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Domains without Borders: Reconciling Domain Name Dispute Resolution Policies and Trademark Rights between the United States and the Nations of the European Union

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Comments

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I.   Introduction

In a few short years, the Internet has developed from a primarily research oriented forum to a powerhouse of commerce.[1] The Internet is a worldwide network of computers that originated in 1969 as a research project funded by the U.S. Department of Defense.[2] The network, originally called ARPANET and then DARPANET, was envisioned as a decentralized, fail-proof method of transmitting information between military computers.[3] If any one link in the chain of communication was destroyed or rendered inoperable, the information would simply be rerouted another way.[4] Simultaneous to the genesis of the Arpanet, other networks began

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    1. *See* American Civil Liberties Union v. Reno, 929 F. Supp. 824 (E.D. Pa 1996).
    2. *See id.* at 830.
    3. *See id.* The ARPANET was a project of the Advanced Research Project Agency (ARPA).
    4. *See id.*

to develop among the computers of educational institutions, research facilities, and businesses.[5] These other networks were the beginnings of what would become the NSFNET and they received funding from the National Science Foundation (hence the "NSF" in NSFNET), educational institutions and some private companies.[6] Eventually all of these networks, the ARPANET and NSFNET, were combined to become what is now called the Internet.[7]

Under a system developed during the ARPANET period, each computer that is connected to the Internet is given a unique identification number (e.g., 123.456.789.123).[8] These identification numbers are called "Ip addresses" and contain a maximum of 12 digits.[9] When Ip addresses were first assigned during the nascent years of the Internet, Dr. Jon Postel, who was then working at the University of Southern California's Information Sciences Institute, was the sole sustainer and allocator of the Ip addresses in existence.[10] In an attempt to make the system easier to use, Postel allocated alphanumeric names in addition to the purely numeric Ip addresses.[11]

It is important to understand the structure of these alphanumeric names, or domain names, in order to understand the special problems inherent in the maintenance and allocation of these names. For instance, in a domain name such as "www.yahoo.com," the ".com" portion of the name is called the top-level domain name ("TLD").[12] The "yahoo" portion is referred to as the second-level domain name ("SLD").[13] There are many domain names that have a third-level domain as well. For instance, the Dickinson School of Law's home 'page address is

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5. *See id.* These networks were called BITNET, CSNET, FIDONET, and USENET.

6. *See* National A-1 Advertising, Inc. v. Network Solutions, Inc., 121 F. Supp 2d. 156, 159 (D. N.H. 2000); *see also* PGMedia, Inc. v. Network Solutions, Inc., 51 F. Supp 2d. 389, 393 (S.D.N.Y. 1999).

7. *See id.* Once the military and non-military networks were connected, the ARPANET's name was changed to the DARPANET. Eventually, it was simply called the Internet.

8. *See* Island Online, Inc. v. Network Solutions, Inc., 119 F. Supp 2d. 289, 292 (E.D.N.Y. 2000).

9. *See id.*

10. *See id.*

11. *See* Name.Space, Inc. v. Network Solutions, Inc., 202 F.3d 573, 576 (C.A.2 N.Y. 2000).

12. *See* S.J. Whatley, Note, *The Basics of Internet Domain Names and Trademark Infringement*, 21 AM. J. TRIAL ADVOC. 585, 588 n.22 (1998).

13. *See id.* at 589 n.29.

"www.dsl.psu.edu." In this address, the "dsl" is a third-level domain name.

Another distinction to be made is between a generic top-level (gTLD) domain and a country code top-level domain (ccTLD).[14] The "com" in "www.yahoo.com" is one of a number of the gTLDs. There are currently seven gTLDs in use: ".com" for commercial usages, ".edu" for educational institutions, ".gov" for U.S. Government sites, ".mil" for U.S. military sites, ".org" for non-profit organizations, ".net" for network providers, and ".int" for international treaty organizations.[15] On November 16, 2000, the board of directors of the International Corporation for Assigned Names and Numbers (ICANN) announced plans for the introduc-tion of seven new gTLDs.[16] In the web address "www.deutch.de" the ".de" is the ccTLD for Germany.[17] The maintenance and allocation of second level domain names that have a ccTLD is conducted by the governments of each country or by private entities authorized by the government of the country.[18] The gTLDs are maintained by the International Corporation of Assigned Names and Numbers (ICANN).[19]

The system by which an Ip address and corresponding alphanumeric name are acquired by an entity that wants to use a particular domain name is called Domain Name System (DNS) registration.[20] Dr. Jon Postel once maintained the Ip address system by himself but these responsibilities were later transferred to the Internet Assigned Numbers Authority (IANA) under a contract from the U.S. Department of Defense.[21] In turn, the Department of Defense transferred this authority to maintain the Ip addresses from IANA to the International Corporation of Assigned Names and Numbers (ICANN) in 1998.[22]

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14.   *See id.* at 588 n.23 and n.25.

15.   *See id.* at 589, n.27.

16.   International Corporation of Assigned Names and Numbers, *Seven New TLD Proposals Selected for Introduction, available at* http://www.icann.org/tlds/ (last visited Jan. 2, 2002).

17.   DENIC, *About DENIC eG, at* http://www.denic.de/doc/DENIC/index .en.html (last visited Jan. 2, 2002).

18.   Internet Assigned Numbers Authority, *Domain Name* Services, *at* http://www.iana.org/domain-names.htm (last visited Jan. 2, 2002) [hereinafter IANA].

19.   Internet Corporation for Assigned Names and Numbers, *Homepage, at* http://www.icann.org/ (last visited Jan. 2, 2002) [herinafter ICANN].

20.   *See* Island Online, Inc. v. Network Solutions, Inc., 119 F. Supp. 2d. 289, 293 (E.D.N.Y. 2000).

21.   *See id.; see* Whatley, *supra* note 12, at 587, n.16.

22.   *See* Island Online, Inc., 199 F. Supp 2d. at 293.

