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**WORLD WRESTLING FEDERATION ENTERTAINMENT,
INC. V. MICHAEL BOSMAN: ICANN'S DISPUTE
RESOLUTION POLICY AT WORK**

Brian Young

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I. Introduction

On January 14, 2000, the World Wrestling Federation ("WWF") made history. "Stone Cold" Steve Austin did not administer the "Stone Cold Stunner" on any adversary, nor did "The Rock" enter anyone into the "Smackdown Hotel."¹ Instead, the WWF filed suit with the World Intellectual Property Organization ("WIPO"), in the test case for a new dispute resolution policy intended to target abusive domain name registrations, also known as "cybersquatting."² This new Uniform Domain Name Dispute Resolution Policy (hereinafter UDNDRP), promulgated by the Internet Corporation for Assigned Names and Numbers (hereinafter ICANN), is an effort to offer a streamlined alternative to adjudication in the courts.³

The WWF claimed that Michael Bosman registered the domain name <worldwrestlingfederation.com> in bad faith, that the domain name is confusingly similar to or identical to a trademark registered by the WWF, and that Bosman had no

¹ See generally <http://wwf.com>; <http://canoe.com/SlamWrestling> (following the exploits of the WWF's Steve Austin and The Rock, as well as many other wrestlers).

² See Robert B. Burlingame, *Radical Changes Affecting Domain Name Disputes Effective Immediately*, MONDAQ BUSINESS BRIEFING, Jan. 7, 2000.

³ See Uniform Domain Name Dispute Resolution Policy (visited Mar. 13, 2000) [hereinafter UDNDRP], Oct. 24, 1999. <<http://www.icann.org/udrp/udrp-policy-24oct99.htm>>

legitimate rights or interests in the domain name at issue.⁴ The Administrative Panel addressed each of these claims in turn, finding for the WWF on every one.⁵ In ruling in favor of the WWF, the Panel ordered Bosman to transfer the disputed domain to the WWF as the sole remedy.⁶

This Note will discuss the facts of *WWF*, the Administrative Panel's utilization of the UDNDRP, and how the Panel resolved the conflicting interests at issue in this case.⁷ Attention will also be paid to the cases relied upon by the Panel as precedent in rendering the decision.⁸ The Note will then review the development of the law in this area. Though the adoption of the UDNDRP will obviously be of considerable import, its significance will become more apparent after surveying relevant domain name dispute case law.⁹ These cases will show how trademark protection, which at first only protected against infringement, has grown to include protection from dilution, and now with the adoption of the Policy, prevents the abusive registration of domain names.¹⁰ The Note will then analyze *WWF* in light of the developments of the law, using *WWF* as an opportunity to look at the Policy itself, examining the level of protection afforded to trademark holders.¹¹ Finally, this Note will conclude with a discussion of UDNDRP's future as affected by

⁴ See *World Wrestling Federation Entertainment, Inc. (WWF) v. Bosman*, D99-0001 (Jan. 14, 2000) [hereinafter *WWF*]

<<http://arbiter.wipo.int/domains/decisions/html/d99-0001.html>>.

⁵ See *id.*

⁶ See *id.*

⁷ See *infra* notes 13-35 and accompanying text.

⁸ See *infra* notes 33-34 and accompanying text.

⁹ See *infra* notes 36-114 and accompanying text.

¹⁰ See *id.*

¹¹ See *infra* notes 115-167 and accompanying text.

WWF, as well as any difficulties that may be on the horizon for UDNDRP, particularly in regards to its implementation internationally.¹²

II. Statement of the Case

Michael Bosman registered the domain name <worldwrestlingfederation.com> on October 7, 1999.¹³ Just three days later, he contacted the WWF by e-mail, stating that his purpose in registering the domain name was to sell it to the WWF for a profit.¹⁴ In a subsequent e-mail dated December 3, 1999, Bosman offered to sell the domain name for \$1,000.¹⁵ In that e-mail, Bosman also pointed out that cybersquatting cases “typically accomplish very little and end up costing the companies thousands of dollars in legal fees, wasted time and energy.”¹⁶ The WWF did not accept Bosman’s offer, but instead availed itself of ICANN’s new dispute resolution process and filed a complaint with the WIPO.¹⁷ Bosman was notified of the pending complaint, as well

¹² See *infra* notes 168-175 and accompanying text.

¹³ See WWF, D99-0001, Part 4 (“Factual Background”).

¹⁴ See *id.*

¹⁵ See *id.*

¹⁶ *Id.*

¹⁷ See UDNDRP, *supra* note 3. Although the WWF filed suit with the WIPO Arbitration and Mediation Center, it is still ICANN’s UDNDRP that controls. This is because the WIPO is an ICANN-approved “Provider,” meaning it is approved to conduct the administrative proceeding in this case. See *id.* at ¶ 4; see also www.icann.org/udrp/approved-providers.htm (listing the ICANN approved Providers).

as his compulsory participation, a unique feature of the UDNDRP.¹⁸

Under the UDNDRP, to succeed in the proceeding the WWF would have to show that: (1) Bosman's domain name is identical or confusingly similar to its own trademark; (2) Bosman has no rights or legitimate interests in respect of the domain; and (3) Bosman's domain name has been registered and is being used in bad faith.¹⁹

A. Identical or Confusingly Similar to Trademark

In 1989, WWF registered the trademark "World Wrestling Federation" for a term of 20 years.²⁰ Since there is no difference between the domain name at issue and the WWF's registered trademark, the Administrative Panel found that, "[i]t is clear beyond cavil that the domain name <worldwrestlingfederation.com> is identical or confusingly similar to the trademark and service mark registered and used by the complainant, WORLD WRESTLING FEDERATION."²¹

B. Rights or Legitimate Interests

In order to demonstrate his rights or legitimate interests in the domain name, Bosman would have to show that:

¹⁸ See UDNDRP, *supra* note 3, at ¶ 4(a) (stating that "[y]ou [the registrant] are required to submit to a mandatory administrative proceeding..."). This provision is included in the Registration Agreement the applicant agrees to when registering the domain name. See *id.* at ¶ 2.

¹⁹ See *id.* at ¶ 4 (a)(i.-iii.).

²⁰ See WWF, D99-0001, at Part 4 ("Factual Background").

²¹ *Id.*

- (i) before any notice to you of the dispute, your use of, or demonstrable preparation to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or
- (ii) you (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or
- (iii) you are 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.²²

The reasons the Panel found that Bosman had no real legitimate interest in the domain name were twofold. First, he neither developed a web site using the domain name nor did he make any good faith use of the domain name.²³ Second, the Panel concluded that the domain name “is not, nor could it be contended to be, a nickname of respondent or other member of his family, the name of a household pet, or in any other way identified with or related to a legitimate interest of respondent.”²⁴

²² See UDNDRP, *supra* note 3, at ¶ 4 (c) (i-iii) (noting that the factors set out are a non-exhaustive list).

²³ See *WWF*, D99-0001, at Part 6 ("Discussion and Findings").

