domiciled. See Berkman Center for Internet & Society, *Analysis of Key UDRP Issues*, at <http://eon.law.harvard.edu/udrp/analysis.html#choice> (last visited Nov. 8, 2001) (discussing choice of law considerations in panel decisions); see also *Loblaws, Inc. v. Yogeninternational*, DeC Case No. AF-0164 (June 9, 2000) (applying Canadian law of statutory construction to determine the intent of the Uniform Policy's framers), at <http://www.eresolution.ca/services/dnd/decisions/0164.htm> (last visited Nov. 8, 2001); *Ass'n of British Travel Agents Ltd. v. Sterling Hotel Group Ltd.*, WIPO Case No. D2000-0086 (Mar. 29, 2000) (applying English law to determine when a site is being “used” in bad faith), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0086.html> (last visited Nov. 8, 2001). However, at least one panelist has noted a tendency to apply the law of the panelist's home country, regardless of the residency of any party. See *Tourism and Corporate Automation Ltd. v. TSI Ltd.*, DeC Case No. AF-0096 (Mar. 16, 2000), at <http://www.eresolution.ca/services/dnd/decisions/0096.htm> (last visited Nov. 8, 2001), cited in Berkman Center for Internet & Society, *supra*.

*A. Reverse Domain Name Hijacking*

A flaw of the NSI Dispute Policy was its facilitation of reverse domain name hijacking, since a trademark owner could easily put a hold on a registrant's domain name without any showing of trademark infringement. Even if the alleged infringer had a right to use the domain name, the prospect of going to trial (where fines may be levied) was enough to persuade many domain name holders to settle with the complainant.

This danger was recognized by ICANN, and the Rules for the Uniform Policy explicitly forbid reverse domain name hijacking,<sup>86</sup> defined as "using the Policy in bad faith to attempt to deprive a registered domain-name holder of a domain name."<sup>87</sup> The substantive prevention of reverse domain name hijacking is located in paragraph 4(c) of the Uniform Policy, which provides that the domain name holder may escape liability by demonstrating his right to and legitimate interest in the domain name.<sup>88</sup>

The Uniform Policy remains deficient in at least two respects. First, as Professor Froomkin argues, there remains virtually no punishment for reverse domain name hijackers.<sup>89</sup> The only penalty provided by the Rules (other than denying the transfer) is that the decision reporting a bad faith complaint must be published.<sup>90</sup> Although this punishment may be inadequate, it is difficult to envision a more harsh sanction without giving arbitrators more power than simply that of transferring or canceling domain names.<sup>91</sup>

The more dangerous problem with the Uniform Policy is that its substantive portions do not serve to effectively block reverse domain name hijackers. In fact, the Policy could be used as a means to facilitate

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86. See Rules, *supra* note 70, ¶ 15(e) ("If after considering the submissions the Panel finds that the complaint was brought in bad faith, for example in an attempt at Reverse Domain Name Hijacking or was brought primarily to harass the domain-name holder, the Panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding.").

87. *Id.* ¶ 1.

88. See Uniform Policy, *supra* note 68, ¶ 4(c); see also A. Michael Froomkin, *Comments on ICANN Uniform Dispute Policy*, at <http://personal.law.miami.edu/~amf/icann-udp.htm> (Oct. 13, 1999).

89. See Froomkin, *supra* note 88.

90. See Rules, *supra* note 70, ¶ 16(b) ("In any event, the portion of any decision determining a complaint to have been brought in bad faith . . . shall be published."). Apparently, this only differs from the standard practice of publication in that the Administrative Panel has no discretion to redact this portion under paragraph 4(j) of the Uniform Policy.

91. See Froomkin, *supra* note 88. Professor Froomkin notes that barring bad faith complainants from bringing future actions under the Uniform Policy would be "contractually awkward." *Id.*

this activity. Under the NSI Policy, a reverse domain name hijacker would be forced to bear the expense of going to court, a prospect that would presumably filter out some bad faith claims. However, under the cheap and easy Uniform Policy, a trademark owner can grab any domain names that are similar to its trademark while bearing only the expense of the panel,<sup>92</sup> which could range from \$950 to \$2,000 for a single-member panel, exclusive of attorney's fees.<sup>93</sup>

Even if the provisions of the Uniform Policy were written to prevent reverse domain name hijacking more explicitly, it remains up to the panel to properly enforce these terms. However, since the beginning of the dispute resolution process, some panels have shown frighteningly little regard to the requirements of the dispute resolution policy, both in terms of the "no rights or legitimate interests" requirement and the "bad faith" requirement. In several cases, instances of arguable domain name hijacking have been ignored and the domain name transferred without much argument.

In *Fiber-Shield Industries, Inc. v. Fiber Shield LTD*,<sup>94</sup> the complainant, the registered trademark owner of "FIBER-SHIELD," brought a complaint against a Canadian corporation, seeking the transfer of the domain name "fibershield.net." Under the Uniform Policy, the respondent had a legitimate interest in the domain name since there was evidence that it had been commonly known by the domain name.<sup>95</sup> In addition, there did not seem to be any evidence of bad faith on the part of the respondent.<sup>96</sup> However, the panel transferred the domain name to

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92. See Uniform Policy, *supra* note 68, ¶ 4(g) ("All fees charged by a Provider in connection with any dispute before an Administrative Panel pursuant to this policy shall be paid by the complainant . . ."). The respondent pays half the fee if he or she requests a three-member as opposed to a one-member panel. See *Id.* In exceptional cases, the respondent may have to pay some of the fees. See Rules, *supra* note 70, ¶ 19(d).

93. The fee schedules are available at the websites of the individual dispute-resolution service providers. See CPR Institute for Dispute Resolution, *CPR Supplemental Rules to ICANN's Rules for Uniform Domain Name Dispute Resolution Policy*, at [http://www.cpradr.org/ICANN\\_RulesAndFees.htm](http://www.cpradr.org/ICANN_RulesAndFees.htm) (last visited Nov. 8, 2001); eResolution, *Schedule of Fees*, at <http://www.eresolution.ca/services/dnd/schedule.htm> (last updated Oct. 4, 2001); National Arbitration Forum, *Uniform Domain Name Dispute Resolution Policy "UDRP" Fees*, at <http://www.arbforum.com/domains/UDRP/fees.asp> (last visited Nov. 8, 2001); World Intellectual Property Organization, *Schedule of Fees under the ICANN Policy*, at <http://arbitr.wipo.int/domains/fees/index.html> (last visited Nov. 8, 2001).

94. NAF Case No. FA92054 (Feb. 29, 2000), at <http://www.arbforum.com/domains/decisions/92054.htm> (last visited Nov. 8, 2001) [hereinafter *Fiber-Shield*].

95. See *id.* ("Respondent has been incorporated and has been doing business in Canada under the name 'Fiber Shield (Toronto) LTD'.")