There are two steps in the DNS registration process. First, an Ip address must be acquired from an Internet Service Provider (ISP) or an Ip address registry.[23] Second, assuming the domain name has not already been registered in the desired top-level domain (in this case the gTLD), the desired domain name must be registered through one of the ICANN approved domain name registrars.[24] One may also register the desired second-level domain name under a ccTLD, but this will require registration with that country's official registrar rather than with an ICANN approved registrar.[25]

The extant domain names are catalogued in 13 root servers throughout the world under what is called the "root server system."[26] The main root server is maintained at NSI in Herndon, Virginia.[27] The other 12 root servers daily replicate the contents of the main root server so as to keep a continually updated collection of all the registered domain names.[28]

Control of the domain naming and registration system has, over the last few years, been transferred from the control of the U.S. Government to private, international control. As mentioned above, the maintenance of the domain name registration system was first supervised by Dr. Jon Postel, then the IANA, and finally ICANN.[29] ICANN is a non-profit, private corporation.[30] The responsibilities of maintenance of the Ip address and domain name allocation system were transferred from the U.S. government to ICANN as a result of the goals set forth in what are referred to as the "Green Paper" and the "White Paper." The "Green Paper," promulgated by the U.S. Department of Commerce, suggested that the control of domain name system should be transferred from the U.S. government to a private entity.[31] After accepting public comment concerning the statements made in the "Green Paper,"

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23. *See id.*
24. *See id.*
25. *See supra* note 16 and accompanying text.
26. *See* Island Online, Inc., 119 F. Supp. 2d. at 293; *see also* U.S. Department of Commerce, *Improvement of Technical Management of Internet Names and Addresses: Proposed Rules*, available at http://www.ntia.doc.gov/ntiahome /domainname/022098fedreg.htm (last visited Jan. 2, 2002).
27. *See id.*
28. *See id.*
29. *See supra* notes 18-19 and accompanying text.
30. *See supra* note 19 and accompanying text.
31. *See* U.S. Department of Commerce, *supra* note 26; *see also* Name.Space, Inc. v. Network Solutions, Inc., 202 F.3d 573, 576 (C.A.2 N.Y. 2000).

the Department of Commerce promulgated the "White Paper," a final policy statement on the matter.[32]

Under the policy set out in the "White Paper," the Department of Commerce and ICANN produced a "Memorandum of Understanding" on November 26, 1998 outlining the steps to be taken in the transfer of the supervision of the domain name system from the U.S. government to ICANN.[33] In response to the goals set in the memorandum of understanding, ICANN created new domain name registries.[34] Up until this point, Network Solutions, a private corporation, had enjoyed a government-approved monopoly on the registration of domains under the generic top-level domains.[35] Under the memorandum of understanding, ICANN created five new domain name registries.[36] After a test period, in which only these five registrars were authorized to register new domain names, ICANN permitted 52 more domain name registries into the market in order to create competition in the allocation and registration of new domain names.[37] As of January 2002, there were approximately one-hundred and ten accredited, operational domain name registrars.[38]

In a remarkably short time, the number of computers connected to and the number of users accessing the Internet has grown exponentially and with this growth new opportunities and problems have arisen. In 1981 there were three hundred computers connected to the Internet.[39] By 1989, that number had grown to 90,000 and by 1996, there were 9,400,000.[40] As of 1999 there were an estimated 56 million computers connected to the Internet.[41] The number of users accessing the Internet has increased dramatically as well. In 1991 there were an estimated 3 million regular users of

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32. *See supra* note 11 and accompanying text; *see also* U.S. Department of Commerce, *Management of Internet Names and Addresses, available at* http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.htm (last visited Jan. 2, 2002).

33. *See* Internet Corporation of Assigned Names and Numbers, *ICANN background history, at* http://www.icann.org/general/background.htm (last visited Jan. 2, 2002).

34. *See id.*

35. *See id.*

36. *See id.*

37. *See id.*

38. *See* International Corporation of Assigned Names and Numbers, *List of Accredited and Accreditation-Qualified Registrars, at* http://www.icann.org/registrars/accredited-list.html (last visited Jan. 2, 2002).

39. Associated Press, *Clinton Speaks in Online Forum* (Nov. 8, 1999), *available at* 1999 WL 28137187.

40. *See id.*

41. *See id.*

the Internet.[42] Today there are an estimated 280 million users of the Internet.[43] This number is expected to grow to 623 million by 2003.[44] This growth has provided countless new avenues for conducting business, research, and communication; however, this rapid growth has also created new legal problems in fields such as trademark, copyright, and unfair competition.[45]

The focus of this comment will be on the problems inherent in reconciling the registration of domain names, which are the same or similar to registered trademarks that are not owned by the entity registering the domain name. Section I sets forth an analysis of the domain name registration and dispute resolution regimes in place in the United States. Section II presents an examination of the domain name registration and dispute resolution regimes in the individual countries of Europe. Section III lays out an analysis of the domain name registration and dispute resolution regimes in place in international bodies and within consensus-based international agencies such as the World Intellectual Property Organization (WIPO) and ICANN. The analysis will reveal that there is no forum in which one can receive a final, internationally binding decision concerning the appropriate owner of a domain name in a domain name dispute. Considering the international reach of actions taken in cyberspace, this poses a significant problem for trademark holders who wish to protect their trademarks in the U.S. and Europe as well as the rest of the world without incurring the expense of pursuing their claim in numerous venues. This state of affairs also poses a problem for entities desiring to register a domain name without constantly receiving challenges from trademark holders who happen to hold the trademark for the domain name the registrant wishes to register. A proposed resolution of these problems will be submitted in section IV, suggesting that, by using international agreements and bodies already in place, the United States and countries of the European

42. *See* John Parker, *The Pitfalls of E-Commerce*, TRAFFIC WORLD, Sept. 18, 2000, *available at* 2000 WL 26867813.

43. *See* David Akin, *Canadians Are Kings of the Internet, Study Says: Ranked Seventh in 1997*, THE NAT'L POST, Nov. 2, 2000, *available at* 2000 WL 28908480.