²⁴ *Id.*

C. Bad Faith Registration and Use

In assessing whether the domain name was not only registered in bad faith but also used in bad faith, the UDNDRP states that bad faith will be evidenced when registration occurs: (1) primarily for the purpose of selling the domain name to the owner of the trademark in excess of out of pocket expenses; (2) in order to prevent the trademark owner from reflecting the mark in a corresponding domain name, provided the registrant has engaged in a pattern of such conduct; (3) primarily to disrupt a competitor's business; or (4) with the intent to attract Internet users to the registrant's web site for commercial gain by creating a likelihood of confusion with the trademark owner as to the source, sponsorship, affiliation, or endorsement of the web site or product or service on the web site.²⁵

The Panel found that Bosman registered the domain name in bad faith, since he offered to sell it to the WWF only three days after it was registered.²⁶ The Panel then had to determine whether Bosman also used the domain name in bad faith.²⁷ Even though Bosman did not create a web site to correspond with the domain name he had registered, the Panel found the requisite use was established because Bosman satisfied one of the elements listed in

²⁵ See UDNDRP, *supra* note 3, at ¶ 4 (b) (i-iii) (noting that factors listed are without limitation).

²⁶ See WWF, D99-0001 at Part 6 ("Discussion and Findings").

²⁷ See *id.* The Panel looked to the intent of ICANN in determining that there must be both bad faith registration and use. See Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy [hereinafter Second Staff Report], Oct. 24, 1999, ¶ 4.5(a). <<http://www.icann.org/udrp/udrp-second-staff-report-24oct99.htm>> See *infra* notes 109-110.

the UDNDRP (offering to sell for more than out of pocket costs), which “shall be evidence of the registration and use of a domain name in bad faith.”²⁸

In reaching its decision, the Panel is instructed to base its decision on the statements and documents submitted, the applicable rules of the UDNDRP, and any other rules and principles of law the Panel deems relevant.²⁹ Although the Panel did not look to any decisions from the United States,³⁰ it noted that recent U.S. decisions supported the finding made with regards to Bosman’s use.³¹ In both *Intermatic Inc. v. Toeppen*,³² and *Panavision International, L.P. v. Dennis Toeppen, et al.*,³³ the domain name registrant’s intention or desire to resell the domain name was held to constitute use.³⁴

Having found that the domain name was identical or confusingly similar to a WWF trademark, that the WWF had met its burden in showing bad faith registration and use, and that Bosman had not shown any rights or legitimate interests in the

²⁸ See *WWF*, D99-0001, at Part 6 (“Discussion and Findings”) (quoting UDNDRP, *supra* note 3, at ¶ 4(b)(i)).

²⁹ See Rules for Uniform Domain Names Dispute Resolution Policy [hereinafter Rules], Oct. 24, 1999, ¶ 15(a). <<http://www.icann.org/udrp/udrp-rules-24oct99.htm>>

³⁰ See *WWF*, D99-0001, at Part 6 (“Discussion and Findings”).

³¹ See *id.*

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

³³ 141 F.3d 1316 (9th Cir. 1998),

³⁴ See *WWF*, D99-0001, at Part 6 (“Discussion and Findings”); see also *infra* notes 58-68 and accompanying text.

domain name, the Panel ordered transfer of the domain name from Bosman to the WWF.³⁵

III. Background Law

The UDNDRP is one of the most recent responses in a continuing effort to curb the problem of cybersquatting.³⁶ Before considering the potential significance of the UDNDRP itself, it is helpful to look at how it came into being. This necessitates first an examination into the initial difficulty courts had in applying traditional trademark law concepts to cybersquatting. That difficulty was next addressed by the expansion of trademark law to include protection against dilution, which leads to looking at how courts have applied this new protection towards cybersquatters. Finally, the discussion comes full circle with the passage of the UDNDRP.

A. Emergence of Cybersquatting and Trademark Infringement

The Internet offers a new market for which a company can sell its products. To do so, all a company must do is register a web

³⁵ *See id.* at 8; *see also* UDNDRP, *supra* note 3, at Paragraph 4(i) (stating that remedies are limited to either requiring the cancellation of the domain name or its transfer from the registrant to the complainant).

³⁶ *See also* Anticybersquatting Consumer Protection Act (ACPA), Pub. L. No. 106-113 (1999). This legislation was passed shortly after ICANN enacted its UDNDRP and accompanying Rules. It is similar in substance to the UDNDRP, the main differences being that it a judiciary proceeding with potential statutory damages of up to \$100,000. *See id.*

page with a registrar.³⁷ Visitors can then type in the domain name of the web site, which corresponds to the company's trademark (technically referred to as the "second level domain") and be transported there.³⁸ Unlike trademark law, though, where more than one user might be granted rights in a trademark, there can only be one user of a particular domain name.³⁹ Distinguished from second level domains are "top level domains," (such as ".net," or ".org") which are more numerous, although the popularity of ".com" makes it most appealing to companies.⁴⁰ Unfortunately for businesses, others have beaten them to the punch in registering both the preferred second level domain name (the name of the company) and the upper level domain (".com"), as registrars approve names on a first-come, first-serve basis.⁴¹ In granting the domain name, the registrar makes no determination as to conflicting trademark rights, does not limit the number of names an applicant may register, and only denies registration if an identical domain name already exists.⁴² This lack of oversight has made it relatively simple to register a company's trademark as a

³⁷ See Ed Hore, *Declaring War on Cyber-Squatters*, THE LAWYERS WEEKLY, Jan. 21, 2000. In the past, Network Solutions, Inc.(NSI) was the sole registrar available. *See id.* Currently, ICANN has opened the door for other domain registrars to compete with NSI. *See* www.ican.org/announcements/icann-pr21dec99.htm.

³⁸ See Jennifer Golinveaux, *What's in a Domain Name: Is Cybersquatting Trademark Dilution?*, 33 U.S.F.L. REV. 641(1999). Internet users can alternatively use a search engine, but this is a more cumbersome and indirect route to the company's website, which is what makes the domain name corresponding to the company's trademark so valuable. *See id.* at 643.

³⁹ *See id.*

⁴⁰ *See id.* at 642-643.

⁴¹ *See id.* at 644.

⁴² *See id.* at 645.

domain name.⁴³ The registrant then typically “sits” on the domain name, making no use of the domain name himself, but preventing the trademark owner from using it until the company is “willing to pay ‘ransom’ in order to get ‘their name’ back.”⁴⁴ Prior to implementation of the UDNDRP, those who were not willing to pay would utilize the Lanham Trademark Act, filing suits trying to allege trademark infringement.⁴⁵

Traditional trademark law focuses on protection against consumer confusion.⁴⁶ Such confusion typically arises where companies use the same trademark to promote competing products or products in the same geographic market.⁴⁷ Unlike domain names, identical trademarks are permitted to exist concurrently absent confusion, so to prevail on a trademark infringement claim, the plaintiff has to show “(1) ownership of a valid trademark, and (2) a likelihood of confusion between the registered mark and the alleged infringing use by the defendant.”⁴⁸ The Landham Act contemplates that use will be “in connection with the sale, offering for sale, distribution, or advertising of any goods or services.”⁴⁹ The cybersquatter, however, is not likely to make any use of the domain name at all; this makes a claim of infringement difficult because without any use, there is no real likelihood of consumer

⁴³ See *Sporty’s Farm v. Sportsman’s Mkt.*, 202 F.3d 489 (2d Cir. 2000).

