Chapter 11

Interacting with the Internet

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As the commercial importance of the Internet escalates, its impact on the world of trademarks also escalates. This chapter addresses (1) trademark issues raised by the Internet, for example, cybersquatting and other domain name disputes, use of competitors’ trademarks as search engine keywords and in "sponsored links," and First Amendment concerns; and (2) use of the Internet as a source for information and evidence. But first, some basics.

§ 11:1 Internet Basics for Trademark Owners

- The Internet refers to a global network of computers linked together by communications lines.
Websites or web pages. Once your computer is linked to the Internet, you have access to files, called websites or web-pages, posted on the Internet from anywhere in the world.

Hypertext markup language (HTML) refers to the computer code used to construct web pages.

§ 11:1.1 Internet Addresses and Domain Names

IPA (Internet protocol address) is the unique number that is assigned to each website and that identifies the website’s location within the Internet. For example, IPA 140.147.248.209 corresponds to www.congress.gov.

DNS (domain name system) provides a way of referring to websites by easy-to-remember names rather than numbers.

ICANN, or Internet Corporation for Assigned Names and Numbers, oversees the domain name system. It is a nonprofit, private corporation formed in 1998. ICANN’s purpose is to assign the numbers used as Internet protocol addresses to the regional registries, delegate responsibility for registering names, develop procedures to resolve disputes over the registration of domain names, and regulate technical aspects of the Internet. See http://www.icann.org.

URLs (uniform resource locators) are addresses used to locate information (and post information for others to see) on this network. A typical URL to a website home page would read something like this:

http://www.mcdonalds.com

Also, each web page that makes up a website has its own URL, consisting of the domain name plus a predomain path or postdomain path. Such paths are often made up of words describing the page’s contents. For example:


is the URL for the page telling you how to open your own McDonald’s franchise with “/corporate/franchise/index.html” in the postdomain path. In another example, an online ticket reseller got into trouble with the FTC by adding terms to
the predomain path of its otherwise innocuous musichall-ny.
com domain name, making it appear that the reseller was
associated with a famous venue:

radiocity.musichall-ny.com

Official Ticket Source Online for Radio City Music Hall
Tickets in NY

In this example, “radiocity” is in the predomain path.¹

- **Domain name** is the named address portion of the URL that
  represents the IPA (Internet protocol address). Domain
  names comprise at least two levels.

- **Top-level domain** identifies the general nature or location of
  a domain.

  - **Generic top-level domains** (gTLDs) originally included:
    - .com for commercial;
    - .gov for government;
    - .edu for educational institution;
    - .org for organization; and
    - .net for Internet-related organizations.

  - Seven new gTLDs were added in 2001 and 2002, including:
    - .info for any use; and
    - .biz intended for businesses.

  - Six new **sponsored gTLDs** (.asia, .cat, .jobs, .mobi, .tel,
    and .travel) were added in 2003. A sponsored gTLD is a
    specialized TLD that has a sponsor representing a
    relatively narrow community that is most affected by
    the gTLD, and additional policies apply, such as further
    qualifications for domain name owners within the gTLD.

  - A gTLD directed to the adult entertainment industry, aptly
    named .xxx, was launched in 2011. Many brand owners
    paid for the privilege of blocking registration of brand.xxx.

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¹. See Press Release, FTC, TicketNetwork and Marketing Partners Ryadd
and Secure Box Office Settle Charges of Deceptively Marketing Resale
07/ticketnetwork-marketing-partners-ryadd-secure-box-office-settle.
• Under a new program approved by ICANN in 2011, applications were filed for more than 1900 new gTLDs ranging from generics like <.book> to brands like <.google>. More than 940 new gTLDs have been delegated, with more than 370 applications still pending at ICANN. Details can be found at newgtlds.icann.org/en/program-status.1.1
• Country code top level domains (ccTLDs) are two letters and signify location. For example: 
  .us means United States; and 
  .uk means United Kingdom.
• Second-level domain names (the “mcdonalds” in mcdonalds.com) refer to the specific organization or person the web page represents. Second-level domain names can be important source-identifiers and are often comprised of traditional word trademarks.
• Cybersquatting or cyberpiracy refers to the bad-faith practice of registering as a domain name (or as part of a domain name) a trademark that belongs to someone else.
• Reverse domain name hijacking refers to a trademark owner’s bad-faith use of the procedures set up to address cybersquatting to attempt to deprive a registered domain name holder of a domain name.