44. *See* Sanjeev Sharma & Arshdeep Sehgal, *You Cannot Prick the Bubble, Future Lies in the Net*, THE ECON. TIMES, Aug. 14, 2000, *available at* 2000 WL 23648034.

45. *See* Ian C. Ballon, *Pinning the Blame in Cyberspace: Towards a Coherent Theory for Imposing Vicarious Copyright, Trademark and Tort Liability for Conduct Occurring over the Internet*, 18 HASTINGS COMM. & ENT. L.J. 729, 731 (1996); *see also* David Post & David R. Johnson, *Law and Borders—The Rise of Law in Cyberspace* 48 STAN. L. REV. 1367, 1368 (1996).

Union can create an international regime in which trademarks could be recognized internationally and domain name disputes could be resolved in a binding, permanent way on an international level.

II. The U.S. Regime

A. The Anticybersquatting Act

Cybersquatting is the act of registering a domain name with the intent of not using it for its own sake but rather in order to make money by reselling it to the registered trademark holder.[46] Until recently, there was very little that a registered trademark holder could do in the courts of the United States (or anywhere else) to combat this sort of behavior. The trademark holder's only choice, if he or she wanted to use the trademark as a domain name, was to purchase the domain name from the cybersquatter.[47] However, on November 29, 1999, President Clinton signed the Anticyber-squatting Consumer Protection Act (ACPA) into law.[48] This act introduced a cause of action in the federal courts of the U.S. for the "bad faith" registration and utilization of domain names.[49]

15 U.S.C. 1125(d)(1)(a) provides:

(1)(a) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that

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46. *See* Marc E. Brown, *Don't Pay Off a Cybersquatter! Both the Anticybersquatting Act and ICANN Policy Target the "Bad Faith" Registration and Use of Domain Names*, ELECTRONIC BUS. ONLINE MAG., *available at* http://www.ebmag.com/ebmag/Issues/2000/200003/200003comm-brown.asp (last visited Jan. 9, 2001).

47. *See id.*

48. *See* Alston & Bird, LLP, *Anticybersquatting and Patent Reform Legislation Signed into Law, available at* http://www.alston.com/docs/Advisories/199709 /cybersquatting.htm15 (last visited Jan. 9, 2001); *see also* 15 U.S.C. § 1125(d)(1)(a) (2001).

49. *See id.* § 1125(d)(1)(a).

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or

(III) is a trademark, work, or name protected by reason of section 706 of Title 18 or section 220506 of Title 36.[50]

The act provides nine factors to consider when determining whether the party that registered the domain name acted in "bad faith."[51] First, the trademark or other intellectual property rights of the registering person in the domain name.[52] Second, whether the domain name happens to be the legal name of the person or a name that is used to identify the person regularly.[53] Third, whether the person has used the domain name in the past in association with the genuine offering of any goods or services.[54] Fourth, whether the person has used the domain name in a genuine non-commercial manner or made fair use of the mark in a site accessible under the domain name.[55] Fifth, whether the person has shown the intent to reroute consumers from the trademark holder's online position to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to blemish or denigrate the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site.[56] Sixth, whether the person has offered to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the genuine offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct.[57] Seventh, whether the person has made provision of material and misleading false contact information when applying for the registration of the domain name, whether the person has intentionally failed to maintain accurate contact information, or

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50. *Id.* § 1125(d)(1)(a) (2001).
51. *Id.* § 1125(d)(1)(B)(i)(a)(I)-(IX) (2001).
52. *Id.* § 1125(d)(1)(B)(i)(a)(I) (2001).
53. *Id.* § 1125(d)(1)(B)(i)(a)(II) (2001).
54. 15 U.S.C. § 1125(d)(1)(B)(i)(a)(III).
55. *Id.* § 1125(d)(1)(B)(i)(a)(IV).
56. *Id.* § 1125(d)(1)(B)(i)(a)(V).
57. *Id.* § 1125(d)(1)(B)(i)(a)(VI).

whether the person's prior conduct has indicated a pattern of such conduct.[58] Eighth, whether the person has registered or acquired multiple domain names which he or she knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties.[59] Ninth, whether the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of 15 U.S.C. 1225.[60]

B.   Interpreting the Anticybersquatting Act—Sporty's Farm v. Sportsman's Market

Since the introduction of the Anticybersquatting Consumer Protection Act (hereafter ACPA) there has been only one case interpreting the Act that has reached the appellate level. In *Sporty's Farm v. Sportsman's Market*, the registered owner of the domain name "sportys.com" (Sporty's) brought a declaratory action asking the court to establish that Sporty's had the right to use the domain name "sportys.com" over the defendant catalog company (Sportsman's) which held the registered trademark "sporty's."[61] Sportsman's had used the word "sporty" on its aviation supply catalogs and products for approximately 40 years and had used the registered trademark "sporty's" for nearly 10 years at the time that Omega, Sporty's parent company, registered the domain name "sportys.com."[62] Omega registered "sportys.com" shortly after deciding to enter the aviation catalog business in 1995. In 1996, Omega started a wholly-owned subsidiary—Sporty's Farm—and sold "sportys.com" to it.[63]

In applying the ACPA, the court looked at three issues. First, whether the "sporty's" mark was distinctive or famous under 15 U.S.C. § 1125(d)(1)(a) (ii)(I),(II).[64] The court found that "sporty's" was distinctive, noting that Sportman's had used the mark for a long period of time, that Sportman's had spent significant amounts of money advertising the "sporty's" tradename, and that "sporty's"

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58.   *Id.* § 1125(d)(1)(B)(i)(a)(VII).
59.   15 U.S.C. § 1125(d)(1)(B)(i)(a)(VIII).
60.   *Id.* § 1125(d)(1)(B)(i)(a)(IX).
61.   *See* Sporty's Farm L.L.C. v. Sportman's Market, Inc., 202 F.3d 489 (2d Cir. Conn. 2000).
62.   *See id.* at 494.
63.   *See id.*
64.   *See id.* at 497.