⁴⁴ See *id.* (citing H.R. Rep. No. 106-412, at 5-7; S. Rep. No. 106-140, at 4-7 (1999)).

⁴⁵ See 15 U.S.C. § 1125(a)(1)(A) (1994).

⁴⁶ See Leslie F. Brown, *I. Intellectual Property: C. Trademark: 2. Domain Name: a) Dilution: Avery Dennison Corp. v. Sumpton*, 14 BERKELEY TECH. L.J. 247, 248 (1999).

⁴⁷ See *id.* at 248.

⁴⁸ Golinveaux, *supra* note 38, at 651 (quoting *Minnesota Mining and Mfg. Co. v. Taylor*, 21 F. Supp. 2d 1003, 1004 (D.C. Minn. 1998)) (emphasis added).

⁴⁹ 15 U.S.C. § 1114 (1)(a) (1994).

confusion.⁵⁰ As a result, there has yet to be a case that finds cybersquatting alone (that is, registration of a domain name with no subsequent use) to constitute trademark infringement.⁵¹

B. The Federal Trademark Dilution Act of 1995

Finding the principles of trademark infringement poorly tailored to address the concerns of cybersquatting, the Lanham Act was amended in 1998 to prevent the dilution of a trademark.⁵² The primary concern of the Federal Trademark Dilution Act (hereinafter FTDA) is protection of the trademark owner's interest in the trademark's value in the market, whereas traditional law was aimed at protecting against consumer confusion.⁵³ Frank Schechter was an early advocate of dilution theory, asserting that a trademark's real value "lies in its selling power," which is based in part on the mark's "uniqueness and singularity" in the marketplace.⁵⁴

The FTDA defines dilution as "the lessening of the capacity of a famous mark to identify and distinguish goods or services," and differs most from traditional trademark law in that it eliminates the

⁵⁰ See Golinveaux, *supra* note 38, at 652.

⁵¹ See *Lockhead Martin Corp. v. Network Solutions, Inc.*, 43 U.S.P.Q. 2d 1056, 1058 (C.D. Cal. 1997) (finding that "the mere fact that a person registered a ... domain name does not mean that the person infringed...[a] mark.>").

⁵² See 15 U.S.C. § 1125(c) (1998).

⁵³ See Brown, *supra* note 46, at 249.

⁵⁴ Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 831 (1927). Schechter found injury to the trademark holder resulted even where the use of the mark was on non-competing goods, describing the effect as a "gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name." *Id.* at 825.

need to show a likelihood of consumer confusion.⁵⁵ Still, a plaintiff must show: (1) that its trademark was famous; (2) commercial use in commerce by the domain name holder; and (3) dilution, either by (a) blurring or (b) tarnishment.⁵⁶ Neither tarnishment nor blurring is a perfect fit for cybersquatting, however, because the cybersquatters will most likely make no commercial use of the domain name.⁵⁷ Nevertheless, courts have been able to apply the FTDA to cybersquatting, as demonstrated by the two cases mentioned by the Administrative Panel in *WWF*.⁵⁸

1. *Panavision International, L.P. v. Toeppen*

As noted above, commercial use is the element seemingly missing from a dilution claim with regards to cybersquatting. The scope of commercial use was interpreted broadly in *Panavision*, where Dennis Toeppen had registered the domain name

⁵⁵ 15 U.S.C. § 1127 (1998).

⁵⁶ See *Panavision Int'l v. Toeppen*, 945 F. Supp. 1296, 1302 (C.D. Cal. 1996). Blurring is where a well-known mark is used in connection with a non-competing product, creating in the consumer's mind a new association with the mark, which decreases the mark's selling power. See *WAWA, Inc. v. Haaf*, 40 U.S.P.Q.2d 1629, 1996 WL 460083 (E.D. Pa. 1996) (29% of interviewees at HAHA market associated it with WAWA market). Tarnishment is the unauthorized use of a mark, resulting in negative associations with the mark. See *Toys "R" Us, Inc. v. Akkaoui*, 40 U.S.P.Q. 2d 1836, 1996 WL 772709 (N.D. Cal. 1996) (finding tarnishment because use of "Adults R Us" associated "Toys "R" Us with a line of sex products).

⁵⁷ See Golinveaux, *supra* note 34, at 656.

⁵⁸ See *id.* (noting that dilution has been extended to include "squatting" on the famous mark, as this eliminates the mark's use by its owner to identify goods or services on the Internet) (citing *Panavision*, 945 F. Supp. at 1304). See also *infra* notes 59-69 and accompanying text.

<www.panavision.com>.⁵⁹ After Panavision sent notice to Toeppen of its desire to use the domain name, Toeppen offered to sell it to the company for \$13,000.⁶⁰ Panavision then filed suit, and the court ordered Toeppen to relinquish the domain name to Panavision, having found that Toeppen diluted Panavision's trademark by preventing it from identifying and distinguishing its good on the Internet.⁶¹ The Ninth Circuit affirmed, clarifying that: "[i]t does not matter that [Toeppen] did not attach the marks to a product. Toeppen's commercial use was his attempt to sell the trademarks themselves. Under the FTDA...this was sufficient commercial use."⁶² Yet the court made its determination without any discussion of Section 1127's definition of "use in commerce"⁶³ or 1125's requirement of "commercial use in commerce,"⁶⁴ resulting in not only a broad reading of the FTDA, but a grant of protection to trademarks that much more similar to a copyright or patent.⁶⁵

⁵⁹ See *Panavision*, 945 F. Supp. 1296 (C.D. Cal. 1996). Toeppen is what some might call the "classic cybersquatter." The 240-plus domain names he had registered as of 1996 included *deltaairlines.com*, *eddiebauer.com*, and *yankeestadium.com*. See *id.* at 1300.

⁶⁰ See *id.*

⁶¹ See *id.* at 1303.

⁶² *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1325-26 (9th Cir. 1998). "So long as he held the Internet registration, he curtailed Panavision's exploitation of the value of its trademarks on the Internet, a value which Toeppen then used when he attempted to sell the <panavision.com> domain name to Panavision." *Id.* at 1325.

⁶³ See Golinveaux, *supra* note 34, at 663.

⁶⁴ See *id.*

⁶⁵ See *id.* Had the court cited these sections it would have been hard pressed to reconcile the requirements of commercial use in commerce with Toeppen's usage, which could hardly be described as "commercial" in nature. See *id.*

2. *Intermatic v. Toeppen*

In addition to *Panavision*, the Administrative Panel in *WWF* also favorably cited *Intermatic*.⁶⁶ The case is similar to *Panavision* in that it turned on whether Toeppen had engaged in commercial use of the domain name. Toeppen registered the domain name <intermatic.com> and used it first to display a software program he was developing, then to show a map of where he lived, refusing to relinquish it once Intermatic claimed their trademark rights in the name.⁶⁷ In finding dilution, the court first held that the commercial use requirement was met because “Toeppen’s desire to resell the domain name [was] sufficient to meet the ‘commercial use’ requirement of the Lanham Act.”⁶⁸ It then found that he had diluted Intermatic’s mark by weakening its ability to use its trademark as its domain name and ordered the domain name turned over to Intermatic.⁶⁹

Intermatic is plagued by a strained reading of what even constitutes dilution, suggesting that it (as well as *Panavision*) is inconsistent with the Lanham Act because its reading of commercial use is too expansive.⁷⁰ Dilution was intended to protect (1) a company from a negative association with a product (tarnishment) and (2) a company’s ‘selling power’ by preventing an association in the consumer’s mind between the company’s mark and a non-competing product (blurring).⁷¹ *Panasonic* and *Intermatic* have stretched this concept to the point where it need

⁶⁶ See *WWF*, D99-0001, at Part 6 (“Discussion and Findings”).