1.1. ICANN’s decision to launch the new gTLD program was reached despite IP owners’ concern that this would spawn additional cybersquatting and domain name infringements. While “rights protection mechanisms” were put in place, the program, which imposes significant costs on applicants and brand owners, remains controversial. A survey by the International Trademark Association (INTA) noted that the primary impact of the gTLD program has been to up the cost and challenge of enforcing trademark rights in the domain name system. See Alexander Garcia, Colleen Ganin & Mitchell Stabbe, INTA Study Provides Data on How Brands Are Using New gTLD Program, 72 INTA BULL. No. 12 (July 15, 2017). See infra section 11:6.6.
§ 11:1.2 The Internet As a Tool for Advertisers and Tricksters

[A] Metatags, Keywords, Sponsored Link Ads, Pop-Up Ads

In the brick and mortar world, advertisers use billboards, magazine and newspaper ads, television ads, trade show booths, flyers, and the like in an attempt to reach their intended audience. The Internet can direct an advertiser’s message to potential purchasers and get them to visit the advertiser’s website by a number of means that may precipitate a trademark dispute:

- **Metatags** are a type of HTML code that permit a website creator to embed descriptors or keywords describing the site’s content. The descriptors or keywords are not visible on the website, but, at least in the past, were used by search engines for indexing purposes and thus influenced whether or not, and where on the results page, the website would appear in response to a search engine query.\(^2\)

- **Keywords** can mean the terms used by website creators in metatags or the terms entered by a consumer in a search engine query. Internet search engines like Google and Yahoo have programs that allow advertisers to arrange to have their ads appear on the search results page when a user enters certain keywords. These keywords may include generic terms as well as trademarks (both the advertiser’s own trademarks and trademarks of the advertiser’s competitors).

- **Banner ads** or **sponsored link ads** are web page advertising spaces that provide links to other websites. A company can contract for a banner ad or sponsored link ad to appear on a search engine results page in response to search requests for keywords.

- **Pop-up ads** are ads that “pop up” in a separate window, blocking a portion of the user’s screen. Some pop-up ads are generated by software loaded onto computers during free downloads (often unbeknownst to the user). The software is designed to trigger ads pertinent to the user’s

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2. Search engines such as Google now rely on more sophisticated search algorithms rather than metatags.
interests, based on the website visited or search term entered by the user. The result is that the user may visit a website selling one brand of sneakers only to be greeted with a pop-up for sneakers on a competing site.

[B] Linking and Phishing

- Linking is simply providing a hyperlink or link from one site to another’s site and is often innocuous. However, trademark confusion may occur when websites include a link to a trademark owner’s site. 3

- Phishing involves the use of fake email addresses, often disguised to appear as though the email is coming from a legitimate bank or business, to try to get consumers to provide financial information. 4 Phishing tactics can also include sending users to an official-looking website where the user is prompted to provide personal and bank information in order to secure a “prize.”

§ 11:1.3 Types of Websites That Raise Trademark Issues

Competitor’s Sites: A competitor’s website can raise trademark issues in the same manner as a competitor’s traditional advertising: infringement, false advertising, comparative advertising, nominative use, fair use, etc., all come into play. The Internet also provides tools that raise infringement issues: using competing trademarks in metatags, purchasing competing trademarks as keywords to generate sponsored link advertising, arranging for pop-up ads to appear when a competitor’s site is accessed, and so on. The increasing use of mobile devices as a platform for advertising raises new issues as well, as space constraints can limit full disclosures.

User Generated Content and Commerce Sites: “User generated content” or UGC means simply that the content on a website is not supplied by the website owner but is “generated”

3. Audi AG v. D’Amato, 469 F.3d 534 (6th Cir. 2006) (defendant’s audisport.com website consisting primarily of hyperlinks to Champion Audi goods and services enjoined; argument that website was non-commercial rejected); cf. Ticketmaster Corp. v. Tickets.com, Inc., 2000 U.S. Dist. LEXIS 12987 (C.D. Cal. Aug. 10, 2000) (linking not enjoined when “customer is unlikely to be misled”), aff’d, 2 F. App’x 741 (9th Cir. 2001).

4. See http://www.icann.org/en/general/glossary.htm#P.
by the website users, who upload the content themselves. YouTube is a prime example. These sites typically prohibit users from posting material or selling merchandise that infringes third-party intellectual property rights (such as copyright, trademark, trade dress, and right of publicity). Many sites will promptly take down infringing content upon complaint by a trademark owner.

**Social Networking Sites:** Sites like Facebook and Pinterest provide platforms for users to upload photos and text and information about themselves or their businesses and connect with other users. Twitter users send “tweets” (similar to email alerts), 140 characters in length, to tell their “followers” what they are doing. While the sites may be “social,” many businesses also use the sites to connect with their customers and promote their products. Trademark disputes can arise when the user name or the user profile includes a trademark or falsely suggests an affiliation with the trademark owner. Impersonation is prohibited; parody is not. Many “fake” Twitter accounts are in active use. Check the site’s terms of service for what is permitted and what is prohibited, and for faster action use the forms provided to electronically submit takedown requests. Social network user names may appear in trademark search reports and you can expect to see more issues arise with user names in the future.