was used nationwide.[65] Second, the court investigated whether the domain name "sportys.com" was "identical or confusingly similar to" the sporty's mark under 15 U.S.C. § 1125(d)(1)(a)(ii)(I).[66] The court found that, although the domain name "sportys.com" and the mark "sporty's" were not identical, they were confusingly similar and therefore, Sporty's Farm's use of the domain name violated that element of the ACPA.[67] Third, the court investigated the issue of whether Sporty's Farm had operated with a "bad faith intent to profit" from Sportman's trademark by registering the domain name "sportys.com."[68] To make a determination of "bad faith" the court used the nine factors from 15 U.S.C. § 1125(d)(1)(B)(i).[69] The court concluded that Omega had the requisite "bad faith" intent when it registered the domain name "sportys.com."[70]

The court's conclusion on the issue of "bad faith" was based on a number of observations made by the court in the process of applying the nine factors from 15 U.S.C. § 1125(d)(1)(B)(i).[71] First, Omega and Sporty's Farm had failed to prove that either one had intellectual property rights in "sportys.com" at the point in time that the domain name was registered by Omega.[72] Second, the domain name was not the legal title of Omega, the company that registered the domain name.[73] Third, Sporty's Farm had not used the domain name in a genuine business until after the start of litigation.[74] Fourth, Sporty's Farm failed to claim that its use of the mark "sporty's" was "noncommericial" or a "fair use of the mark."[75] Fifth, the sale of the domain name from Omega to Sporty's Farm occurred under "suspicious circumstances."[76]

In deciding that Sporty's Farm had the requisite "bad faith," the court also noted a number of factors not listed but allowed into consideration under the permissive statute.[77] First, the court found that it was evident that Omega had planned to enter the aviation

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65. *See id.*
66. *See Sporty's Farm*, 202 F.3d at 497.
67. *See id.* at 498.
68. *See id.*
69. *See id.*
70. *See id.*
71. *See Sporty's Farm*, 202 F.3d at 498.
72. *See id.* at 498 (applying the factor in 15 U.S.C. § 1125(d)(1)(B)(i)(I)).
73. *See id.* at 499 (applying the factor in 15 U.S.C. § 1125(d)(1)(B)(i)(II)).
74. *See id.* (applying the factor in 15 U.S.C. § 1125(d)(1)(B)(i)(III)).
75. *See id.* (applying the factor in 15 U.S.C. § 1125(d)(1)(B)(i)(IV)(2)).
76. *See Sporty's Farm*, 202 F.3d at 499 (applying the factor in 15 U.S.C. § 1125(d)(1)(B)(i)(VI) and (3)).
77. *See id.*

catalog business in direct competition with Sportsman's.[78] Second, the court found that because the owners of Omega, Arthur and Betty Hollander, had received the Sporty's catalogue, they were aware of the strength of the "sporty's" trademark.[79] Finally, the court found that the mark "sporty's" was being used in a contrasting business to the business of Sportsman's primarily to provide a defense to an anticipated charge of trademark infringement on the part of Sportsman's.[80]

III. Domain Name Registration and Dispute Resolution Regimes in individual European Countries.

A. ccTLD Domain Name Registries.

Each European Country maintains or has delegated the responsibility to maintain a registry for domain names falling under its country-code top-level domain (ccTLD).[81] These country-code registries are called Network Information Centers (NICs).[82] The maintenance and registration of all other generic top-level domains (gTLDs) is supervised by ICANN.[83]

1.   *German Domain Name Registry—DENIC.* — Registration of domain names falling under the ".de" ccTLD may be pursued by three routes. Registration of a domain name under the German ccTLD ".de" may be pursued through Internet Service Providers authorized by DENIC, the German domain name registry, or through Internet Service Providers affiliated with ISPs authorized by DENIC or directly through DENIC under a service called DENICdirect.[84] All second level domain names under ".de" may be registered with DENIC directly, but subdomains situated above the second level domain must be registered with an Internet Service Provider.[85]

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78.   *See id.*
79.   *See id.*
80.   *See id.*
81.   *See* Michael Bejot & Isabelle Setton, *Current Approaches to Domain Name Management in Europe*, 3 J. INTERNET L. 8-16, 8 (2000).
82.   *DENIC, FAQs: General Information, at* http://www.denic.de/doc/faq/ allgemeines.en.html (last visited Jan. 2, 2002).
83.   *See id.*
84.   *See id.*
85.   *See id.* (For example, in a domain name such as www.secondlevel.de, "secondlevel" is a second level domain so it may be registered directly with DENIC.   In a domain name such as www.subdomain.secondlevel.de, the "subdomain" must be registered with the DENIC-approved Internet Service Provider).

  2. *French and Norwegian Domain Name Registries—AFNIC and NORID.*—The policies underlying domain name registration in France and Norway are similar. The French NIC is called AFNIC.[86] Registration of second level domain names under the French ccTLD ".fr" must be made through Internet Service Providers (ISPs) authorized by AFNIC to register new domains.[87] The Norwegian NIC is called NORID.[88] All second level domain name registrations under the ccTLD ".no" must also be made through registrars authorized by NORID.[89] Companies that aspire to register a second level domain name under the ccTLD ".no" may only register domain names that are the same or a natural derivation of the name of the company.[90]

  3. *Belgian Domain Name Registry—DNSBE.*—The Belgian NIC is called DNSBE.[91] Under a new policy, valid December 11, 2000, all domain name registrations made under the ccTLD ".be" must be made through domain name registrars authorized by DNSBE.[92] These domain name registrations are, in turn, submitted by the domain name registrars to an automatic registration system at DNSBE.[93] This new policy also provides for independent review of domain name disputes by DNSBE in the event of a conflict.[94]

  4. *British Domain Name Registry—Nominet.*—The British NIC is called Nominet Uk.[95] Registration of a domain name may be made through an authorized Internet Service Provider or by dealing with Nominet Uk directly.[96] In the event of a domain name dispute concerning a second-level domain under the ccTLD ".uk," Nominet Uk provides its own free dispute resolution service