⁶⁷ See *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227, 1232 (N.D. Ill. 1996).

⁶⁸ *Id.* at 1239.

⁶⁹ See *id.* at 1240.

⁷⁰ See Golinveaux, *supra* note 34, at 664.

⁷¹ See *supra* notes 52-58 and accompanying text

not rise to the level of tarnishment or blurring, but can now include conduct that diminishes “the capacity of the [company’s] marks to identify and distinguish [the company’s] goods and services on the Internet.”⁷²

C. Enter ICANN

Although the courts attempt to use the FTDA to deal with cybersquatting, Congress noted that the legal remedies available for victims of cybersquatting were “expensive and uncertain.”⁷³ The Senate perhaps best summarized the state of the law:

While the [FTDA] has been useful in pursuing cybersquatters, cybersquatters have become increasingly sophisticated as the case law has developed and now take the necessary precautions to insulate themselves from liability. For example, many cybersquatters are now careful to no longer offer the domain name for sale in any manner that could implicate liability under existing trademark dilution case law. And, in cases of warehousing and trafficking in domain names, courts have sometimes declined to provide assistance to trademark holders, leaving them without adequate and effective judicial remedies. This uncertainty as to the trademark law’s

⁷² *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d at 1327; *see also* Brown, *supra* note 42, at 262.

⁷³ H.R. REP. NO. 106-412, at 6. For an example of ‘uncertainty,’ *see Avery Dennison Corp. v. Sumption, et al.*, No. 98-55810, 1999 U.S. App. Lexis 19954 (9th Cir. Aug. 23, 1999), where the Ninth Circuit reversed a finding of dilution, concluding that a factfinder could find that dilution only occurs with a “.com” top level domain and not with a “.net” registration. *See also Ninth Circuit Holds Avery Dennison Marks Not Sufficiently Famous For Anti-Dilution Protection*, 16 No. 11 COMPUTER LAW 29 (1999).

application to the Internet has produced inconsistent judicial decisions and created extensive monitoring obligations, unnecessary legal costs, and uncertainty for consumers and trademark owners alike.⁷⁴

Essentially, what trademark law needed was either legislation or a policy directly aimed at addressing the problem of cybersquatting, rather than the continued application of principles that only tangentially applied to the concern at hand.

To this end, in 1998 the U.S. Department of Commerce issued a report entitled *Management of Internet Names and Addresses* (the White Paper), in hope of privatizing the management of the Internet domain name system.⁷⁵ The U.S. then requested that the WIPO conduct studies of the domain name conflicts occurring between domain name holders and trademark owners, and make recommendations as to guidelines adequate for resolving such conflicts.⁷⁶ The eventual result of these studies was the WIPO's Final Report on the Management of Internet Names and Addresses,⁷⁷ which was then submitted to ICANN.

ICANN is the realization of the White Paper – a private non-profit corporation created to assume responsibility for domain name addressing systems.⁷⁸ ICANN is formally recognized by the U.S. Department of Commerce and possesses far-reaching

⁷⁴ S. REP. NO. 106-140, at 7.

⁷⁵ See 63 Fed. Reg. 31741 (1998).

⁷⁶ See Frequently Asked Questions [hereinafter FAQ], Sep. 13, 1999 (visited Mar 13, 2000). <<http://www.icann.org/general/faq1.htm>>

⁷⁷ See Final Report of the WIPO Internet Domain Name Process. <<http://wipo2.wipo.int/process1/report/finalreport.html>>

⁷⁸ See FAQ, *supra* note 76, at FAQ on At Large Membership and Elections.

responsibilities.⁷⁹ One of these responsibilities is implementing the UDNDRP, which is based in large part upon principles from the WIPO Final Report, as well as recommendations drawn from registrars and public comment.⁸⁰ The UDNDRP is characterized by two broad themes: (1) providing a streamlined, efficient, and inexpensive alternative to the courts for domain name disputes, and (2) balancing trademark holders' interests in preventing cybersquatting with domain name holders' interests in preventing "reverse domain name hijacking."⁸¹

⁷⁹ See John Delaney and Robert Murphy, *The Law of the Internet: A Summary of U.S. Internet Caselaw and Legal Developments*, 570 PLI/Pat 169, 263 (1999). ICANN's responsibilities are to:

lessen[] the burdens of government and promot[e] the global interest in the operational stability of the Internet by (i.) coordinating the assignment of Internet technical parameters as needed to maintain universal connectivity on the Internet; (ii.) performing and overseeing functions related to the coordination of the Internet Protocol (IP) address space; (iii.) performing and overseeing functions related to the coordination of the Internet domain name system (DNS), including the development of policies for determining the circumstances under which new top-level domains are added to the DNS root system; (iv.) overseeing operation of the authoritative Internet DNS root server system; and (v.) *engaging in any other lawful activity* in furtherance of items (i.) through (iv.).

Id. (emphasis added).

⁸⁰ See FAQ, *supra* note 76, at FAQ on Uniform Dispute Resolution Policy.

⁸¹ See Rules, *supra* note 29, at ¶ 1. Reverse domain name hijacking "means using the [UDNDRP] in bad faith to attempt to deprive a registered domain name holder of a domain name. *Id.*

1. *A Cheaper and Quicker Administrative Process*

One of the unique problems associated with cybersquatting is that the domain name holder registers the domain name under the belief that it is less expensive for the trademark holder to pay him to give up the domain name than it will be to litigate the matter for an unknown length of time.⁸² To combat this, the UDNDRP proceedings should take less time than traditional litigation because they are conducted largely through e-mail⁸³ and there generally are no in-person hearings.⁸⁴ Decisions are expected less than forty-five days after the complaint is submitted⁸⁵ (*WWF* was decided within that time frame) and the process costs an estimated \$1000 plus fees to be paid to the member(s) of the Administrative Panel.⁸⁶ The only remedies available are cancellation of the domain name or transfer to the complainant,⁸⁷ and either party may appeal the Panel's decision to a court of competent jurisdiction within ten business days of the decision.⁸⁸

In addition to being designed to be fast and inexpensive, the UDNDRP is further shielded from protracted proceedings by the limitations in the scope and complexity of cases that may be submitted. This mandatory administrative process⁸⁹ is only

⁸² See Brown, *supra* note 46, at 251.

⁸³ See Rules, *supra* note 29, at ¶ 2(a)(ii).