96. See *id.* (finding that the respondent tried to register "fiber-shield.com," claiming it did not know of the complainant's business activity, and, discovering that the complainant already owned that domain name, registered "fibershield.net"). There was no evidence of an offer to sell the domain name or of any intent to divert customers.

the complainant because the “respondent does not claim any rights superior to the trademark registration of complainant of the name ‘fiber-shield.’ . . . .”<sup>97</sup> While this may be true, the fact alone does not require the transfer of the domain name. The Uniform Policy explicitly stipulates that the registrant can show a legitimate interest in a domain name “even if [the holder has] acquired *no* trademark or service mark rights.”<sup>98</sup> Thus, a trademark owner, merely by owning a mark, is not automatically entitled to domain names encompassing all permutations of the mark; some malfeasance on the part of the domain name holder is required. Therefore, even though the *Fiber-Shield* panel found that the respondent registered “fibershield.net” with “actual awareness” of a confusingly similar prior registration (the complainant had already registered “fibershield.com”),<sup>99</sup> this finding alone is not enough for a transfer of the domain name. Under the Uniform Policy, if a domain name holder is legitimately using a domain name, the complainant is not entitled to the domain name, regardless of whether or not the holder knew of the complainant’s confusingly similar registration.

The tolerance of reverse domain name hijacking occurs in other panel decisions as well. In *Home Interiors & Gifts, Inc. v. Home Interiors*,<sup>100</sup> the complainant owned registered trademarks in “Home Interiors” and “Home Interiors & Gifts.” It filed a complaint against the registrant of “homeinteriors.net” and “homeinteriorsandgifts.com.” The panel did not find that any of the activities constituting bad faith were met, but transferred the domain name nonetheless. The panel justified its decision by analyzing the likelihood of customer confusion, but did not offer any reason for finding bad faith.<sup>101</sup>

Although victims of reverse domain name hijacking could feasibly seek court review of the panel’s ruling, this possibility may be somewhat illusory.<sup>102</sup> The losing respondent is at a significant disadvantage in the court review process.<sup>103</sup> The difficulty of obtaining review of a panel

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97. *Id.*

98. Uniform Policy, *supra* note 68, ¶ 4(c)(ii) (emphasis added).

99. *See Fiber-Shield*, *supra* note 94.

100. WIPO Case No. D2000-0010 (Mar. 7, 2000) at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0010.html> (last visited Nov. 8, 2001).

101. *See id.* The only evidence of bad faith use was a counter at the site that the panel concluded was “tantamount to an advertisement that the website is for sale,” the fact that the registrant failed to respond to the complainant’s offer to buy the domain name for \$500, and the fact that the registrant failed to respond to the complaint. *Id.* All of this evidence is extremely tenuous.

102. *See* Brenda Sandburg, *ICANN Needs Fine Tuning, Lawyers Mull Pros and Cons of Adding an Appeals Process*, NAT’L L.J., Nov. 6, 2000, at B10.

103. In his critique, Professor Froomkin questions the “parity of appeal” available for parties to the dispute process: “The fact that this right [of appeal] is now certain for the first time should not blind one, however, to the extraordinarily cramped nature of that right, the very difficult conditions under which it may have to be exercised, and the



decision is due primarily to the fact that the losing registrant has only ten days to file a complaint in court before the domain name is transferred.<sup>104</sup> This is especially constraining for registrants who have not yet retained an attorney, or for foreign domain name registrants who must either file a complaint in the U.S. (and thus lose their home forum) or file under the procedures of their home country (which may not be amenable to a ten-day filing requirement).<sup>105</sup> On the other hand, a losing complainant can wait indefinitely before seeking court review.

### *B. Tarnishment and Free Speech*

In addition to facilitating reverse domain name hijacking, the Uniform Policy also endangers free speech by punishing trademark tarnishment. Tarnishment of a trademark is essentially prohibited in Section 4(c), which states that a respondent who is neither running a commercial site nor is “commonly known” by the domain name can only show a right or legitimate interest in the domain name if he or she is “making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers *or to tarnish the trademark or service mark at issue.*”<sup>106</sup> As a result, the Uniform Policy’s “fair use” exception is not available when the registrant is “tarnishing” the trademark incorporated in a domain name.

This Section argues that such a restriction on the content of a registrant’s website runs counter to constitutional conceptions of free speech. Even if ICANN meant the definition of “tarnishment” to be no wider than the term as it is used in dilution law, some panels have been extending the definition in order to cover legitimate criticism sites. In these cases, courts should be balancing the rights of trademark owners against the free speech interests of registrants. The following Section first explores the appropriateness of subjecting the Uniform Policy to constitutional standards when U.S. parties are involved and argues for the need for greater court involvement when a dispute involves issues other than simple cybersquatting and cyberpiracy. It then examines how panels have suppressed free speech and criticism by exploiting the tarnishment clause of the Uniform Policy,

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possible adverse consequences for a registrant.” Froomkin, *supra* note 88.

104. See Uniform Policy, *supra* note 68, ¶ 4(k).

105. See Froomkin, *supra* note 88.

106. Uniform Policy, *supra* note 68, ¶ 4(c)(iii) (emphasis added).

## 1. Applicability of the Constitution to the Uniform Policy

Although it is tempting to subject ICANN to constitutional standards prohibiting the regulation of speech, the continuing vitality of the state action doctrine presents a major obstacle. Simply put, the state action doctrine recognizes that most provisions of the Constitution and the Bill of Rights apply only to governmental actors.<sup>107</sup> As the Supreme Court said in an early civil rights case, “[i]t is state action of a particular character that is prohibited [by the Fourteenth Amendment]. Individual invasion of individual rights is not the subject-matter of the amendment.”<sup>108</sup> Despite extensive criticism and the difficulty of making a public/private distinction in every case,<sup>109</sup> courts have continually upheld the state action doctrine.<sup>110</sup>

The state action doctrine has been applied explicitly to cyberspace. In *Cyber Promotions, Inc. v. America Online*,<sup>111</sup> the Eastern District of Pennsylvania allowed America Online (“AOL”) to prevent Cyber Promotions from sending unsolicited mail to AOL subscribers. Relying on the state action doctrine, the court held that, although AOL provided free e-mail services to the public, it was not performing “an essential public service” and therefore did not assume the status of a public actor.<sup>112</sup>

Because of the continuing acceptance of the state action doctrine by the judiciary, it is difficult to sustain an argument that the First Amendment should automatically apply to the Internet without further analysis, as some commentators have argued. For example, in a recent book, Lawrence Lessig contended that free speech considerations are

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107. For example, the First Amendment provides, “Congress shall make no law . . . abridging the freedom of speech . . .” and the Fourteenth Amendment reads, “No State shall make or enforce any law which . . .” U.S. CONST. amends. I, XIV (emphasis added).

108. *The Civil Rights Cases*, 109 U.S. 3, 11 (1883).

109. See Richard S. Kay, *The State Action Doctrine, the Public-Private Distinction, and the Independence of Constitutional Law*, 10 CONST. COMMENT. 329, 334 (1993) (“The overwhelming weight of published academic opinion has rejected the premise that legal doctrine can rest on a supposed distinction between public and private actions.”).