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  86. AFNIC (French Network Information Center), *Presentation of the AFNIC, at* http://www.nic.fr/english/ (last visited Jan. 2, 2002).
  87. AFNIC, *Registration of domain names under French ccTLD ".fr", at* http://www.nic.fr/english/membership/ (last visited Jan. 2, 2002).
  88. NORID, *Norwegian Domain Name Registry Home Page, at* http://www.norid.no/index_eng.html (last visited Jan. 2, 2002),
  89. NORID, *Registration of Domain Names under Norwegian ccTLD ".no", at* http://www.norid.no/domenenavn_eng.html (last visited Jan. 2, 2002).
  90. NORID, *Domain Name Policy for .No, at* http://www.norid.no/name-policy.html, Rules 4.1 and 4.2 (last visited Jan. 2, 2002).
  91. DNSBE, *DNS Belgium Home* Page, *at* http://www.dns.be/ (last visited Jan. 2, 2002).
  92. DNSBE, *New Domain Name Registration Policy under Belgian ccTLD ".be", at* http://forum.dns.be/proc/e/index.html (last visited Jan. 9, 2001).
  93. *See id.*
  94. *See id.*
  95. *Nominet, Nominet Home* Page, *at* http://www.nic.uk/ (last visited Jan. 2, 2002).
  96. Nominet, *How to Register Under U.K. ccTLD .uk, at* http://www.nic.uk/howto/howto.html (last visited Jan. 2, 2002).

(DRS).[97] However, these services are not legally binding, nor is Nominet Uk capable of mandating the transfer of a domain name from one party to another without the consent of the parties or the Order of a British court.[98]

B.   Domain Name Dispute Regimes in Individual European Countries.

Many nations of Europe have had cases in their national courts concerning disputes between trademarks and domain names falling under the national ccTLD or under a gTLD such as ".com."[99] Most of the decisions in European national courts, like the decisions in courts around the world, have favored the trademark holder over the domain name registrant.[100] Despite aspirations for a unification of domain name dispute resolutions policies between the European nations, no such unification has yet been accomplished.[101] However, plans are being made by the European Commision to develop a ".eu" top-level domain.[102] A ".eu" domain would provide for a unification of dispute resolution processes for all second level domains registered under the ".eu" top-level domain.[103]

1.   Domain Name Disputes in German National Courts. — The German national courts have already dealt with a number of domain name disputes. Originally, German courts did not consider domain names to be instilled with any legal significance; they were considered to be mere addresses and therefore, a trademark owner was not accorded any protection from the infringement of his or her mark by the registration of a domain name.[104] However, in 1996, the Court of Manheim changed this practice by being the first German court to apply trademark laws to domain names.[105]

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97.   Nominet, *Dispute Resolution, at* http://www.nic.uk/ ref/drs.html (last visited Jan. 2, 2002).
98.   *See id.*
99.   *See supra* note 81 and accompanying text.
100.   *See* Diane Cabell, *Foreign Domain Name Disputes 2000,* THE COMPUTER & INTERNET LAW., Oct. 2000, *available at* http://www.mama-tech.com /foreign.html#2 (last visited Jan. 2, 2002).
101.   *See id.*
102.   *See* IDG News Service, *EU moves closer to .eu domain,* Oct. 20, 2000, *available at* http://www.idg.net/idgns/2000/10/20/EUMovesCloserToEUDomain. shtml (last visited Jan. 2, 2002).
103.   *See supra* note 81 and accompanying text.
104.   *See id.* at 10.
105.   *See id.*

This practice of applying trademark law to domain names has been adopted by all of the German courts since then.[106] In *Epson v. Engelke*, the defendant, who was not an employee of Epson or affiliated in any other way with the company, registered the domain name "Epson.de."[107] The court found that the registration of the domain name violated trademark laws and the defendant was ordered to surrender all rights in the domain name.[108] Furthermore, the court established in this case that German national courts had jurisdiction "anywhere in Germany" over any domain name dispute involving a second level domain registered under the German ccTLD ".de."[109]

In *braunschweig.de Domain Name Challenge*, the defendant was a private citizen who registered the domain name BRAUNSCHWEIG.DE.[110] Braunschweig is the name of a German city.[111] The court found that the plaintiff, the city of Braunschweig, had the rights to the domain name BRAUNSCHWEIG.DE and made the defendant surrender the domain name to the city.[112]

2. *Domain Name Disputes in French National Courts.*—In France, the courts have extended their jurisdiction to domain names that have been registered in top-level domains other than the French national ccTLD ".fr."[113] In *SG2 v. Brokat*, a German company was brought before a French court for infringing the French trademark "payline" by registering the word "payline" as a second level domain name in Germany.[114] The court found that the trademark infringement occurred within the jurisdiction of the French court because the domain name could be viewed in France over the Internet.[115]

In the *Saint Tropez case*, the defendant, a French company called Eurovirtual, registered the trademarked name of the city of Saint Tropez under the gTLD ".com."[116] Eurovirtual argued that the French court did not have jurisdiction in the matter because the

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106. *See id.* at 12.
107. *See* Perkins Coie, *Headlines-Domain Names*, *available at* http://www.perk inscoie.com/resource/ecomm/netcase/Cases-14.htm (last visited Jan. 2, 2002).
108. *See id.*
109. *See id.*
110. *See id.*
111. *See id.*
112. *See* Perkins Coie, *Headlines-Domain Names*, *available at* http://www. perkinscoie.com/resource/ecomm/netcase/Cases-14.htm (last visited Jan. 2, 2002).
113. *See supra* note 81 at 11.
114. *See supra* note 112 and accompanying text.
115. *See id.*
116. *See supra* note 81and accompanying text.

domain was hosted in the United States and that Eurovirtual had registered the trademark "Saint-Tropez" in the U.S. rather than in France.[117] The court found for the plaintiff, the city of Saint Tropez, noting that under French law, jurisdiction is established according to the location where the trademark infringement occurred and that in this case the infringement occurred within the territory of France via the Internet.[118]