⁸⁴ See *id.* at ¶ 13.

⁸⁵ See FAQ, *supra* note 76, at Uniform Dispute Resolution Policy. The Panel is expected to render its decision within fourteen days of its appointment. See UDNDRP, *supra* note 3, at ¶ 15.

⁸⁶ See FAQ, *supra* note 76, at Uniform Dispute Resolution Policy.

⁸⁷ See UDNDRP, *supra* note 3, at ¶ 4(i).

⁸⁸ See *id.* at ¶ 4(k).

⁸⁹ See UDNDRP, *supra* note 3, at ¶ 4(a.) (noting the types of disputes for which the domain name holder is "required to submit to a mandatory administrative

available to the complainant in cases of alleged abusive registration.⁹⁰ The UDNDRP leaves all other disputes to the resolution of the courts.⁹¹

2. *Protecting Trademark Holder Interests*

By its very nature, cybersquatting is done in bad faith, because there is no legitimate right in or intent to use the domain name registered. The UDNDRP extends beyond dilution, which required some showing of ‘commercial use,’⁹² providing a non-exclusive list of what constitutes bad faith use.⁹³ The most common scenario where the domain name holder has registered the name in bad faith consists of some offer to the company to give up the name in exchange for a sum that is in excess of what was paid to register it, harboring back to the assumption that it will be easier and cheaper for trademark holders to settle matters this way.⁹⁴ This is expressly prohibited under the terms of the UDNDRP.⁹⁵

Bad faith use is also described in terms that incorporate the principles of trademark protection regarding dilution and infringement. To address dilution concerns, it is deemed bad faith use registering to prevent the trademark owner from reflecting its

proceeding,” as per the domain holder’s registration agreement with a registrar). See also *supra* notes 37-51 and accompanying text.

⁹⁰ See Second Staff Report, *supra* note 27, at ¶ 4.1.

⁹¹ See *id.* For instance, so-called ‘legitimate’ disputes where both parties have trademark rights in the domain name would necessarily involve more complex, time consuming issues, and so are excluded from the process. See *id.*

⁹² See *supra* notes 52-72 and accompanying text.

⁹³ See UDNDRP, *supra* note 3, at ¶ 4(b.); *supra* notes 25-34 and accompanying text.

⁹⁴ See Brown, *supra* note 82, and accompanying text.

⁹⁵ See UDNDRP, *supra* note 3, at ¶ 4(b.)(i.).

mark in a corresponding domain name.⁹⁶ Similarly, attempting to commercially profit by creating a likelihood of confusion with the trademark holder is also evidence of bad faith, a classic infringement protected against by trademark law.⁹⁷

Finally (and as previously discussed), in providing an alternative to costly litigation, the UDNDRP is intended to encourage trademark holders to assert their trademark rights against abusive registrants.⁹⁸

3. Protecting Domain Name Holder Interests

The UDNDRP safeguards the rights of domain name holders primarily through inclusion of: (1) a non-exhaustive list of circumstances that show the registrant's legitimate interests in the domain name⁹⁹ and (2) penalties to discourage reverse domain name hijacking.¹⁰⁰

(a.) Legitimate Interests.

First, there can be no finding of abusive registration where the domain name holder shows a "legitimate noncommercial or fair use," so long as there is no intent: (1) "for commercial gain to misleadingly divert consumers" or (2) "to tarnish the

⁹⁶ See *id.* at ¶ 4(b)(ii.). This section is akin to the protection of the trademark holder's 'selling power' encompassed by the FTDA. See *supra* notes 51-57 and accompanying text.

⁹⁷ See UDNDRP, *supra* note 3, at Paragraph 4(b)(iv.); *supra* notes 37-50 and accompanying text.

⁹⁸ See *supra* notes 92-97 and accompanying text.

⁹⁹ See UDNDRP, *supra* note 3, at Paragraph 4(c.).

¹⁰⁰ See Rules, *supra* note 29, at Paragraph 15(e.).

trademark.”¹⁰¹ This section reads much like the fair use section of the FTDA.¹⁰² Similar to the FTDA then, a domain name holder’s use of the domain name for commentary, criticism, or comparison of a mark should not be considered abusive registration.¹⁰³

Second, the domain name holder will also be protected if commonly known by the domain name.¹⁰⁴ Thus a domain name holder will not be viewed as a cybersquatter simply because he registers his nickname as the domain name, even if this happens to be a trademark. For example, a parent who registers her son’s nickname “Pokey” or her daughter’s name “Veronica” as a domain name would likely be outside the reach of the UDNDRP, despite the fact that both “Pokey” and “Veronica” are also trademarks.¹⁰⁵ This example of course assumes the absence of commercial activity.

The domain name holder is also permitted to use the domain name for the “bona fide offering of goods or services.”¹⁰⁶ Yet this ‘bona fide’ offering clause assumes that the domain name holder

¹⁰¹ UDNDRP, *supra* note 3, at Paragraph 4(c).(iii). “Tarnishment” is limited to acts done with the intent to commercially gain. *See* Second Staff Report, *supra* note 27, at End Notes 2.

¹⁰² *See* 15 U.S.C. § 1125(c)(4) (1998) (stating that fair use of famous mark in comparative advertising or promotion to identify competing goods, noncommercial use of mark, and all forms of news reporting and news commentary are not actionable as dilution).

¹⁰³ *See id.*

¹⁰⁴ *See* UDNDRP, *supra* note 3, at Paragraph 4(c)(ii).

¹⁰⁵ *See* Brown, *supra* note 46, at 256 n.76 (citing Jeri Clausing, *Boy’s Web Site Becomes A Domain Name Cause*, NY TIMES, Cybertimes; <http://www.nytimes.com/library/tech/98/03/cyber/articles>). Neither trademark holder (Prema Toy Co. for pokey.org and Archie Comics for veronica.org) brought suit. *See id.*

¹⁰⁶ UDNDRP, *supra* note 3, at Paragraph 4(c)(i).

has the right, as a legal matter, to sell whatever goods or services that are being offered.¹⁰⁷

Lastly, though the cybersquatter will often “sit” on the domain name and not put it to any use,¹⁰⁸ the UDNDRP protects the domain name user who has not yet used his domain name.¹⁰⁹ “[D]emonstrable preparations to use” the domain name are a sufficient showing of use and will rebut an allegation of warehousing the domain name to simply prevent the trademark holder from using it.¹¹⁰

b. Reverse Domain Name Hijacking

Since the UDNDRP is relatively inexpensive and quick, there is some fear that the process might be used indiscriminately by large companies to harass domain name holders who have legitimate interests in the domain name they have registered.¹¹¹ Two provisions of the UDNDRP are directly intended to minimize this risk. First, if the Panel determines that the complaint was brought in bad faith or to harass the domain name holder, “the Panel shall declare in its decision that the complaint was brought in bad faith

¹⁰⁷ See Kathryn Barrett Park, *UDRP Response* (Oct.13, 1999)

<http://www.icann.org/comments-mail/comment-udrp/current/msg00087.html>.