**Auction Sites:** eBay and other auction sites provide platforms for anyone with Internet access to sell almost anything. Sometimes what is being sold is legitimate, such as second-hand genuine goods. Sometimes the products are counterfeit or otherwise infringing. In *Tiffany v. eBay*, Tiffany asserted that more than 70% of the 136 TIFFANY products on eBay purchased by Tiffany investigators were counterfeit.†

**User-generated Commerce Sites:** CafePress.com and ImageKind.com are two examples of websites that sell user-customized products. These sites will produce and then provide a venue for selling items such as T-shirts, bags, mugs, bumper stickers, etc., with content (such as text, images) submitted by its users.‡

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† See discussion of *Tiffany v. eBay* case in section 8:4.1, *supra*.
Virtual Worlds: Virtual worlds provide platforms where users interact with each other through avatars. Second Life, a well-known virtual world, boasts millions of users worldwide and claims that a good percentage of them spend money there. Second Life also allows its users to keep the intellectual property rights in their creations. Some trademark owners have sued Second Life and others to stop the sale of virtual products.7

§ 11:2 What Is Trademark “Use in Commerce” on the Internet?

§ 11:2.1 Rescuecom v. Google: Purchase and Sale of Key Words Is Actionable “Use in Commerce”

For some years, district courts in the Second Circuit took the position that the purchase and sale of trademarks as search engine keywords was not a “use in commerce” actionable under the Lanham Act.8 The rationale was that defendant did not display plaintiff’s trademark on goods or advertisements. Rather, defendant’s use was internal and not visible to the public.

These district court decisions relied on the Second Circuit’s 2005 opinion in 1-800 Contacts v. WhenU.com.9 That case dealt with pop-up ads and held that because the trademark that generated the pop-up ad could not be seen or accessed by the general public, there was no “use in commerce.”

The Second Circuit position that defendant’s use of plaintiff’s mark must be visible to online users was out of synch with the emerging view outside the Second Circuit.10

CafePress.com; use qualified as editorial or artistic parody protected by First Amendment; court commented that dilution applies only when alleged infringer acts substantially out of economic motivation and T-shirts are a traditionally expressive medium).

7. See, e.g., cases referred to and collected in the now-defunct Virtually Blind.com blog.
8. See, e.g., Rescuecom v. Google, Inc., 456 F. Supp. 2d 393, 403 (N.D.N.Y. 2006) (no use in commerce absent allegation that defendant places plaintiff’s trademark on goods, containers, displays, or advertisements, or that its internal use is visible to the public), rev’d, 562 F.3d 123 (2d Cir. 2009).
9. 1-800 Contacts v. WhenU.com, 414 F.3d 400 (2d Cir. 2005).
In 2009, the Second Circuit did an about-face. In *Rescuecom v. Google*, the court of appeals reversed the district court and held that the sale or purchase of trademarks as Internet search engine keywords was an actionable “use in commerce.” The Second Circuit criticized the “internal use” rationale and the reading of its earlier *1-800 Contacts* decision by the court below and other district courts within the Circuit.

In Europe, this “internal use” rationale prevailed at the European Court of Justice. However, the search engine could be liable if it failed to remove an ad after obtaining knowledge of its unlawful nature.

**[A] Operation of the Google Search Engine**

To begin with, *Rescuecom* explained that the Google search engine responds in two ways when a user enters a search item. First, Google provides a list of links to relevant websites, with relevancy being determined by Google’s logarithmic system. Second, Google displays third-party advertisements. Through Google’s AdWords program, advertisers pay Google for their ads to appear in response to searches for particular terms (keywords). These keywords can be generic terms like “computer repair” or trademarks like RESCUECOM. Google’s KeyWord Suggestion Tool is used to suggest relevant keywords, including trademarks, to advertisers. The advertisements appear as links on the search results page, either at the top of the search results or along the right side of the page, under the heading “Sponsored Links.”

DUCK TOURS, as keyword triggering sponsored link, is “use” in commerce in accord with “the emerging view outside the Second Circuit”), aff’d on other grounds, 531 F.3d 1 (1st Cir. 2008); N. Am. Med. Found. v. Axion Worldwide, Inc., 522 F.3d 1211 (11th Cir. 2008) (rejecting the Second Circuit’s view in *1-800 Contacts* that there is no use in commerce unless the mark is visible to online users; preliminary injunction against defendant’s metatag use of plaintiff’s marks affirmed).

13.1 The exact placement and labeling of these advertisements has varied over the years and “Sponsored Link” was at some point changed to “Ad.”
[B] Rescuecom’s Comments on Google’s Arguments

The Internal Use Rationale: Rescuecom noted that Google’s use was not always internal. Indeed, Google suggested and marketed trademarks as keywords.

The Product Placement Rationale: Rescuecom also rejected Google’s argument that its use was analogous to in-store placement of competing, generic brand items next to well-known brand name products. The court noted that only “benign” product placement that does not intend to deceive or confuse customers escapes liability.14

The Second Circuit summarized Rescuecom’s allegations of likely confusion, but expressed no view on the merits of Rescuecom’s claim. The court vacated the judgment below and remanded the case for further proceedings.15 The case has been settled.