110. See, e.g., *DeShaney v. Winnebago Dep’t of Soc. Servs.*, 489 U.S. 189 (1989); *Lugar v. Edmondson Oil Co.*, 457 U.S. 922 (1982). *Lugar* upheld the state action doctrine because it “preserves an area of individual freedom by limiting the reach of federal law.” *Id.* at 936; see also Paul Schiff Berman, *Cyberspace and the State Action Debate: The Cultural Value of Applying Constitutional Norms to “Private” Regulation*, 71 U. COLO. L. REV. 1263, 1278 (2000) (“despite repeated attacks on the public/private distinction, it survives both as a matter of constitutional doctrine and popular intuition”).

111. 948 F. Supp. 436 (E.D. Pa. 1996). For a deeper analysis of this case, see Berman, *supra* note 110, at 1283–84.

112. *Cyber Promotions*, 948 F. Supp. at 442; see also Berman, *supra* note 110, at 1283–84.

vital to the functioning of the Internet, even if these considerations mean preventing private parties from regulating speech.<sup>113</sup> According to Lessig, even though some view “regulation by private actors as beyond the scope of constitutional review[,]” we “should not get caught up in the lines that lawyers draw . . . .”<sup>114</sup> Ultimately, however, such a view is incompatible with current judicial thought.

Despite the state action requirement, ICANN should still be subject to basic First Amendment ideals in cases involving U.S. subjects. Unlike America Online, ICANN has been viewed as “quasi-public.”<sup>115</sup> As one commentator noted, “The private ordering that has come to dominate the Internet is premised on the underlying support of the state and other quasipublic institutions, such as ICANN.”<sup>116</sup> The Supreme Court has extended the reach of the First Amendment to cover certain private activities that resemble state actions. For example, in *Amalgamated Food Employees Union v. Logan Valley Plaza*,<sup>117</sup> the Court recognized that a privately-owned shopping mall was sufficiently similar to the public forum of a business district and therefore could not restrict the free speech rights of protestors.<sup>118</sup> Although the Court subsequently backed off this broadly inclusive definition of “state actor,”<sup>119</sup> it is evident that the Internet — like suburban shopping malls — can be considered “the functional equivalent of a ‘business block’ and for First Amendment purposes must be treated in substantially the same manner.”<sup>120</sup> “The more an owner, for his advantage, opens up his property for use by the public in general, the more do his rights become circumscribed by the statutory and constitutional rights of those who use it.”<sup>121</sup> The argument in favor of applying the First Amendment to ICANN’s activities is strengthened by the fact that ICANN obtained its authority over the Internet directly from the United States government.<sup>122</sup> Some commentators have argued that,

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113. See LAWRENCE LESSIG, *CODE AND OTHER LAWS OF CYBERSPACE* 176–81 (1999); see also Berman, *supra* note 110, at 1271–78.

114. LESSIG, *supra* note 113, at 181.

115. See Halpern & Mehrotra, *supra* note 51, at 535. But see Berman, *supra* note 110, at 1305 (characterizing ICANN as “a private not-for-profit corporation”).

116. Halpern & Mehrotra, *supra* note 51, at 535; see also David G. Post, *Governing Cyberspace, or Where is James Madison When We Need Him?* (describing ICANN’s role with respect to the Internet as “governance,” due to ICANN’s taxing and regulatory powers), at <http://www.temple.edu/lawschool/dpost/comment1.html> (June 1999).

117. 391 U.S. 308 (1968).

118. See *id.*

119. See *PruneYard Shopping Center v. Robins*, 447 U.S. 74 (1980); *Hudgens v. NLRB*, 424 U.S. 507 (1975); *Lloyd Corp. v. Tanner*, 407 U.S. 551 (1972).

120. *Logan Valley*, 391 U.S. at 325.

121. *Id.* (quoting *Marsh v. State of Alabama*, 326 U.S. 501, 506 (1946) (holding a company town to constitutional standards)).

122. See *supra* note 51 and accompanying text.

since the Internet *seems* like public space and the quasi-public ICANN behaves like and derives its power from the government, the public/private distinction should not apply to the Internet.<sup>123</sup>

Other scholars recognize that the state action doctrine is still very much a part of the American legal system and is probably not applicable to public-seeming private actors, but nonetheless argue that the norms and ideals behind the Constitution should be applied to the Internet. Paul Schiff Berman labels this line of argument “constitutive constitutionalism.”<sup>124</sup> According to Berman, constitutive constitutionalism is “the idea that the Constitution might appropriately be viewed as a touchstone for articulating constitutive values and for structuring public debate about fundamental social and political issues.”<sup>125</sup> Berman gives three reasons why we as a society should apply constitutional values to disputes, even when “ordinary law”<sup>126</sup> should be the proper frame of analysis:

First, the symbolic power of the Constitution permits courts adjudicating constitutional claims to play a rhetorical role in articulating national values. Second, courts applying constitutional norms may sometimes be a

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123. See, e.g., Margaret Jane Radin & R. Polk Wagner, *The Myth of Private Ordering: Rediscovering Legal Realism in Cyberspace*, 73 CHI.-KENT L. REV. 1295 (1998). According to Radin and Wagner, “all law is ‘public’ [since] the ‘private’ legal regimes of property and contract presuppose a ‘public’ regime of enforcement and policing, a baseline of background rights.” *Id.* at 1295. This is especially true since “a private body, NSI [now ICANN], located in the U.S. and operating under U.S. auspices, has been able to dole out ‘virtual land’ in Cyberspace (in the form of domain name space).” *Id.* at 1308. For this reason, Radin and Wagner argue, the public/private distinction should be eliminated on the Internet, and NSI should be subject to constitutional restraints.

124. Berman, *supra* note 110, at 1290.

125. *Id.* Berman distinguishes his analysis from Radin and Wagner’s, which he labels the “incoherence critique” of the state action doctrine. *Id.* at 1278. The incoherence critique argues that “the state action doctrine is incoherent because the state always plays a major role, implicitly or explicitly, in any legal relationship.” *Id.* at 1279. On the other hand, the constitutive constitutionalism theory recognizes that “there is no indication that courts will be any more likely to erode the public/private distinction in cyberspace than they have been in ‘real’ space.” *Id.* at 1283 (citing *Cyber Promotions, Inc. v. America Online*, 948 F. Supp. 436 (E.D. Pa. 1996)). Consequently, Berman suggests focusing “on the Constitution’s constitutive role in our cultural life, regardless of whether that life is lived in the public or private sphere.” *Id.* at 1289.