Even if a domain name holder incorporated one of the NBA’s trademarks as his domain name, only the NBA can authorize the sale of products bearing its logo, so any offering by the domain name holder would not be ‘bona fide.’ See *id.*

¹⁰⁸ See *supra* notes 50-69 and accompanying text.

¹⁰⁹ See UDNDRP, *supra* note 3, at Paragraph 4(c)(i).

¹¹⁰ See *id.*

¹¹¹ See Mark Grossman, *New Year, New Laws on Cybersquatting*, PALM BEACH DAILY BUSINESS REVIEW, Jan. 11, 2000, at A1 (noting that both ICANN and ACPA may encourage companies with “at best arguable trademarks” to engage in “corporate bullying”).

and constitutes an abuse of the administrative proceeding.”¹¹² Second, ICANN believes that the domain name holder is protected by the inclusion of a ten day period to seek court review of a Panel’s ruling.¹¹³ It is important to note that the complainant bears the burden of proof in showing bad faith registration and use, which should lower the incidence of reverse domain name hijacking.¹¹⁴

In theory, the UDNDRP was written to accommodate the interests of both domain name holders and trademark holders within the confines of a proceeding that would provide a more economic alternative to the courtroom. In practice, *WWF* presented the first opportunity to see how successful this balancing process would be.

IV. Significance of the Case

On its face, *WWF* is not a particularly groundbreaking decision. The outcome would arguably be the same even if the action had been decided by a court as opposed to the Administrative Panel. This conclusion is supported by both the expansion of what constitutes dilution in the past few years¹¹⁵ and the Panel’s statement that its decision was not inconsistent with U.S. decisions in the area.¹¹⁶ Yet it might be too soon to call the

¹¹² Rules, *supra* note 29, at Paragraph 15(e).

¹¹³ See Second Staff Report, *supra* note 27, at Paragraph 4.10; UDNDRP, *supra* note 3, at Paragraph 4(k).

¹¹⁴ See Second Staff Report, *supra* note 27, at Paragraph 4.10.

¹¹⁵ See *supra* notes 59-72 and accompanying text.

¹¹⁶ See *WWF*, D99-0001, at 7; see *supra* notes 30-35 and accompanying text.

UDNDRP a resounding success.¹¹⁷ When one looks at what *did not* occur in *WWF*, it becomes clearer that the UDNDRP may not be as effective in protecting domain name holder's interests as it purports to be, when circumstances differ from those in *WWF*.

First, there was no appeal of the decision by the domain name holder. In fact, the parties to the case were in negotiation settlement when the decision was issued.¹¹⁸ Second, the decision did not address whether the mark "World Wrestling Federation" is famous, or whether others might also possess some rights in that mark. Third, this case did not involve active use of the domain name by the domain name holder.¹¹⁹ Fourth, there was no charge of reverse domain name hijacking on the part of the WWF. Fifth, and perhaps most importantly, this case did not involve a party outside of the U.S.¹²⁰ By the UDNDRP's own terms, the presence of any of these factors would pose substantial difficulties to the UDNDRP's implementation, as well as place domain name holders at a marked disadvantage in relation to trademark holders.

¹¹⁷ See Press Release PR/2000/204 (Jan. 14, 2000) (search word: 'WWF'), *First Cybersquatting Case Under WIPO Process Just Concluded*,

<http://www.wipo.org/eng/main.htm> (stating that the UDNDRP "demonstrates the viability of a cost effective and efficient alternative to court proceedings.").

¹¹⁸ See *WWF*, D99-0001, at 4. Though the parties were negotiating on their own, a decision was made by the Panel to comply with the deadlines established by the Rules. *See id.*

¹¹⁹ *See id.* at 7 ("it is not disputed that respondent did not create a web site...").

¹²⁰ *See id.* at 6 ("both the complainant and the respondent are domiciled in the [U.S.]").

A. Appeals Process

The UDNDRP gives each party ten days to appeal a Panel decision to a court.¹²¹ The initial problem posed here is one of timeliness. Practically, ten days is likely to be an insufficient amount of time to allow for appeal.¹²² Within this time frame, the domain name holder would have to interview and select counsel, and the retained counsel would then have to become familiar with the facts of the case, select a forum,¹²³ and file papers with the selected court.¹²⁴ Realistically, it might take ten days just to select counsel.¹²⁵ The UDNDRP process may be inexpensive for the trademark holder, but is not necessarily cost effective for the domain name holder, who likely will have to retain counsel before the administrative proceeding begins, to ensure that he can file an appeal within ten days of the decision.¹²⁶

In addition to timeliness, there is a question of the equity of the appeals process.¹²⁷ Though the ten-day appeal window is available

¹²¹ See UDNDRP, *supra* note 3, at Paragraph 4(k).

¹²² See Carl Oppedahl, *Comments Regarding UDP* (Oct. 13, 1999)

<http://www.icann.org/comments-mail/comment/udrp/current/msg00105.html>.

¹²³ See Rules, *supra* note 29, at Paragraph 1. Jurisdiction is determined by either the location of the principal office of the registrar or the domain name holder's address as shown in the registrar's database. *See id.*

¹²⁴ See Oppedahl, *supra* note 122.

¹²⁵ *See id.* Network Solutions, Inc., the sole registrar prior to ICANN, recognizing the limitations of its own 14 day period for appeal, lengthened its appellate period to 37 days. *See id.*

¹²⁶ See Michael Froomkin, *A Catalog of Critical Process Failures; Progress on Substance; More Work Needed* (Oct. 13, 1999) <http://www.icann.org/comments-mail/comment-udrp/current/msg00101.html>.

¹²⁷ See Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy [hereinafter Staff Report], Sept. 29, 1999, Paragraph 2; <http://www.icann.org/udrp/staff-report-29sept99.htm> (stating that “[t]here

to both parties, any notion of parity in the appeals process between the domain name holder and the trademark holder is illusory.¹²⁸ If the domain name holder loses and does not file an appeal within ten days, his domain name will either be cancelled or transferred to the trademark holder.¹²⁹ If the trademark holder loses, however, he can appeal during the ten day appeals process – or he can wait. The trademark holder’s only limit in bringing suit against the domain name holder in a court of law is any applicable statute of limitations. In effect, the trademark holder will get a “second bite at the apple” at his leisure, while the domain name holder is constrained by the ten-day period established by the UDNDRP.¹³⁰

Finally, the ten-day filing rule does not take into consideration the domain name holder who is not domiciled in the U.S. and is registered with a non-U.S. registrar.¹³¹ In general, the U.S. rules of pleading are liberal, permitting amendments once as a matter of right.¹³² Other countries may not have such relaxed standards and may more closely resemble Mexico, where “[o]nce drafted, a complaint cannot be refiled.”¹³³ If this is the case, the domain name holder must either give up his home forum to register with a foreign registrar where the applicable law is more liberalized or

should be a general parity of appeal rights of complainants and domain name holders.”).

¹²⁸ See Oppedhal, *supra* note 122.

¹²⁹ See UDNDRP, *supra* note 3, at Paragraph 4(i).

¹³⁰ Oppedhal, *supra* note 122.

¹³¹ See Froomkin, *supra* note 126. This concern is obviously related to broader international issues raised by the UDNDRP. See *infra* notes 160-167 and accompanying text.