§ 11:3 Likely Confusion on the Internet

§ 11:3.1 The Likely Confusion Factors

The standard factors long used to analyze likely confusion in trademark infringement cases typically include: the strength of plaintiff’s mark; the similarity between the marks; evidence of actual confusion; similarities in the products, their retail outlets, and advertising media; the quality of defendant’s products; defendant’s intent in adopting the mark; and the buyer’s sophistication.16

Some Internet decisions have emphasized the similarity of the marks, the relatedness of the goods or services, and the simultaneous use of the Internet as a marketing channel.17 In denying summary judgment, 800-JR Cigar found that evidence of confusion, initial interest confusion, and defendant’s intent weighed in plaintiff’s favor.18 Edina Realty found material issues of fact as to

14. Rescuecom, 562 F.3d at 130.
15. Id. at 131.
16. See supra section 8:1.3 for detailed discussion of likely confusion factors.
defendant’s intent, the degree of purchaser care, and actual confusion.19

§ 11:3.2 Initial Interest Confusion

Initial interest confusion occurs in the Internet context where a consumer is attracted to defendant’s website by defendant’s use of plaintiff’s trademark. The consumer need not purchase anything from defendant’s website or even believe that the website is sponsored by plaintiff. It is enough that the consumer’s attention and interest were diverted from plaintiff’s website to defendant’s.20 The Seventh Circuit in Promatek pointed out that “[w]hat is important is not the duration of the confusion, it is the misappropriation of Promatek’s good will.”21

Courts have found initial interest confusion where:

- defendant used plaintiff’s trademark in defendant’s domain name;22
- defendant embedded plaintiff’s trademark as a metatag in its website;23

20. Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp., 174 F.3d 1036, 1062 (9th Cir. 1999). See also Tdata, Inc. v. Aircraft Tech. Publishers, 411 F. Supp. 2d 901, 907, 911–12 (S.D. Ohio 2006) (use of ATP’s mark to pull consumers to Tdata’s website and products it features is infringement, even if the consumers later realize the confusion); PACCAR, Inc. v. TeleScan Techs., LLC, 319 F.3d 243, 253 (6th Cir. 2003) (initial interest confusion not dispelled by disclaimer on defendant’s main web page; disclaimer only seen after consumer has been diverted to defendant’s site and comes too late to resolve any “initial interest confusion”).
21. Promatek Indus., Ltd. v. Equitrac Corp., 300 F.3d 508, 812–13 (7th Cir. 2002). See also Australian Gold, Inc. v. Hatfield, 436 F.3d 1228, 1239 (10th Cir. 2006) (use of plaintiffs’ marks in metatags “used the goodwill associated with Plaintiffs’ trademarks in such a way that consumers might be lured to the lotions from Plaintiffs’ competitors; disclaimers do not prevent confusion since they do not tie particular trademarks to particular mark owners”).
22. PACCAR, Inc., 319 F.3d at 253 (defendant’s use of plaintiff’s registered marks in numerous domain name combinations enjoined).
23. Horphag Research Ltd. v. Pellegrini, 337 F.3d 1036 (9th Cir. 2003) (defendants’ repeated use of plaintiff’s mark and variants thereof in metatags was unreasonably pervasive and suggests that plaintiff sponsors or is associated with defendants’ websites and products).

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• defendant used plaintiff’s trademark as a keyword to trigger banner ads;  

• defendant used the same three color bands displayed in plaintiff’s RE/MAX registrations on real estate yard signs to draw attention to defendant’s yard signs, seen only fleetingly at a distance.  

Keep in mind that not all courts have looked favorably upon the concept of initial interest confusion. The Fourth Circuit rejected the doctrine in the context of gripe sites where plaintiff’s mark is not used for financial gain.  

One California district court ruled that initial interest confusion was not actionable, but the Ninth Circuit in dicta indicated that there was a valid basis for finding initial interest confusion.  

You can expect some courts to find that Internet users have become more discriminating and therefore less likely to be confused.  

24. See Playboy Enters., Inc. v. Netscape Commc’ns Corp., 354 F.3d 1020, 1025–26 (9th Cir. 2004) (“[T]he Internet user will have reached the [defendant’s] site because of defendant’s use of [plaintiff’s] mark.”).  


27. Perfumebay.com Inc. v. eBay Inc., 506 F.3d 1165 (9th Cir. 2007); see also Storus Corp. v. Aroa Mktg. Inc., 2008 WL 449835 (N.D. Cal. Feb. 15, 2008) (summary judgment for plaintiff where defendant purchased plaintiff’s SMART MONEY CLIP mark as a keyword and used it in sponsored link ad that generated 1300 clicks; such “diversion” constitutes the “initial interest confusion” prohibited by the Lanham Act). But see JG Wentworth, SSC Ltd. P’ship v. Settlement Funding LLC, 2007 U.S. Dist. LEXIS 288 (E.D. Pa. 2007) (where ads did not use plaintiff’s marks that were used as keywords to generate the ads, potential consumers have no opportunity to confuse defendant’s services, goods, advertisements, links, or website with those of plaintiff; initial interest confusion does not apply).  