126. Berman distinguishes between “constitutional law,” which has traditionally applied only to state actions, and “ordinary law,” which applies to all other disputes. See *id.* at 1287–88 (citing Kay, *supra* note 109, at 338–39). Berman argues that Kay’s distinction is subject to challenge both on normative and descriptive grounds, since it does not recognize the cultural value of constitutional adjudication or “accord with most people’s intuitive understanding of the nature of constitutional rights.” *Id.* at 1288.

superior forum for addressing divisive political issues. And third, constitutionalizing a debate may encourage a more fruitful discourse in the society at large, because the relatively abstract values enshrined in the Constitution encourage participants to stake out moral philosophical claims.<sup>127</sup>

In the context of the Uniform Policy, Berman's argument has particular significance. People use the Internet as more than merely a commercial medium. As is true with large shopping centers, the Internet is a forum that the public utilizes to express itself, and a domain name gives a speaker a name with which to attract listeners. While the right to choose such a name could conflict with other considerations such as trademark rights, it is essential that we employ the norms generated by two centuries of constitutional experience in order to resolve such disputes. As Berman argues,

[A] broader view of the Constitution's scope would reach the private standard — setting bodies — which now function so powerfully (yet so invisibly) to establish the code that regulates cyberspace — and subject them to constitutional norms of fair process and judicial review. This approach might also provide a constitutional forum for debating many of the criticisms leveled at ICANN on account of its claimed lack of public participation and transparent processes.<sup>128</sup>

Once we accept that the Constitution has a major role to play in resolving domain name disputes that involve legitimate criticism sites, it appears as though ICANN dispute resolution panels are inappropriate vehicles for generating uniform decisions regarding fundamental policy choices. In his book *Imperfect Alternatives*, Neil K. Komesar compares various institutions available to us for performing legal processes.<sup>129</sup> On one hand, Komesar recognizes that many cases can and should be adjudicated outside the judicial setting. The “rules, procedures, and practices raise the costs of participation in the adjudicative process [i.e., the courts] so high that many important issues, although handled badly

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127. *Id.* at 1290.

128. *Id.* at 1307.

129. *See* NEIL K. KOMESAR, *IMPERFECT ALTERNATIVES* (1994).

elsewhere, will not be adjudicated.”<sup>130</sup> Therefore, issues such as cybersquatting could be handled by arbitration panels, which can decide basic questions of trademark ownership and infringement at a low cost.

On the other hand, when issues of free speech arise in a domain name dispute, the court system is the only viable institution that can resolve these questions. As Komesar notes, “Th[e] expensive independence [of the judiciary] provides important comparative advantages for the adjudicative process. Severe biases in the other institutions, in particular the political process, are sometimes avoided or reduced in the adjudicative process.”<sup>131</sup> As explained above, there has been evidence of pro-big business bias in the first set of panel decisions.<sup>132</sup>

In addition to the importance of avoiding bias, we should insist on judges deciding constitutional issues because “[m]ore than the officials in any other institutions, judges have the freedom and the responsibility to decide based on broad social considerations.”<sup>133</sup> In particular, “speech cases require the judiciary to make difficult substantive decisions.”<sup>134</sup> Berman has noted that:

[U]nlike legislatures, which “see their primary function in terms of registering the actual, occurrent preferences of the people,” courts may be more “ideologically committed [and] institutionally suited to search for the meaning of constitutional values.” Because of this difference . . . judges may be uniquely qualified to be the final arbiters on issues involving fundamental social values.<sup>135</sup>

The importance of having a coherent and just policy to deal with speech interests on the Internet outweighs the need for quick and cheap answers to trademark questions. As Berman notes, “articulating foundational principles can be as important as providing a fixed resolution to possible future cases.”<sup>136</sup> The Internet is the newest medium for communication, and we should not contract out the major

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130. *Id.* at 149.

131. *Id.* at 150.

132. *See supra* Section III.A.

133. KOMESAR, *supra* note 129, at 150.

134. *Id.* at 208.

135. Berman, *supra* note 110, at 1298 (quoting Owen M. Fiss, *The Supreme Court, 1978 Term – Foreword: The Forms of Justice*, 93 HARV. L. REV. 1, 10 (1979)) (alteration in original).

136. Berman, *supra* note 110, at 1308.

policy decisions to a private not-for-profit agency.<sup>137</sup> For free speech rights on the Internet to be consistently and deliberately applied, it must be the judiciary that makes the substantive decisions.

## 2. The Suppression of Legitimate Criticism by Dispute Resolution Panels

As discussed above, the Uniform Policy allows for the transfer of a domain name where the registrant uses it to “tarnish” a trademark. This language has been used by panels to transfer domain names from a registrant, who is often operating a criticism site, to the trademark owner being criticized. These types of decisions — balancing the free speech rights of the registrant against the trademark rights of the complainant — should be resolved by a court.

On a basic level, the invocation of a tarnishment rationale is misplaced in a dispute resolution policy designed to “be directed toward disputes about cybersquatting and cyberpiracy and not to settling the disputes between two parties with legitimate competing interests in a particular mark.”<sup>138</sup> Apart from the tarnishment language, the remainder of the Uniform Policy, which focuses on clearer cases of cyberpiracy and cybersquatting, is appropriate for resolution by an arbitration panel, as argued above.

However, preventing registrants from showing a legitimate interest in a domain name merely because they tarnished the associated trademark dangerously encroaches upon their freedom of speech, particularly when panels equate “tarnishment” with “criticism.”<sup>139</sup> Some

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137. As Lessig has argued, “If code functions as law, then we are creating the most significant new jurisdiction since the Louisiana Purchase, yet we are building it just outside the Constitution’s review. Indeed, we are building it just so that the Constitution will not govern — as if we want to be free of the constraints of value embedded by that tradition.” LESSIG, *supra* note 113, at 217.

138. White Paper, *supra* note 50, at 31,747; *see also* Second ICANN Staff Report, *supra* note 66, ¶ 4(1)(c) (“Except in cases involving ‘abusive registrations’ made with bad-faith intent to profit commercially from others’ trademarks (e.g., cybersquatting and cyberpiracy), the adopted policy leaves the resolution of disputes to the courts . . .”).

139. *See, e.g.*, Mission KwaSizabantu v. Rost, WIPO Case No. D2000-0279 (June 7, 2000), *at* <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0279.html> (last visited Nov. 8, 2001) (“The admitted nature of the use of the domain names in a website includes alternative views and indeed critical views concerning the Complainant and its activities. The Panel holds such activity amounts to tarnishing the activities associated with the trademark or service mark ‘KwaSizabantu’, and this is sufficient to fail point (d) of the test.” To be fair, however, several panels have rejected this view. *See, e.g.*, Bridgestone Firestone, Inc. v. Myers, WIPO Case No. D2000-0190 (July 6, 2000), *at* <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0190.html> (last visited Nov. 8, 2001); Britannia Bldg. Soc’y v. Britannia Fraud Prevention, WIPO Case No. D2001-0505 (July 6, 2001), *at* [http://arbiter.wipo.int/domains/decisions/html/2001/d2001-](http://arbiter.wipo.int/domains/decisions/html/2001/d2001-0505)

commentators argue that there is a substantial risk that the Policy's language can be used to deny protection to legitimate criticism sites.<sup>140</sup> In addition, panels in other countries may construe "tarnishment" much more broadly than it has been interpreted by U.S. courts in dilution cases.<sup>141</sup>

Based on the mere language of the Uniform Policy, the danger envisioned by these commentators seems exaggerated. First, the tarnishment language only negates one method of demonstrating legitimate use.<sup>142</sup> Second, the trademark owner still must show bad faith in both the registration and use of the domain name. Third, ICANN has recognized the danger of reading the tarnishment language more broadly than dilution law would suggest and in its Staff Report has limited "tarnishment" to include only "acts done with intent to commercially gain."<sup>143</sup>

However, some panels have ignored the limitations imposed by the language of the Policy and have transferred domain names simply because the registrants had tarnished existing trademarks. In a growing line of cases, panels have issued decisions against registrants who had used a domain name that combined a trademark with a disparaging word (for example, "guinness-beer-really-really-sucks.com"<sup>144</sup>). This category of cases will be examined below, since the decisions frequently involve both reverse domain name hijacking and free speech issues.<sup>145</sup>

In another group of cases, panels were imprecise in distinguishing between the trademark holder's requirements to show non-legitimate use of a domain name and to show bad faith in registration and use of a domain name. Frequently, the panels blurred these two elements, both

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0505.html (last visited Nov. 8, 2001).