¹³² See Froomkin, *supra* note 126.

¹³³ See *id.* (quoting JORGE A. VARGAS, MEXICAN LAW: A TREATISE FOR LEGAL PRACTITIONERS AND INTERNATIONAL INVESTORS §20.2 (1998)).

retain counsel early on in the administrative process to be certain of compliance with pleading rules in the event of an appeal.¹³⁴

B. *Famous Marks*

In trademark law, there are varying degrees of protection offered a mark, depending on the nature of the term. Terms that are generic or merely descriptive of the product are afforded little protection, while those marks that are fanciful, bearing no real relation to the product or the point of origin, are given greater protection.¹³⁵ Furthermore, any relief available under the FTDA is only available to the “owner of a famous mark.”¹³⁶ There is no such limiting language in the UDNDRP.

The lack of qualified protection of trademarks under the UDNDRP may harm both domain name holders and trademark holders alike. Domain name holders will suffer as “overly broad claims by trademark owners are invited and will be made with impunity.”¹³⁷ In such a situation, the trademark holder will often win because, without regards to bad faith use and possible legitimate interest defenses, the domain name holder is already on shaky ground just because the term is similar or identical to the trademark.¹³⁸ So, while traditionally, multiple users were

¹³⁴ *See id.*

¹³⁵ *See* 15 U.S.C. §1052(e) (1994).

¹³⁶ *Id.* at §1125(c)(1) (1998) (emphasis added).

¹³⁷ *See* Kathryn Kleiman, *Paper: Concerns About ICANN Uniform Dispute Resolution Policy* (Aug. 24, 1999) <http://www.icann.org/comments-mail/comment-udrp/current/msg00012.html> (noting that there is no punishment for bringing frivolous claims).

¹³⁸ *See* Shari Steele, *EFF's Comments on the Uniform Dispute Resolution Policy (UDRP)* (Aug. 24, 1999) <http://www.icann.org/comments-mail/comment-udrp/current/msg00015.html>.

permitted on a word, name, or symbol so long as it was used in a different context such that consumer confusion would not result (with the exceptions of famous marks protected under the FTDA not required to show confusion) now a company can preclude use of a word and the domain name holder is left having to register a less desirable one.¹³⁹

This will also work to the detriment of trademark holders generally. Due to the lack of any requirement that the trademark be famous, a trademark holder can win the right to its corresponding domain name based on nothing more than his bringing suit first.¹⁴⁰ It is often the case that there are many companies who share rights in a trademark. These rights can coexist because they are in either different product or geographic markets. Yet only one can have the domain name. This will result in a rush to the courthouse, as a trademark holder becomes the “supposedly deserving recipient of a domain name” by virtue of filing first.¹⁴¹ This, in turn, also harms the domain name holder, as suits that would otherwise not be brought by those who are “one among many” are filed in an effort to win the exclusive right to the domain name.¹⁴²

Furthermore, even if a term is accepted as famous in a single market or even country, that is not to say it will be so understood

¹³⁹ *See id.*

¹⁴⁰ *See* Oppedahl, *supra* note 122.

¹⁴¹ *Id.*

¹⁴² *Id.* For a more general discussion of the “one among many” problem, *see* Carl Oppedahl, *Remedies in Domain Name Lawsuits: How is a Domain Name Like A Cow?*, 15 JOHN MARSHALL JOURNAL OF COMPUTER & INFORMATION LAW 437 (1997).

globally.¹⁴³ A problem not yet addressed by the UDNDRP is a trademark that is famous in one country (Ford, for example), with others in that same country owning rights to the trademark (Ford Modeling Agency, for example), yet with other countries not recognizing the mark as famous.¹⁴⁴ The resolution of such a quagmire only becomes more difficult when the interests of the domain name holder in using the name must also be considered.

C. *Active Use of Domain Names*

Bosman, the domain name holder in *WWF*, was not making use of the domain name. If he had been, the UDNDRP does protect the “legitimate noncommercial or fair use” of the domain name.¹⁴⁵ At the same time, however, this use cannot be used with the intent to tarnish the trademark at issue.¹⁴⁶ This raises very troubling implications regarding the impact the UDNDRP may have on free speech.

The FTDA provides defenses to charges of dilution, such that even in circumstances where there is tarnishment of the trademark, there may be defenses that will protect the use.¹⁴⁷ With the UDNDRP, however, there are not even defenses to the mere intent to tarnish. The effect may be to chill free speech, particularly as it is connected with criticism.¹⁴⁸ For instance, the domain name

¹⁴³ See Jonathan E. Moskin, *Internet Governance System Evolves*, N. Y. L. J., March 15, 1999, at S6.

¹⁴⁴ See *id.*; see also *infra* notes 160-167 and accompanying text.

¹⁴⁵ UDNDRP, *supra* note 3, at Paragraph 4(c)(iii).

¹⁴⁶ See *id.*

¹⁴⁷ See 15 U.S.C. §1127(c)(4) (1998); *supra* note 102.

¹⁴⁸ See Jonathan Weinberg, *Comments on UDRP* (Oct. 14, 1999)

<http://www.icann.org/comments-mail/comment-udrp/current/msg00102.html>.

holder of “companyX-sucks.com” would appear to have no legitimate interests in the domain name because of the intent to criticize, thereby ‘tarnishing,’ the mark.¹⁴⁹ Such trademark protection would go far beyond that contemplated by the FTDA, which in itself was a noted expansion of trademark law.¹⁵⁰

Besides the effect on free speech in general, the presence of the term ‘tarnish’ presents problems for international implementation. The meaning of tarnishment varies depending upon the legal system defining it.¹⁵¹ This once again highlights the difficulty of applying the UDNDRP on an international stage.¹⁵²

D. Reverse Domain Name Hijacking

When the UDNDRP was drafted, there was neither input from anyone who had ever been a target of reverse domain name hijacking nor from any lawyer who had represented a target of reverse domain name hijacking in court.¹⁵³ Although one of the

¹⁴⁹ See *id.* See also <http://www.gwbush.com>. A visit to this site makes it clear that it is meant to disparage the presidential candidate. The UDNDRP might be used as a tool to suppress such critical commentary.

¹⁵⁰ See *supra* notes 52-72 and accompanying text. *But see* Planned Parenthood Fed’n of America, Inc. v. Bucci, 1988 U.S. Lexis 22179 (2d Cir. Feb. 9, 1998), in which the defendant was enjoined from using domain name plannedparenthood.com as an anti-abortion site and there was no First Amendment protection because the words were not used as part of a communicative message. Significantly, though, the domain name was used to sell a book, which was a commercial activity.

¹⁵¹ See Froomkin, *supra* note 126 (noting that “[a]t various times and places, even gentle criticism of corporations such as comparative price and quality advertisement have been held as tarnishment.”).

¹⁵² See *supra* notes 131,144 and accompanying text; *infra* notes 160-167 and accompanying text.

¹⁵³ See Oppedahl, *supra* note 122.

stated goals for the UDNDRP was minimization of the occurrence of reverse domain name hijacking,¹⁵⁴ the only protection afforded by the UDNDRP is found in Paragraph 15(e) of the Rules. That protection consists of a notation in the decision that the complaint was brought in bad faith.¹⁵⁵ And that's it.