28. Instant Media Inc. v. Microsoft Corp., No. C 07-02639 SBA, 2007 WL 2318948 (N.D. Cal. Aug. 13, 2007) (“While it may have been plausible in 2000 to suggest that consumers could not easily discriminate between content-delivery programs such as the IM [high definition video] player or iTunes on the one hand and instant messaging programs such as [Windows Live Messenger] or [AOL’s Instant Messenger] on the other, in 2007, where iPods and instant messaging are household concepts, this Court cannot say that, as a matter of law, ‘it is irrelevant whether the parties’ Internet related services are different.’”) (Microsoft’s ‘i’m’ for instant messaging found not confusingly similar to
mechanisms used to communicate with consumers via the Internet and on mobile devices will continue to change such that additional or different considerations will come into play in future cases.

§ 11:3.3 The Battles over Keyword Confusion

Many keyword battles, like Rescuecom’s suit against Google, are settled before a court has determined the issue of likely confusion (see section 11:2.1). One court suggested, in denying a motion to dismiss, that additional likely confusion factors might be applied in a keyword context.29 Some courts seem unwilling to recognize that perhaps not all consumers are as computer-savvy as the judge or the law clerks may be. Another theme is that courts do not want to be seen as interfering with web-surfing methods perceived to be pro-consumer choice.

The few available decisions on the merits of the confusion issue are inconsistent, to say the least. Some trademark owners have had

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29. Hearts On Fire Co. v. Blue Nile, Inc., 603 F. Supp. 2d 274 (D. Mass. 2009) (likelihood of confusion will ultimately turn on what the consumer saw on the screen and reasonably believed, given the context, which includes (1) the overall mechanics of web browsing and Internet navigation, in which a consumer can easily reverse course; (2) the mechanics of the specific consumer search at issue; (3) the content of the search results webpage that was displayed, including the content of the sponsored link itself; (4) downstream content on the defendant’s linked website likely to compound any confusion; (5) the web savvy and sophistication of the plaintiff’s potential customers; (6) the specific context of a consumer who has deliberately searched for trademarked diamonds only to find a sponsored link to a diamond retailer; and, in light of the foregoing factors, (7) the duration of any resulting confusion).
success proving claims against their competitors’ keyword ads. Others have not. Still others, like Rescuecom, decided not to pursue claims against the individual advertisers. Rather, they brought suit directly against Google, as the entity responsible for offering the trademark for sale as a keyword and for providing the forum in which the sponsored-link ads generated by the keywords appear.

Two decisions on the merits of claims against Google have issued from the Eastern District of Virginia: GEICO v. Google and Rosetta Stone v. Google.

The GEICO court, after a full trial, relied on survey evidence to find likely confusion where GEICO appeared in the headings or text of the sponsored links but not where the GEICO name was absent from the sponsored links. Five years later, in Rosetta Stone, Judge Lee granted Google’s motion to dismiss all of Rosetta Stone’s claims just a few days before trial. In an opinion that followed some months later, the court held that no reasonable trier of fact could find

1. direct infringement (which required a finding of likelihood of confusion);

2. contributory infringement;


31. See Fair Isaac Corp. v. Experian Info. Sols. Inc., No. 06-4112 ADM/JSM, 2009 WL 4263699 (D. Minn. Nov. 25, 2009) (confirming jury verdict for defendant; the only evidence adduced at trial in support of the assertion that the keyword advertising was likely to cause confusion—the opinion testimony of Fair Isaac’s expert James Berger—lacked credibility).

32. GEICO v. Google, Inc., 77 U.S.P.Q.2d 1841 (E.D. Va. 2005). Note that at least one other court recognized that the absence of the trademark in the sponsored-link ad itself does not always eliminate the potential for confusion. See Morningware, Inc. v. Hearthware Home Prods., 673 F. Supp. 2d 630 (N.D. Ill. 2009) (confusion claim survives motion to dismiss where MORNINGWARE mark purchased as keyword by competitor NuWave who ran the following sponsored link ad: “The Real NuWave ® Oven Pro—Why Buy an Imitation? 90 Day Gty”).
(3) vicarious liability; or
(4) trademark dilution under the Lanham Act.

The court also found that Google’s use of the ROSETTA STONE marks to identify relevant information in response to search queries was protected under the doctrine of functionality as a noninfringing use.33

The bottom line was that the court saw nothing wrong with Google’s making money from its sale of trademark keywords. On the contrary, the court considered Google’s actions procompetitive: Keywords served an essential indexing function; that is, their use allowed relevant information in Google’s database to be rapidly located in response to search queries.34

The district court’s analysis by and large did not hold up on appeal. The Fourth Circuit vacated the dismissal of Rosetta Stone’s claims of direct infringement, contributory infringement, and dilution. The appeals court affirmed only the dismissal of Rosetta Stone’s vicarious infringement and unjust enrichment claims and remanded the case for further proceedings.

As to trademark infringement, the Fourth Circuit found sufficient evidence to create a question of fact precluding summary judgment on each of the disputed confusion factors—intent, actual confusion, and consumer sophistication.