    3.   Domain Name Disputes in British national courts. — In the U.K., courts have dealt with domain name disputes on a number of occasions. In the *Marks and Spencer case*, the defendant was a company called One in a Million (OIAM).[119] OIAM registered numerous words as domain names that had already been registered as trademarks by other entities in the United Kingdom.[120] Among these domain names were "marksandspencer.com," "burgerking .co.uk," "britishtelecom.net," "macdonalds.co.uk," "nokia.co.uk," and "spicegirls.com."[121] OIAM actively solicited offers for the domain names from those entities holding the trademark to the second level domain name. For example, Richard Conway, one of the two directors of OIAM, sent a letter to the Burger King Corporation offering to sell "burgerking.co.uk" to the company for 25,000 pounds.[122]

    At issue in this case was the registration of the domain name "marksandspencer.com."[123] The court found that, in reference to the defendant's registration of "marksandspencer.com," the defendants had infringed Marks and Spencer's trademark in violation of section 10(3) of the United Kingdom's Trade Marks Act of 1994.[124] The Court ordered the defendants to relinquish control of the domain name.[125]

    In the United Kingdom, the courts have found that a domain name registrant may keep the domain name when there is a conflict between the registered second level domain and a trademark. For instance, in *MBNA Bank v. Freeman*, the defendant Mr. Freeman registered a web site, "mbna.co.uk," upon which information for his

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117. *See id.*
118. *See id.*
119. *See* Marks & Spencer Plc v. One In A Million Ltd and Others, 1998 F.S.R. 265 (1997).
120. *See id.* at 268.
121. *See id.*
122. *See id.* at 269.
123. *See id.*
124. *See* Marks & Spencer, 1998 F.S.R. at 272.
125. *See id.* at 274.

business, Marketing Banners for Net Advertising, could be found.[126] The plaintiff, the MBNA Bank, was the owner of the U.K. trademark for the word "MBNA." The plaintiff brought the suit claiming that Mr. Freeman had infringed that mark by registering the domain name "mbna.co.uk."[127] Freeman argued that his use of "mbna" caused no likelihood of confusion because it was used in a business that was in no way related to MBNA's business.[128] According to Freeman, there was no infringement of MBNA Bank's trademark because there was no likelihood of confusion caused by his use of "mbna" in an unrelated business.[129]

The court agreed with Freeman and declined to enforce MBNA Bank's request for an injunction against Freeman.[130] The court however, restrained Freeman's ability to resell the domain name.[131] MBNA Bank argued that because of the similarity between Freeman's domain name and their trademark, Freeman's site might receive a certain number of "hits"[132] based on Internet user's expectation that MBNA bank's site was "www.mbna .co.uk."[133] The number of "hits" a domain name receives can be used in determining the value of the domain name, because a potential domain name purchaser is more likely to pay more for a domain name that receives many "hits" than one that receives very few.[134] The court found that to the extent that Freeman enjoyed an increase in the value of "www.mbna.co.uk" as a result of goodwill for MBNA Bank's trademark, Freeman may be accountable to MBNA Bank upon the sale of the domain name.[135]

IV. Domain Name Dispute Policy on an International Level

A. The Uniform Dispute Resolution Policy

On October 24, 1999, ICANN approved the Uniform Domain Name Dispute Resolution Policy.[136] This policy has been accepted

126. *See* MBNA America Bank NA v. Freeman, No. HC 2000, No. 2395 July 17, 2000, *available at* 2000 WL 989558.
127. *See id.*
128. *See id.*
129. *See id.*
130. *See id.*
131. *See* MBNA America Bank, NA v. Freeman, No. HC 2000, No. 2395 July 17, 2000, *available at* 2000 WL 989558.
132. A "hit" is a visit to a web site by an outside Internet user.
133. *See supra* note 131 and accompanying text.
134. *See id.*
135. *See id.*
136. International Corporation for Assigned Names and Numbers, *Uniform*

by all accredited domain-name registrars who register second-level domain names falling under the .com, .net, and .org gTlds. When a domain name is registered under the .com, .net or .org gTlds the registrant must conduct this registration through an ICANN-approved registrar.[137] As part of the registration agreement, the registrant must agree to submit to dispute resolution conducted under the Uniform Domain Name Dispute Resolution Policy in the event of a domain name dispute.[138] Therefore, if a domain name dispute arises and the complainant brings an action under the UDNDRP, there is no way for a domain name registrant of a domain name ending in .com, .org, or .net to avoid the application of the UDNDRP unless he or she submits the dispute to a national court prior to the institution of the UDNDRP decision.[139]

Under the UDNDRP, if three requirements are met, a domain name registrant of a domain name ending in .com, .org, or .net must submit to mandatory domain name dispute resolution proceedings.[140] First, the registrant's domain name must be "identical or confusingly similar to a trademark or service mark in which the complainant has rights."[141] Second, the domain name registrant must have "no rights or legitimate interests in respect of the domain name."[142] Third, the domain name registrant's domain name "has been registered and is being used in bad faith."[143]

Under Section 4(b) of the UDRP, "bad faith" can be evidenced by a number of factors:

> (i) Circumstances indicating that [the domain name registrant has] registered or [has] 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 [the domain name registrant's] documented out-of-pocket costs directly related to the domain name; or

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Domain-Name Dispute-Resolution Policy, available at http://www.icann.org/udrp/udrp.htm (last visited Jan. 2, 2002) [hereinafter UDNDRP].

137. *See id.*
138. *See id.*
139. *See id.* Section 4(k) of the UDNDRP states that the decision of the ICANN-instituted Administrative Panel deciding the domain name dispute will not be implemented in the event that the domain name registrant has brought a lawsuit in a court of competent jurisdiction.
140. *See id.* § 4(a)
141. *See* UDNDRP, *supra* note 136, § 4(a)(i).
142. *See id.* § 4(a)(ii).
143. *See id.* § 4(a)(iii).