140. See Froomkin, *supra* note 88, at Substantive Issues: Critical Issues: Tarnishment; *infra* § III.C.

141. See Froomkin, *supra* note 88, at Substantive Issues: Critical Issues: Tarnishment.

142. However, it is the only method for the registrant who has not used the domain name either in connection with herself or with the offering of goods or services.

143. See Second ICANN Staff Report, *supra* note 66, n.2, which states: Several commentators indicated that the concept of "tarnishment" in paragraph 4(c)(iii) might be misunderstood by those not familiar with United States law or might otherwise be applied inappropriately to noncommercial uses of parody names and the like. Staff is not convinced this is the case, but in any event wishes to point out that "tarnishment" in paragraph 4(c)(iii) is limited to acts done with intent to commercially gain. Staff intends to take steps to publicize this point.

*Id.*

144. See *Diageo PLC v. Zuccarini*, WIPO Case No. D2000-0996 (Oct. 22, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0996.html> (last visited Nov. 8, 2001).

145. See *infra* § III.C.



of which the trademark owner must prove to prevail. For example, in *Ingersoll-Rand Co. v. Gully*,<sup>146</sup> the registrant used the “ingersoll-rand.net,” “ingersoll-rand.org,” and “ingersollrand.org” domain names to link to two pornographic sites. The panel admitted that none of the circumstances listed in paragraph 4(b) of the Uniform Policy (which specify circumstances amounting to bad faith registration and use) was applicable to the case.<sup>147</sup> However, the panel stated that “the tarnishment rationale set out in the case of *Panavision International v. Toeppen* is applicable to the present situation, where the domain names were used by Respondent [the registrant] as links to pornographic sites,” and, for this reason, there was bad faith registration and use of the domain name.<sup>148</sup> While the registrant’s use of the domain name may violate dilution law and the ACPA, it should be beyond the scope of the dispute resolution process to transfer domain names based purely on a tarnishment theory.<sup>149</sup> For example, the panel found that “there is no evidence or suggestion that Respondent’s use of the links to pornographic sites was intended either as satire or as protected comment.”<sup>150</sup> This determination, reaching constitutional proportions, is one properly left to the courts.

The excessive reliance upon tarnishment as disqualifying a registrant from holding a domain name that incorporates a trademark stems partly

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146. WIPO Case No. D2000-0021 (Mar. 9, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0021.html> (last visited Nov. 8, 2001).

147. *See id.* The panel correctly decided that using the domain to offer links to pornographic sites does not fulfill the 4(b)(iii) requirement of intentionally attracting for commercial gain users to the site by creating a likelihood of confusion with the owner’s trademark as to the source, sponsorship, affiliation, or endorsement of the site, since it is “highly unlikely that such Internet users, who were seeking the web site of a long-standing United States corporation, were likely to be confused that the Complainant would deign to sponsor such links as <tasteless.net> or <rascals.net>, or endorse the products or services offered there.” *Id.*

148. *Id.* (referring to *Panavision Int’l v Toeppen*, 945 F. Supp. 1296, 1304). The other evidence of bad faith the panel finds is similarly unconvincing. The panel finds bad faith because, “Respondent has failed to respond to the offer by the trademark holder to purchase the domain names at Respondent’s out of pocket costs.” *Id.* The mere refusal to turn over a domain name that does not, according to the Uniform Policy, infringe upon the rights of the trademark owner cannot itself amount to bad faith. Otherwise, the required showing of bad faith would be superfluous. *Cf. Home Interiors & Gifts, Inc. v. Home Interiors*, WIPO Case No. D2000-0010 (Mar. 7, 2000) (finding non-legitimate interest in domain name because of refusal to sell to trademark owner), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0010.html> (last visited Nov. 8, 2001).

149. Ironically, the panel does not determine whether the complainant’s mark is famous (as would be required by dilution law, under which *Panavision* was decided), stating that such a determination is “currently outside the scope of the mandate of this Panel.” *Ingersoll-Rand*, WIPO Case No. D2000-0021.

150. *Id.*

from ICANN's lack of guidance. While a Staff Report announced an intention to limit "tarnishment" to "acts done with intent to commercially gain,"<sup>151</sup> ICANN has thus far taken no steps to publicize this interpretation.

#### V. <TRADEMARK>SUCKS.COM: A CASE STUDY

In recent months, several large corporations have taken the offensive against potential critics by registering dozens of domain names that incorporate their trademark in a disparaging manner. As of September 2000, nearly 250 companies registered defamatory versions of their domain names.<sup>152</sup> With over 200 registered sites, Wal-Mart Stores topped the list.<sup>153</sup> While critics claim that these large corporations' actions are aimed at stifling legitimate criticism,<sup>154</sup> the trademark owners claim that they are only protecting their trademarks, stating, for example, "It is unacceptable for people to use our name in vain."<sup>155</sup>

Companies like Wal-Mart have not stopped at registering unowned domain names. As of the end of 2000, Wal-Mart had filed nine complaints under the Uniform Policy contesting fifteen domain names.<sup>156</sup> Of these, six domain names related to a disparaging use of the Wal-Mart name.<sup>157</sup> In these cases, as well as in a large proportion of similar cases involving other complainants, the respondents had registered the name of a well-known business with the addition of the word "sucks."

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151. Second ICANN Staff Report, *supra* note 66, n.2; *see also supra* note 143.

152. *See* David Streitfeld, *Making Bad Names for Themselves*, WASH. POST, Sept. 8, 2000, at A01.

153. *See id.*

154. *See, e.g.*, Wal-Mart Stores, Inc. v. walmartcanadasucks.com, WIPO Case No. D2000-1104 (Nov. 23, 2000) (quoting respondent Kenneth Harvey as arguing, "Wal-Mart has already purchased every other version of the sucks.coms relating to their name in an attempt to silence all dissatisfaction with the company."), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1104.html> (last visited Nov. 8, 2001).

155. Jane Martinson, *Companies win sucks.com fight*, THE GUARDIAN, Aug. 19, 2000 (quoting spokesman for Freeserve, a British company that utilized the Uniform Policy to acquire the domain name "freeservesucks.com"); *see also* Freeserve PLC v. Purge I.T., WIPO Case No. D2000-0585 (Aug. 13, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0585.html> (last visited Nov. 8, 2001).

156. *See* Proceedings List, at <http://www.icann.org/udrp/proceedings-list-name.htm> (last visited Nov. 08, 2001).