As to dilution, the appeals court faulted the district court for employing a truncated analysis that placed a heavy emphasis upon whether the Rosetta Stone brand had suffered any actual injury. Other factors indicating how Google’s use is likely to impair the distinctiveness of the ROSETTA STONE mark should have been addressed.


34. As Judge Lee put it, keywords “serve an advertising function that benefits consumers who expend the time and energy to locate particular information, goods, or services, and to compare prices.” If Google were deprived of the use of the Rosetta Stone marks, “consumers would lose the ability to rapidly locate potentially relevant websites that provide genuine Rosetta Stone products at competitive prices.” Rosetta Stone, 730 F. Supp. 3d at 546.
As to Google’s functionality defense, the Fourth Circuit held that there is nothing functional about how Rosetta Stone uses its own mark:

Rosetta Stone uses its registered mark as a classic source identifier in connection with its language learning products. Clearly, there is nothing functional about Rosetta Stone’s use of its own mark; use of the words “Rosetta Stone” is not essential for the functioning of its language-learning products, which would operate no differently if Rosetta Stone had branded its product “SPHINX” instead of ROSETTA STONE.35

**Looking Ahead:** The Ninth Circuit in the *Network Automation* case also issued a detailed decision on keyword advertising. The *Network Automation* court set forth the most relevant factors to consider in assessing likely confusion and remanded the case for further proceedings in light of its decision.36

Both *Rosetta Stone* and *Network Automation* settled before any decision on remand. We can expect courts around the country to continue grappling with the issues raised by the advertising and sale of trademark keywords. See, for example, the Tenth Circuit *Lens.com* decision. *Lens.com* used its competitor’s trademark, 1800CONTACTS, as a keyword trigger in Google’s AdWords program. The appeals court, relying on the *Network Automation* analysis, noted that (1) the resulting sponsored-link *Lens.com* ads clearly identified their source as *Lens.com*; and (2) the actual *Lens.com* ads did not feature the 1800CONTACTS or any variations thereof. In addition, click-through data showed that users who entered the 1800CONTACTS keyword clicked on the *Lens.com* ad only 1.5% of the time. Even assuming every one of those persons was confused, 1.5% was insufficient to support infringement. The *Lens.com* case also raised an interesting issue regarding contributory infringement. *Lens.com* placed its own ads (found noninfringing as noted above) but also authorized a network of

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36. Network Automation, Inc. v. Advanced Sys. Concepts, Inc., 638 F.3d 1137 (9th Cir. 2011) (finding the most relevant likely confusion factors in the case before it to be (1) the strength of the mark; (2) the evidence of actual confusion; (3) the type of goods and degree of care likely to be exercised by the purchaser; and, most important, (4) the labeling and appearance of the advertisements and the surrounding context on the screen displaying the results page).
affiliates to place ads for it. While Lens.com’s own ads did not use the 1800CONTACTS mark in the text, the ads of one affiliate did so. Lens.com was potentially liable for contributory infringement for its failure to stop that affiliate’s activity after notice.\footnote{1-800 Contacts, Inc. v. Lens.com, Inc., 722 F.3d 1229 (10th Cir. 2013) (affirming summary judgment finding no likelihood of initial interest confusion; distinguishing Australian Gold, Inc. v. Hatfield, 436 F.3d 1228 (10th Cir. 2006), because there the alleged infringer used its competitor’s trademarks on its websites). For the current status of Google’s continually evolving position with respect to its AdWord keyword policy in Europe, check the Web.}

In the Ninth Circuit Amazon case, the court also addressed the issue of website labeling, the factor Network Automation considered “most important.” In short, Amazon consumers searching for “MTM Special Ops Watches” were provided a list of similar looking watches manufactured by MTM’s competitors. However, Amazon neglected to say that it did not carry MTM watches. In a two-to-one decision that reviewed Network Automation, Brookfield, and other Ninth Circuit opinions, the appeals court held that a jury could find Amazon had created a likelihood of confusion under a theory of initial interest confusion.\footnote{Multi Time Mach., Inc. v. Amazon.com, Inc., 792 F.3d 1070 (9th Cir. 2015) (reversing grant of summary judgment because of genuine issues of material fact re the likelihood of initial interest confusion). For further discussion of Brookfield and Network Automation, see supra sections 11:3.2 and 11:3.3.} The decision was short-lived. The panel granted Amazon’s petition for rehearing, denied as moot a petition for rehearing en banc, withdrew its opinion, and filed a superseding opinion and dissent. This time around, the two-to-one decision granted Amazon’s motion for summary judgment on the grounds that no reasonably prudent online shopper is likely to be confused as to the source of the MTM products.\footnote{Multi Time Machine Inc. v. Amazon.com Inc., 804 F.3d 930 (9th Cir. 2015), cert. denied, 136 S. Ct. 1231 (2016).}

Query: What effect will the Ninth Circuit’s position in Multi Time Machine v. Amazon.com have on the initial interest confusion doctrine in other courts?