Such a sanction can aptly be described as nothing more than a “potential slap on the wrist [by] being chastised in [a] decision.”¹⁵⁶ What is missing from the UDNDRP is any real deterrent to prevent the trademark holder from bringing a harassing or frivolous suit against a domain name holder.¹⁵⁷ In the U.S., the trademark holder must always consider the possibility of Rule 11 sanctions, ranging from censure to monetary penalties, before bringing a lawsuit that might be found to be frivolous, a deterrent absent from the UDNDRP.

Without a similar safeguard to keep the trademark holder “honest,” it is not difficult to imagine a company taking advantage of the inexpensive UDNDRP process (in comparison to the court system) to take a shot at forcing a domain name holder to give up his name.¹⁵⁸ In one sense, the UDNDRP serves to encourage rather than minimize reverse domain name hijacking, for even if the trademark holder loses in this proceeding, the case can always be filed in court.¹⁵⁹

¹⁵⁴ See Second Staff Report, *supra* note 27, at Paragraph 4.10.

¹⁵⁵ See Rules, *supra* note 29, at Paragraph 15(e).

¹⁵⁶ See Froomkin, *supra* note 126.

¹⁵⁷ *But see supra* notes 25-28 and accompanying text (explaining that trademark holder has to prove bad faith use by the domain name holder).

¹⁵⁸ See Milton Mueller, *UDRP Too Weak on RDNH* (Oct. 13, 1999)

<http://www.icann.org/comments-mail/comment-udrp/current/msg00088.html>.

¹⁵⁹ See *id.* (noting other potential alternatives to deter reverse domain name hijacking).

E. International Application of the UDNDRP

The parties in *WWF* were both domiciled in the U.S., but that will not always be the case. When it is not, it is unclear how the UDNDRP will operate. Except as explicitly stated in international treaties,¹⁶⁰ ownership of a trademark in the U.S. does not confer rights in other countries, and vice versa.¹⁶¹ Also, in the U.S., the first user of a trademark will prevail over the second user, even if the second user registered the trademark first, so long as he can prove priority of use.¹⁶² Yet in many foreign countries, the inverse is true in that rights are granted not according to who uses first, but by who registers first.¹⁶³ To illustrate, consider use of the mark “millenium” by an American company and a German company, both of whom want the domain name <millenium.com:>

If the American company had been using the mark since 1985 but owned no registration, and if the German company owned a 1990 registration in Germany, there would be no question that the American company would prevail in a dispute over the rights to use the mark MILLENIUM in ordinary commerce in the U.S. The German company would likewise prevail in its home country.¹⁶⁴

But since there can be only one <millenium.com,> it is unclear who would win in an action brought by one against the other, or by either against a third party who had no rights in the name but had

¹⁶⁰ See 15 U.S.C. §1126 (1994).

¹⁶¹ See *Moskin*, *supra* note 143, at 4.

¹⁶² See *id.*

¹⁶³ See *id.*

¹⁶⁴ See *id.*

either registered or used the domain name first.¹⁶⁵ The UDNDRP requires that the domain name holder assert in his registration agreement that “to your knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party.”¹⁶⁶ The above hypothetical demonstrates the difficulty in determining whether the domain name violates the applicable laws or regulations of a particular country, without further elaboration by ICANN of what regulations are meant to apply.¹⁶⁷

V. Conclusion

Since the decision in *WWF*, there have been five cases decided under the UDNDRP, and many more are pending.¹⁶⁸ All of the cases decided so far have been decided in favor of the trademark holder. While this may be a reflection of the effectiveness of the UDNDRP in only resolving cases of clear cybersquatting, it also raises concerns about the potential impact of the UDNDRP on domain name holders. *WWF* appears to have been decided correctly under the UDNDRP and has proven successful as the test case of the UDNDRP. However, that is not to say that the process

¹⁶⁵ Though such a scenario is problematic, it should be noted that while the UDNDRP does not provide specifically for its resolution, this would likely be a “legitimate” dispute and outside of the scope of the UDNDRP’s focus on “abusive” registration. The potential for reverse domain name hijacking, however, suggests that this scenario should be addressed.

¹⁶⁶ UDNDRP, *supra* note 3, at Paragraph 2.

¹⁶⁷ See Ellen Rony, *Comments of UDRP Draft of 9/29/99* (Oct. 13, 1999) <<http://www.icann.org/comments-mail/comment-udrp/current/msg00096.html>>

¹⁶⁸ See Decisions <<http://arbiter.wipo.int/domains/decisions/index.html>>.

is flawless as it is currently written; the ICANN staff even admits as much.¹⁶⁹

There are legitimate concerns regarding how the UDNDRP will be applied to both domain name holders and trademark holders in the U.S. and abroad. It is ICANN's goal to address these concerns by refining the UDNDRP as needed, and ICANN believes these changes will "best be made with the benefit of experience with the real-world operation of the policy."¹⁷⁰ Until such time, though, one can only hope that every decision utilizing the UDNDRP is resolved under circumstances similar to *WWF*, where the trademark holder is being protected from clearly abusive registration and the domain name holder has no legitimate interests in the domain name.

Developments in domain names independent of the UDNDRP also may have a large impact on the UDNDRP. ICANN is considering the addition of new top-level domain names to the already available .com, .net, and .org.¹⁷¹ This could potentially resolve some of the conflicts between domain name holders and trademark holders as regards the scarcity of a desired domain name.¹⁷² Also, the length allotted to domain names has been increased from twenty-two characters to sixty-three, further increasing the range of domain name variations available.¹⁷³ These

¹⁶⁹ See Second Staff Report, *supra* note 27, at Paragraph 1.6 (stating that "no claim can be made that [the UDNDRP] is perfect or incapable of being refined.").

¹⁷⁰ *Id.*

¹⁷¹ See Patrick Thibodeau, *Companies Bemoan Domain Quicksand; .shop, etc. Would Add To Trademark Battles*, COMPUTERWORLD, Jan. 31, 2000, at 4.

¹⁷² See FAQ, *supra* note 76, at "new generic top-level domains." More top-level domain names may also give rise to further headaches, however, with regard to consumer confusion, infringement, and cybersquatting. See *id.*

¹⁷³ See Thibodeau, *supra* note 171, at 4.

developments would appear to favor domain name holders in general, suggesting perhaps that cybersquatting will become less of an issue as more options become generally available to both domain name holders and trademark holders in selecting a domain name.

Yet it is far too soon in the game to label the UDNDRP as already obsolete and ignore addressing its flaws. While domain name disputes may one day become a thing of the past, right now “.com” is the domain name that the Internet user goes to, and therefore the one that domain name holders and trademark holders alike want.¹⁷⁴ Until such a time, the UDNDRP will be instrumental in resolving domain name disputes because “[i]t’s possible that in five years they will be gone. But its going to be a rough five years.”¹⁷⁵

¹⁷⁴ *See id.*

¹⁷⁵ Brenda Sandburg, *The Name Game*, THE RECORDER, Sept. 8, 1999, at 1.