157. *See* walmartcanadasucks.com, WIPO Case No. D2000-1104; Wal-Mart Stores, Inc. v. MacLeod, WIPO Case No. D2000-0662 (Sept. 19, 2000) (contesting "walmartsucks.com"), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0662.html> (last visited Nov. 8, 2001); Wal-Mart Stores, Inc. v. Walsucks, WIPO Case No. D2000-0477 (July 20, 2000) (contesting "wal-martcanadasucks.com," "walmartcanadasucks.com," "walmartpuertoricosucks.com," and "walmartuksucks.com"), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0477.html> (last visited Nov. 8, 2001).

According to a recent ACPA case, this phenomenon is “not uncommon, and is part of an Internet phenomenon known as ‘cybergripping.’”<sup>158</sup>

The disturbing aspect of this trend is the frequency with which some panels transferred the domain name to the complainant without a careful inquiry into whether the disputed actions of the respondent fell within the activities prohibited by the Uniform Policy. The inattention to the letter and purpose of the Uniform Policy in many of these dispute resolution proceedings exemplifies the more widespread problems of reverse domain name hijacking and freedom of speech limitations.

The problem of reverse domain name hijacking in these cases stems mainly from panels that overlook portions of the Uniform Policy’s test. Since the complainants in many of the disparaging domain name cases are large companies with trademark ownership in a portion of the disputed domain name, panels tend to decide in their favor without a sufficient inquiry into whether the registrant acted incorrectly. As one commentator noted, “The reliance by the arbitration panels on the possession of a trademark or copyright sometimes leads to results that ignore other important legal considerations.”<sup>159</sup> By overlooking registrants’ claims that may have merit, the Uniform Policy panels assist trademark holders in overextending their rights by collecting any domain name that may incorporate their trademark.

For example, the Uniform Policy requires that the complainant prove that the domain name in question be “identical or confusingly similar to a trademark or service mark” in which the complainant has rights.<sup>160</sup> The underlying logic is clear — a trademark owner should not be able to extend his trademark rights beyond those domain names that a reasonable person might confuse with the mark. This requirement should not be met in many cases where, for example, the respondent registers the domain name “<trademark>sucks.com.” The domain name is not identical to the trademark, nor is it *confusingly* similar. At least one panel has recognized this fact. In *CompUSA Mgmt. Co. v. Customized Computer Training*,<sup>161</sup> the panel allowed the respondent to retain the domain names “stopcompusa.com” and “bancompusa.com” over CompUSA’s protests, holding “[T]here is absolutely no confusion

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158. Lucent Techs., Inc. v. lucentucks.com, 95 F. Supp. 2d 528, 535 n.9 (E.D. Va. 2000) (citing Greg Farrell, *From Sour Grapes to Online Whine*, USA TODAY, Apr. 6, 2000, at 01B; Thomas E. Anderson, *Emerging Intellectual Property Issues in Cyberspace*, 78 MICH. B.J. 1260, 1263 (1999) (“Cybergrippers are websites dedicated to criticizing a person, product, or business”).

159. Bruce E. H. Johnson, *Regulatory Update: Internet Sheriffs Approach the Electronic Frontier*, 624 P.L.I./PAT 397, 428 (2000) (criticizing Walsucks, WIPO Case No. D2000-0477).

160. Uniform Policy, *supra* note 68, ¶ 4(a)(i).

161. NAF Case No. FA95082 (Aug 17, 2000), at <http://www.arbforum.com/domains/decisions/95082.htm> (last visited Nov. 8, 2001).

or similarity, much less identity, between the domain names and the trademarks held by Complainant [CompUSA]. No one could confuse 'COMPUSA', or anyone [sic] of the registered trademarks, and 'STOPCOMPUSA.COM' and 'BANCOMPUSA.COM'.<sup>162</sup> The panel correctly disapproved of CompUSA's methods:

After reading the pleadings, the Panelist is left with a bad taste. Here, a large company, faced with criticism from an individual, has attempted to use this process and procedure to stifle that criticism. If the actions and conduct of Respondent are wrongful, then Complainant has access to the courts of law, where the truthfulness of the allegations made by Respondent can be challenged. Use of this forum by Complainant in this context is inappropriate and constitutes "cyber-bullying."<sup>163</sup>

In the judicial context, courts have held the similar view that appending disparaging words to a trademark undercuts any argument of similarity for Lanham Act purposes.<sup>164</sup>

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162. *Id.*

163. *Id.*

164. *See, e.g.*, *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161 (C.D. Cal. 1998). In *Bally*, the court found no likelihood of confusion between plaintiff's mark and defendant's "Bally's sucks" website, noting that:

No reasonable consumer comparing Bally's official web site with Faber's site would assume Faber's site 'to come from the same source, or thought to be affiliated with, connected with, or sponsored by, the trademark owner.' . . . 'Sucks' has entered the vernacular as a word loaded with criticism. Faber has superimposed this word over Bally's mark. It is impossible to see Bally's mark without seeing the word 'sucks.' Therefore, the attachment cannot be considered a minor change.

*Id.* at 1163–64.

It should be noted, however, that the defendant's website did not have "Bally's" in the domain name, a fact which some panels have used to distinguish Bally's from Uniform Policy cases. *See, e.g.*, *Wal-Mart Stores, Inc. v. Walsucks*, WIPO Case No. D2000-0477 (July 20, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0477.html> (last visited Nov. 8, 2001). It is unclear why this should make a difference. As *Bally* itself notes, "even if Faber did use the mark as part of a larger domain name, such as 'ballysucks.com', this would not necessarily be a violation as a matter of law," since "no reasonably prudent Internet user would believe that 'Ballysucks.com' is the official Bally site or is sponsored by Bally." *See Bally Total Fitness*, 29 F. Supp. 2d at 1165 & n.2; *see also Lucent Techs., Inc. v. LucentSucks.com*, 95 F. Supp. 2d 528 (E.D. Va. 2000).

Unfortunately, other panels ignore the likelihood of confusion requirement. Even in cases where the similarity between the trademark and domain name is expressly considered, panels tend to find a way around this problem to award the domain to the mark holder. For example, the panel in *Wal-Mart Stores, Inc. v. MacLeod*<sup>165</sup> recognized that “[n]o reasonable speaker of modern English would find it likely that Wal-Mart would identify itself using wal-martsucks.com” and “specifically reject[ed] Complainant’s argument that consumers are likely to be confused as to the sponsorship or association of a domain name that combines a famous mark with a term casting opprobrium on the mark.”<sup>166</sup> However, the panel transferred the domain name, arguing:

Nevertheless, the Panel understands the phrase ‘identical or confusingly similar’ to be greater than the sum of its parts. The Policy was adopted to prevent the extortionate behavior commonly known as ‘cybersquatting,’ in which parties registered domain names in which major trademark owners had a particular interest in order to extort money from those trademark owners. This describes Respondent’s behavior. Thus, the Panel concludes that a domain name is ‘identical or confusingly similar’ to a trademark for purposes of the Policy when the domain name includes the trademark, or a confusingly similar approximation, regardless of the other terms in the domain name.<sup>167</sup>

While the panel should be commended for its examination into the purposes of the Uniform Policy, its analysis went far afield from the language of the Policy. This may be a result of the fact that there was a considerable amount of bad faith on the part of the respondent, as he admitted to registering the domain name with an intent to sell it.