(ii) [the domain name registrant] 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 [the domain name registrant] engaged in a pattern of such conduct; or

(iii) [the domain name registrant] registered the domain name primarily for the purpose of disrupting the business of a competitor; or

(iv) by using the domain name, [the domain name registrant has] intentionally attempted to attract, for commercial gain, Internet users to [his or her] on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of [the domain name registrant's] web site or location or of a product or service on [his or her] web site or location.[144]

Complaints brought under the UDNDRP may be submitted to one of four ICANN-approved dispute resolution providers.[145] These providers are the CPR Institute for Dispute Resolution,[146] the National Arbitration Forum,[147] and the World Intellectual Property Organization.[148] These providers follow ICANN's "Rules for Uniform Domain Name Dispute Resolution Policy"[149] as well as their own individually promulgated supplemental rules.[150]

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144. *See id.* § 4(b).
145. International Corporation for Assigned Names and Numbers, *Approved Providers for Uniform Domain Name Dispute Resolution Policy, available at* http://www.icann.org/udrp/approved-providers.htm (last visited Jan. 2, 2002).
146. CPR Institute for Dispute Resolution, *CPR Institute Home* Page, *available at* http://www.cpradr.org (last visited Jan. 2, 2002).
147. National Arbitration Forum, *National Arbitration Forum: Domain Dispute Home Page, available at* http://www.arbforum.com/domains/ (last visited Jan. 2, 2002).
148. World Intellectual Property Organization, *WIPO Arbitration and Mediation: Domain Name Disputes, available at* http://arbiter.wipo.int/domains/ (last visited Jan. 2, 2002).
149. International Corporation for Assigned Names and Numbers, *Rules for Uniform Domain Name Dispute Resolution Policy, available at* http://www.icann.org/udrp/udrp-rules-24oct99.htm (last visited Jan. 2, 2002).
150. *See id.* (cites as of January 2, 2002)
   1. CPR's supplemental rules, *available at* http://www.cpradr.org/ICANN _RulesAndFees.htm
   2. National Arbitration Forum's supplemental rules, *available at* http:// www.arbforum.com/domains/ UDRP/rules.asp,
   3. The World Intellectual Property Organization's supplementary rules, *available at* http://arbiter. wipo.int/domains/rules/supplemental.html

B. *Arbitration in an International Arbitration Forum.*

The UDNDRP has been used in a number of published arbitration decisions. For the sake of illustration, the analysis of a number of recent decisions of the World Intellectual Property Organization (WIPO) should be helpful. In *World Wrestling Federation Entertainment, Inc. v. Michael Bosman,* the American company plaintiff, World Wrestling Federation (WWF), brought a complaint concerning the domain name "worldwrestlingfederation .com," that was registered by the defendant Michael Bosman of Melbourne IT, a domain name registrar based in Australia.[151] The plaintiff WWF was the U.S. trademark holder for the World Wrestling Federation service and trademarks.[152] Three days after registering the domain name, the defendant Bosman contacted WWF offering to sell "worldwrestlingfederation.com" for $1,000 U.S.[153]

The arbitration panel found that the defendant had not created a web site at the web address designated by the domain name, nor had he made any other good faith effort to use the domain name in the conducting of a bona fide business.[154] WWF argued that there was clear evidence that Bosman had registered a domain name that was identical to its registered trademark and that this registration was made in bad faith.[155] The arbitration panel, in its analysis, considering the precepts of Paragraph 15(a)[156] of the Rules for Uniform Domain Name Dispute Resolution Policy (Rules) and considering the fact that both of the parties were domiciled in the United States, looked to both the Uniform Domain Name Dispute Resolution Policy and to the laws of the U.S. courts to guide its reasoning.[157]

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151. *See World Wrestling Federation v. Bosman,* Case No. D99-0001 (January 14, 2000 WIPO Arb. And Mediation Ctr.), *available at* http://arbiter.wipo.int /domains/decisions/html/1999/d1999-0001.html (last visited Jan. 2, 2002) Case before the arbitration panel of the World Intellectual Property Organization.

152. *See id.*

153. *See id.*

154. *See id.*

155. *See World Wrestling Federation v. Bosman,* Case No. D99-0011 (January 14, 2000 WIPO Arb. And Mediation Ctr.)., *available at* http://arbiter.wipo.int /domains/ decisions/html/1999/d1999-0001.html (last visited Jan. 2, 2002).

156. *See supra* note 136. Paragraph 15(a) of the policy states "A panel shall decide a complaint on the basis of the statements and documents submitted in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable."

157. *See World Wrestling Federation v. Bosman,* Case No. D99-0011 (January 14, 2000 WIPO Arb. And Mediation Ctr.), *available at* http://arbiter.wipo.int /domains/ decisions/html/1999/d1999-0001.html (last visited Jan. 2, 2002).

The arbitration panel applied the three requirements under Paragraph 4(a) of the Policy and found that the defendant had violated WWF's trademark rights and therefore the defendant was forced to relinquish his control of the domain name "worldwrestlingfederation.com."[158] Agreeing with WWF's argument, the panel found that Bosman had registered a domain name that was identical to WWF's trademark.[159] The panel also found that Bosman had "no rights or legitimate interests in respect of the domain name."[160] Finally, the panel found that Bosman had registered the domain name in bad faith.[161] This determination of "bad faith" was based on the panel's application of Paragraph 4(b)(i) of the Policy, which states in pertinent part "the following circumstances . . . shall be evidence of the registration and use of a domain name in bad faith . . . circumstances indicating [registration of a 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."[162]

Because Bosman attempted to sell the domain name "worldwrestlingfederation.com" to the trademark holder of "world wrestling federation," the arbitration panel found that he had exercised the bad faith required under Paragraph 4(b)(i) of the Policy.[163] Therefore, because all of the requirements of Paragraph 4(a) were met, the panel found that Bosman violated the Policy and was required to relinquish the domain name.[164]

V.   A Proposal to Remedy Problems Inherent in the Current Domain Name Dispute Resolution System

As illustrated in this comment, the international trademark systems, domain name registry systems, and international as well as national domain name dispute regimes pose substantially inefficient, non-uniform, as well as confusing means of registering a domain name, protecting a trademark on an international plane, or dealing with disputes between the registrants of domain names and

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158. *See id.*

159. *See id.* (applying Paragraph 4(a)(1) of the Policy).