**Enforcers Beware:** If the trend toward courts permitting the bidding on and use of another’s trademark for comparative advertising purposes in online advertising were not enough to dissuade brand owners from bringing action, the FTC’s pending case against
1-800 Contacts and a related class action are likely to give even more pause. In 2016, the FTC brought action against 1-800 Contacts asserting that its settlement agreements with competitors regarding bidding on keyword advertising were anticompetitive.\footnote{In re 1-800 Contacts Inc., No. 9372 (F.T.C. filed Aug. 8, 2016), www.ftc.gov/system/files/documents/cases/160808_1800contactspt3cmpt.pdf.} Shortly thereafter, a class action was brought against 1-800 Contacts asserting that members of the proposed class suffered antitrust injuries in proximate consequence of the anticompetitive character, purpose, and effect of 800-Contacts’ bid-rigging scheme and scheme to allocate sales and suppress advertising: they each paid supracompetitive prices for contact lenses that they purchased online from 800-Contacts within the past four years; and they each were deprived of consumer choice, which is a form of antitrust injury.\footnote{Stillings v. 1-800 Contacts Inc., No. 3:16-cv-5400 (N.D. Cal. filed Sept. 21, 2016). See also Champion v. 1-800 Contacts Inc., No. 0:17-cv-60696 (S.D. Fla. filed Apr. 7, 2017).}

1-800 Contacts asserts that its agreements constituted reasonable efforts to protect its intellectual property.

The FTC dismissed 1-800 Contacts’ defense claiming immunity under \textit{Noerr-Pennington} and ruled that the agency does not have to show that its settlement agreements with competitors were shams to establish liability.\footnote{In re 1-800 Contacts Inc., Docket No. 9372 (F.T.C. Feb. 1, 2017). For more on \textit{Noerr-Pennington}, see infra section 12:2.9[C].} An FTC administrative law judge ordered an end to the agreement on October 30, 2017. The decision is subject to full FTC review at the request of the FTC or one of the parties.

Additional efforts to protect intellectual property on the Internet are contained in Amazon and Facebook brand registry provisions. The idea is to help owners police counterfeits and unauthorized uses of their marks and copyrighted content. However, a “standard character” or “word mark” trademark registration is required.\footnote{Amy Sullivan Cahill, \textit{Amazon Latest Online Marketplace to Push for Trademark Registration}, www.cahill-ip.com/amazon-latest-online-marketplace-push-trademark-registration/ (Aug. 24, 2017).}
And on the subject of Amazon, consider the *Milo & Gabby* case. Milo charged Amazon with patent, copyright, and trademark infringement based on third-party sales of pillowcases on Amazon’s website.\(^{37,7}\) The Federal Circuit affirmed the district court decision that Amazon was not liable.

§ 11:4 Applying Dilution Principles to Internet Disputes

In today’s Internet-centric environment, it is not surprising that many cases involve plaintiff’s and/or defendant’s promotion and sale of products online. In evaluating likely dilution where products are sold over the Internet, the standard dilution analysis applies. In an action brought under federal law, plaintiff must show that its mark is famous to the general consuming public and that defendant is blurring or tarnishing plaintiff’s mark.\(^{38}\) Elements of proof are different for a dilution action brought under state law. Check the statute in the jurisdiction where you plan to sue.\(^{39}\)

Defenses to dilution, notably fair use, are raised in the Internet context perhaps with even more frequency than in standard trademark dilution actions.

Courts seem particularly receptive to defendants’ use of the Internet to communicate information, criticism, and commentary about plaintiffs’ products, or to poke fun at plaintiffs and their trademarks. The Internet has helped to bring about a resurgence of the First Amendment as the protector of defendants’ right to speak their mind on just about anything.

The *Mattel v. Walking Mountain* case is an example of the First Amendment at work. The defendant, an artist, took a series of photographs depicting the American icon Barbie Doll, in the nude,

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38. See, *e.g.*, Visa Int’l Serv. Ass’n v. JSL Corp., 610 F.3d 1088 (9th Cir. 2010) (affirming district court’s grant of summary judgment enjoining defendant’s use of eVISA, finding an added “e” is commonly used to denote the online version of a business such that eVISA weakens the ability of the VISA mark to identify Visa’s services, because Internet users who enter the domain name evisa.com are brought to defendant’s language services website instead of plaintiff’s site). See supra section 9:6.7[B] for further discussion of eVISA, and section 9:6 for TDRA elements of proof of dilution.
39. For a discussion of dilution as it evolved under state law, see supra section 9:2. See also Appendix 21 for list of state dilution statutes.
being attacked by vintage kitchen appliances. Defendant’s photos, labeled “Food Chain Barbie” were displayed on defendant’s website and offered in art galleries. Some of the poses—for example, a nude Barbie, upside down, legs spread apart under the beaters of a mixer—were sexually suggestive. But all was fair use under the First Amendment. The “Food Chain Barbie” series qualified as an artistic/editorial parody designed to criticize Mattel’s Barbie and the values for which she stands.40

For further discussion of fair use and a collection of decisions showing how the courts have ruled in various cases, see infra section 11:8.2; see also supra sections 9:6.10[F] and 9:6.15[C]. These cases illustrate how different courts have drawn the line between legitimate fair use of plaintiff’s trademark and uses that impair the distinctive quality of plaintiff’s famous mark and trade on plaintiff’s reputation and good will.