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165. WIPO Case No. D2000-0662 (Sept. 19, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0662.html> (last visited Nov. 8, 2001).

166. *Id.*

167. *Id.* The panel also justified its finding of confusing similarity by holding that “incorporating a distinctive mark in its entirety creates sufficient similarity between the mark and the domain name to render it confusingly similar.” *Id.* (citing *EAuto, L.L.C. v. Triple S. Auto Parts*, WIPO Case No. D2000-0047 (Mar. 24, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0047.html> (last visited Nov. 8, 2001)).

However, the panel's reasoning may be used in the future to grant trademark owners over-inclusive rights over a range of criticism sites.<sup>168</sup> As commentators have observed, "What is most instructive in these cases is less the outcome . . . and more the reasoning of the panelists, reasoning on which future panel decisions will increasingly rely."<sup>169</sup>

Even more disturbing than the over-extension of trademark rights given to mark owners is the concurrent loss of fora for criticism. Two commentators conducted a study of six panel decisions dealing with criticism through the incorporation of a trademark in the registrant's domain name in the months of August and September 2000.<sup>170</sup> In those decisions, every panel paid homage to the value of criticism; however, the panels transferred four out of six domain names.<sup>171</sup>

In one case, Wal-Mart sought to acquire a series of disparaging domain names from Kenneth Harvey, a Canadian author.<sup>172</sup> Harvey claimed that his websites, under such domain names as "walmartcanadasucks.com" and "walmartpuertoricosucks.com," were "currently up and running as freedom of expression forums of complaint against Wal-Mart."<sup>173</sup> He also claimed that he never sought to sell the domain names to Wal-Mart, and that his animosity toward Wal-Mart stemmed from a previous panel decision where Wal-Mart obtained the domain name "walmartcanada.com."<sup>174</sup> Interestingly, Wal-Mart responded to the free speech issues, claiming that ICANN was not a government agency and therefore was not limited by the First Amendment.<sup>175</sup> However, the panel transferred the domain names

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168. See, e.g., *Kidman v. Zuccarini*, WIPO Case No. D2000-1415 (Jan. 23, 2001), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1415.html> (last visited Nov. 8, 2001) (applying the reasoning in *Wal-Mart Stores, Inc. v. MacLeod* to determine that "nicolekidmannude.com" is identical or confusingly similar to "Nicole Kidman").

169. M. Scott Donahey & Christine Gelat, *ICANN Update* (Aug. 12, 2000 *Through Sept. 15, 2000*), 5 NO. 8 CYBERSPACE LAW. 25 (Nov. 2000) (reporting that 61% of panel decisions between Aug. 12 and Sept. 15, 2000 cite at least one prior decision).

170. See *id.* (analyzing six cases "highlighting the clash between the right of free expression on the Internet and the intellectual property rights of the mark holder").

171. See *id.*; see also Halpern & Mehrotra, *supra* note 51, at 560 ("ICANN's Policy currently does little to protect individuals who use websites to parody or criticize trademark holders.").

172. *Wal-Mart Stores, Inc. v. Walsucks*, WIPO Case No. D2000-0477 (July 20, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0477.html> (last visited Nov. 8, 2001); see also Susan Pigg, *Unplugging the Protesters*, TORONTO STAR, Sept. 7, 2000, at BU01.

173. *Walsucks*, WIPO Case No. D2000-0477.

174. See *id.*; see also *Wal-Mart Stores, Inc. v. Walmarket Canada*, WIPO Case No. D2000-0150 (May 2, 2000) (involving the same parties), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0150.html> (last visited Nov. 8, 2001).

175. See *Walsucks*, WIPO Case No. D2000-0477. Wal-Mart claimed:

[U]nder both U.S. and Canadian law, speech is not entitled to absolute protection under all circumstances. Speech is only

without any analysis of Harvey's free speech claims. The panel relied on the fact that Harvey apparently asked for a "consulting fee" to "inform Wal-Mart of [a list of] the important names" that Wal-Mart had yet to buy to protect itself.<sup>176</sup> While this may or may not constitute cybersquatting,<sup>177</sup> the panel failed to consider Harvey's free speech claims and shut down a site that was actually being used for criticism. As one commentator later noted, "The decision is surprising in its summary dismissal of important free speech considerations."<sup>178</sup>

This Wal-Mart case should be contrasted with another case, decided only four months later. In *Wal-Mart Stores, Inc. v. wallmartcanadasucks.com*,<sup>179</sup> Wal-Mart once again attempted to obtain the transfer of a defamatory domain name, "wallmartcanadasucks.com," from Kenneth Harvey.<sup>180</sup> In this case, the sole panelist found for Harvey, writing, "I do not see how a domain name including 'sucks' ever can be confusingly similar to a trademark to which 'sucks' is appended," and found that, "[t]he use of the SUCKS.COM suffix attached to a company name has become a standard formula for internet sites protesting the business practices of a company."<sup>181</sup> Despite the previous panel decision that held that "walmartcanadasucks.com" was confusingly similar to the complainant's trademark,<sup>182</sup> the panelist in the more recent case

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protected against governmental interference. Where the speech does not involve an activity or institution controlled by the government, there may not be any special protection . . .

ICANN is . . . a non-profit, private corporation, not a governmental entity. This domain name dispute procedure is not a governmental process or activity, and WIPO is not a governmental institution; therefore, the Complaint does not represent governmental interference with claimed protected speech.

*Id.*

176. *Id.*

177. First, it was not clear that this claim for a fee was either in exchange for a domain name or with an intent to divert Wal-Mart customers, as required by the Uniform Policy. Second, the registrant claimed his request for a fee was a joke, playing on the fact that "[Wal-Mart has] spent thousands and thousands of dollars on these things, Wal-Mart with hyphens, WalMart without, which is ridiculous. These guys are going out sucking up everything they possibly can to try to prevent people from complaining about them on the Internet." See Pigg, *supra* note 172, at BU01. Finally, there is the question whether a reasonable customer would mistake a website posted at the domain name "walmartcanadasucks.com" for an authentic Wal-Mart site.

178. See Johnson, *supra* note 159, at 428.

179. WIPO Case No. D2000-1104 (Nov. 23, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1104.html> (last visited Nov. 8, 2001).

180. The only difference between this domain name and the one involved in the earlier proceeding is an extra "L" in the word Wal-Mart. This deliberate misspelling does not seem to have played any part in the panel's decision. See *id.*

181. *Id.* The panelist based his decision in large part on the decisions of *Bally Total Fitness Holding Corp. and Lucent Technologies, Inc.* See *supra* note 164.

182. See *Wal-Mart Stores, Inc. v. Walsucks*, WIPO Case No. D2000-0477 (July 20,

recognized the lack of possible confusion, as well as the importance of forums for legitimate criticism:

[D]istasteful conduct should not stampede UDRP decision makers into an unwarranted expansion of the domain name dispute process. The UDRP has a narrow scope. It is meant to protect against trademark infringement, not to provide a general remedy for all misconduct involving domain names . . . . [W]hether a use is illegal in general is beyond the subject matter jurisdiction of an administrative panel under the UDRP.