160. *See id.* (applying Paragraph 4(a)(2) of the Policy).

161. International Corporation for Assigned Names and Numbers, *Uniform Domain-Name Dispute-Resolution Policy, available at* http://www.icann.org/udrp /udrp.htm (last visited Jan. 2, 2002) (applying Paragraph 4(a)(3) of the Policy).

162. *See World Wrestling Federation v. Bosman*, Case No. D99-0011 (January 14, 2000 WIPO Arb. And Mediation Ctr.), *available at* http://arbiter.wipo.int /domains/ decisions/html/1999/d1999-0001.html (last visited Jan. 2, 2002).

163. *See id.*

164. *See id.*

the owners of trademarks. For instance, imagine a circumstance in which a citizen of Germany, Uli Thormann, registers the domain name www.newidea.com with Network Solutions. Next, suppose the trademark for the words "new idea" are registered as a trademark in Germany by Willi Sanders while Frank Thomas registers the trademark for "new idea" in the United States. When Sanders realizes that his German registered trademark is being used in a domain name, he brings a complaint against Thormann before the arbitration panel of the World Intellectual Property Organization. Thomas also brings suit, but he brings the suit in a U.S. federal court under the Anticybersquatting Act.

Both Sanders and Thomas are successful in proving their cases and WIPO and the U.S. federal district court find that Thormann has infringed the trademarks of Sanders and Thomas respectively. The question then arises: who gets the rights to www.newidea.com, Sanders or Thomas? Under the current system, there is no clear answer.

Although there may be many different methods by which this system could be made more efficient, this comment will investigate one possible route that would lead to a simpler, less confusing system. This proposal involves the synchronization of the international body administering the generic top-level domains, ICANN, and an international agreement between nations to recognize each other's trademarks. An international agreement to unify trademark registration has already been made, it is called the Madrid Agreement concerning the International Registration of Marks.[165] Sixty-seven nations, including many of the members of the European Union, are party to the convention.[166] However, the United States is not party to the agreement.[167]

This proposed solution, keeping to the breadth of analysis already undertaken in this paper, speaks only to the creation a more uniform system between the United States and the European Union. The first step in pursuance of this solution would be for the United States to become party to the Madrid Agreement. Once this was accomplished there would be a system in place in which entities in the United States or in many of the major countries of

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165. *See* World Intellectual Property Organization, *Madrid System for the International Registration of Marks, available at* http://www.wipo.org/madrid /en/index.html (last visited Jan. 2, 2002).

166. *See id.* The European Countries that are party to the Madrid Treaty are Austria, Belgium, Denmark, Finland, France, Germany, Italy, Norway, Netherlands, Sweden, Switzerland, and the United Kingdom.

167. *See id.*

the European Union could use to register a trademark that would be valid throughout Europe as well as the United States.

The next step would be to create a database of all the trademarks held internationally under the Madrid Agreement as well as all of the trademarks registered nationally within each country of the system. This database would operate as a centralized system with which one could check the trademarks in existence in both the United States as well as the countries of the European Union and other parties. This would be a one-stop, uniform system that would clear up much of the confusion concerning who owns a trademark in each country.

Next, ICANN would promulgate new rules for each of its accredited registrars. These rules would state that upon every registration of a domain name under the gTLDs .com, .org. and .net the ICANN-accredited registrar would conduct a search of the trademarks registered within the proposed Madrid Agreement system. If the requested second level domain name conflicted with a trademark found within the system, the potential domain name registrant would be prohibited from registering the domain name. Furthermore, the registrar would notify the trademark holder in each case that its trademark had become the subject of a potential domain name registration and the trademark holder would be given the opportunity to register the domain name itself.

This proposal offers a solution if one entity has registered the trademark in every country, but what happens if, like the example given above, the trademark is registered by two different entities in two different countries. For this problem, ICANN would need to create an international forum to deal with domain name disputes between independent holders of the same trademark in different countries. This body must be empowered by a treaty signed by the United States and the countries of the European Union. In the event that, like Sanders and Thomas, two entities held the same trademark in different countries and there was a dispute concerning which entity should have control of the domain name corresponding with that trademark, this dispute would be sent to the ICANN body.

This ICANN body would use various sources of international law to determine which entity should have control of the domain name. The ICANN body could look to see which entity has registered the trademark in the most countries to determine in a generic manner which entity has the rights the use the domain name in the most territory of the world. Alternatively, the ICANN body could look to the general principles of law concerning

trademark disputes in the countries of the world to attempt extract some universal rule of law concerning the dispute. This system, unlike the one now in place, would provide a process by which to format disputes between trademark holders from different countries.

VI. Conclusion

The proposal made in this comment constitutes the preliminary steps needed in order to devise a more efficient, more uniform system to deal with domain name disputes. It is clear that something has to be done in order to provide an easier to use system in which an entity may register a trademark and acquire an internationally legitimate domain name. The system as it stands now is a haphazard conglomeration of international and national rules and bodies that have very little standardized organization.

An entity attempting to register a domain name has no guarantee that after registering the domain name a trademark holder from any country in the world will not come forward with a domain name dispute suit and force the domain name registrant to relinquish control of the domain name. Unless the domain name registrant has registered the word used as a domain name and as a trademark in every country of the world, there is no guarantee to the registrant that the domain name will not be taken from him or her in a suit brought in a national court or in an international arbitration forum such as the World Intellectual Property Organization. At least, under the system proposed in this comment, the potential domain name registrant will not receive a domain name registration until it has been determined that no trademark holder within the Madrid System is waiting in the shadows to come forth and take the domain name away. Furthermore, the system proposed in this comment will also ensure that those entities who register their trademarks under the Madrid System, as well as entities who own trademarks in countries that are members of the Madrid System, will have prior notice that their trademark may be registered as a domain name and will have the opportunity to register it first.

Rodney A. Myer