Disciplined construction of the UDRP is appropriate for another reason. The Policy should not be used to shut down robust debate and criticism. Allowing trademark owners to shut down sites that obviously are aimed at criticism of the trademark holder does just that.

The Respondent may be acting unfairly. He may be engaged in unwarranted disparagement. He may be acting childish. He may be retaliating for having lost earlier Cybersquatting cases. But this does not necessarily mean that he may be forced to transfer the accused domain name to the complainant under the UDRP, considering the purpose.<sup>183</sup>

This decision, while laudable,<sup>184</sup> does not comport with the earlier holdings of dispute resolution panels.<sup>185</sup> The panelist did not make a

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2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0477.html> (last visited Nov. 8, 2001).

183. *walmartcanadasucks.com*, WIPO Case No. D2000-1104.

184. It should be noted that the panelist delved quite deeply into trademark and copyright law, as well as the policy goals underlying the Uniform Policy.

185. In *Lockheed Martin Corp. v. Parisi*, WIPO Case No. D2000-1015 (Jan. 16, 2001), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1015.html> (last visited Nov. 8, 2001), the panel enumerated nine previous cases that held that a domain name incorporating a trademark plus the word “sucks” was confusingly similar to the trademark.



serious effort to distinguish his case from those that came before. In fact, it appears as though he merely disagreed with the previous opinions.<sup>186</sup>

The variety of ways in which panels consider claims of free speech — from wholesale acceptance<sup>187</sup> to a complete disregard of respondents' claims<sup>188</sup> — has resulted in inconsistency in an area of law that is becoming increasingly important. If it is accepted that the Internet is a significant new forum for criticism, we should not tolerate such inconsistency and uncertainty as to the law. Justice Black has emphasized the importance of certainty in free speech jurisprudence in the context of legislation:

This Court . . . has emphasized that the “vice of vagueness” is especially pernicious where legislative power over an area involving speech, press, petition and assembly is involved . . . . [An overbroad law] necessarily leaves all persons to guess just what the law really means to cover, and fear of a wrong guess inevitably leads people to forego the very rights the Constitution sought to protect above all others.<sup>189</sup>

The uncertainty resulting from inconsistent applications of the Uniform Policy has a similar chilling effect on speech.<sup>190</sup> Treating equivalent

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It listed *Wal-Mart Stores, Inc. v. walmartcanadasucks.com* as the only decision to that date to hold the reverse.

186. In the earlier case, the panel relied on the fact that Harvey requested a “consultant’s fee” from Wal-Mart, holding that this action amounted to cybersquatting. *See supra* note 177 and accompanying text. In the more recent case, the panelist rejected this reasoning, arguing, “The inference of a demand for payment for transfer of the domain name was only weakly supported in the earlier cases, and there is no basis for it in this case.” *walmartcanadasucks.com*, WIPO Case No. D2000-1104.

187. *See, e.g., id.*; *CompUSA Mgmt. Co. v. Customized Computer Training*, NAF Case No. FA95082 (Aug. 17, 2000), at <http://www.arbforum.com/domains/decisions/95082.htm> (last visited Nov. 8, 2001).

188. *See, e.g., Wal-Mart Stores, Inc. v. Walsucks*, WIPO Case No. D2000-0477 (July 20, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0477.html> (last visited Nov. 8, 2001); *Mission KwaSizabantu v. Rost*, WIPO Case No. D2000-0279 (June 7, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0279.html> (last visited Nov. 8, 2001).

189. *Barenblatt v. United States*, 360 U.S. 109, 137–38 (1959) (Black, J., dissenting); *see also Paris Adult Theatre I v. Slaton*, 413 U.S. 49, 88 (1973) (Brennan, J., dissenting).

190. *See* Chrysta Osborn, *Constitutional Scrutiny and Speech: Eroding the Bedrock Principles of the First Amendment*, 44 Sw. L.J. 1013, 1015 n.33 (1990). “‘Chilling effects’ are usually discussed in conjunction with the overbreadth doctrine, but the principle that people will be intimidated from exercising their right to speak applies whenever the effects of a regulation are unknown.” *Id.* (citations omitted) (citing

speech acts differently “diminishes the principle of equality of speech. . . . [S]uch inconsistencies tend to have a ‘chilling effect’ on speech since the inconsistencies tend to favor the regulation rather than the protected speech.”<sup>191</sup>

This uncertainty should be resolved by forcing trademark owners to avail themselves of the judicial process when the registrant has a legitimate free speech claim over the domain name.<sup>192</sup> The judicial system has an established means of resolving disputes among lower courts and promoting conformity. Instead of promoting the goal of conformity, the Uniform Policy frustrates it by its lack of a provision for a precedent-setting body,<sup>193</sup> as well as its discouragement of court appeals from losing registrants. ICANN should amend the Uniform Policy to encourage panels to decline deciding disputes that are more complex than pure cybersquatting or cyberpiracy. Particularly in cases of arguably legitimate criticism on the part of the registrant, it is important for the court system to establish the acceptable methods of self-expression on the Internet.

## VI. CONCLUSION

While in many ways the Uniform Domain Name Dispute Resolution Policy represents an improvement over litigation and the NSI Dispute Policy, it still suffers from several flaws. Trademark owners are favored in their pursuit of similar domain names at the expense of legitimate domain name registrants. In facilitating reverse domain name hijacking, the Uniform Policy allows panels to reach issues properly left to courts. These panels often favor mark owners by granting them over-extensive trademark rights. In addition, the Uniform Policy improperly allows tarnishment to play a role in determining rights in a domain name. Through the tarnishment rationale and other means, administrative panels have increasingly limited the speech interests of critics.

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LAURENCE H. TRIBE, *AMERICAN CONSTITUTIONAL LAW* 1033–35 (2d ed. 1988)).

191. Osborn, *supra* note 190, at 1044.

192. Although most panels faced with valid First Amendment claims have nonetheless arbitrated the dispute, credit should be given to those that refused to find arbitral jurisdiction. In one dispute, the panel noted that it lacked “jurisdiction to decide claims of trademark infringement, dilution, unfair competition or other statutory or common law causes of action.” *See* *Bridgestone Firestone, Inc. v. Myers*, WIPO Case No. D2000-0190 (July 6, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0190.html> (last visited Nov. 8, 2001). Faced with a claim of free speech and fair use by the respondent, the panel held that these considerations prevented it from awarding the disputed domain name to the complainant. In so holding, however, the panel noted that its decision did not comport with several previous decisions under the Uniform Policy. *See id.*

193. *See* Sandburg, *supra* note 102, at B10.

The Uniform Policy must be amended to provide a more equitable hearing for domain name registrants. However, more importantly, the members of the administrative panels must be more careful in applying the Policy. All too often, the panels have equated a trademark with a right to own all possible incarnations of that mark as domain names. It would be better to heed the words of Justice Oliver Wendell Holmes and remember that a trademark “is not a copyright.”<sup>194</sup> When a trademark “is used in a way that does not deceive the public,”<sup>195</sup> society should not prevent the public from using the trademark to tell the truth or offer an opinion in the course of speech.

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194. *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924).

195. *Id.*