§ 11:5 Domain Name Issues

§ 11:5.1 Acquiring Domain Names

Domain names are allocated on a first-come, first-served basis to people and organizations that are developing websites. If a search shows that no one else has registered the exact domain name, the new domain name is permitted. Trademark searches are not conducted.

For example, each of the following—

mcdonalds.com
macdonalds.com
mcdonald.com

—could be allocated to different organizations or people. The trademark owner’s remedy lies in making a deal with the domain name owner, or commencing dispute resolution or court proceedings.

A second-level domain name could be registered under different top-level domains by different entities as well. For example:

columbia.edu (the university)
columbia.com (the sporting goods company)

40. Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792, 812 (9th Cir. 2003).
And the same second-level domain name could be registered by different entities under different top level country domains.

§ 11:5.2 Domain Names As Trademarks

Once a domain name is acquired, the owner may also try to register the domain name as a trademark in the U.S. Patent and Trademark Office (PTO).

However, to qualify for trademark registration, the domain name must be used as a trademark to indicate source and cannot merely be used to indicate the domain name address used to reach the website offering the company’s services. For example, Amazon.com is a registered trademark—it is used prominently in advertising and on the website to indicate the source is the Internet bookseller and not merely to indicate the company’s address on the Internet. Consult the PTO home page (http://www.uspto.gov) for the most recent policies on registration of domain names as trademarks.

§ 11:5.3 Domain Names and Likely Confusion

Like other cases dealing with trademark infringement, similarity of the domain name to plaintiff’s mark and the similarity of the parties’ goods are important factors in assessing likely confusion.

For example, the court found defendant’s “moviebuff.com” domain name for a movie fact database likely to cause confusion with plaintiff’s MOVIEBUFF mark for a movie information database and software.41 The domain name differed from plaintiff’s MOVIEBUFF mark only by the “.com” suffix, and the goods were similar.

On the other hand, the court found defendant’s domain name “nextbigstar.com” for a web retailer of video tapes and supplier of celebrity information not likely to cause confusion with plaintiff’s domain name “bigstar.com” for a talent-search company. The court found “next” in defendant’s name enough to distinguish it from plaintiff’s and deemed it unlikely that a reasonably informed potential customer looking to buy a video at “bigstar.com” who

41. Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp., 174 F.3d 1036 (9th Cir. 1999).
has mistakenly navigated to “nextbigstar.com” would be confused.42

[A] Intuitive Domain Names

In assessing domain name confusion, courts may also take into account that Web users hunting for a particular company or product may try to guess the domain name based on that company’s name or trademark. Even domain names that lack entire parts of a company’s full name might be assumed to be the company’s domain because of the preference for using shorter domain names. This might be less relevant as Internet users more often access sites not by guessing the domain name but in searches. The addition of new gTLDs throws a further wrench into trying to guess a domain name, since you would have to guess both the second-level domain, which is often the trademark, and the top-level domain, which in the past most guessers would assume to be .com but now could be .something else.

Following the early cases dealing with domain name infringement, most domain name disputes have been brought under ICANN’s Uniform Domain Name Dispute Resolution Policy or the Anticybersquatting Consumer Protection Act.44 Now, the trademark owner may not be interested in the domain name for its own use, but just interested in stopping fraudulent use of its mark in a domain name—for example, in a phishing scheme or other similar blatant abuse. In this situation, the trademark owner may opt to ask the Internet service provider to disable access to the site, rather than commencing a proceeding. Particularly in cases of blatant fraud or counterfeiting, most reputable service providers located in the United States will disable access to the site in a matter of days based on one online submission supporting the claim of fraud. The desired result (removal of the fraudulent site) can then be achieved quickly and efficiently without the need to pay for the UDRP or a federal lawsuit. Of course, the fraudster can move the site to another service provider, but the fraudster could also use a different (but still infringing) domain name even after losing a

42. See BigStar Entm’t, Inc. v. Next Big Star Inc., 105 F. Supp. 2d 185 (S.D.N.Y. 2000).
43. [Reserved.]
44. See infra sections 11:6 and 11:7 for decisions under the UDRP and the ACPA.
UDRP or ACPA case. The new URS proceeding is also a cheaper and faster option than either a UDRP or an ACPA case.  

[B] Postdomain Paths

What about use of another’s trademark as part of the post-domain path? The Sixth Circuit held that postdomain paths do not typically signify source but instead show “how the website’s data is organized within the host computer’s files.” Thus, there was no likelihood of confusion when defendant used plaintiff’s mark LAPTRAVELER in the following URL:

http://www.a2zsolutions.com/desks/floor/laptraveler/dkfl-lt.htm

However, the court suggested that plaintiff might be able to establish likelihood of confusion if defendant was reselling plaintiff’s products on its site.

§ 11:5.4 Domain Names and Likely Dilution

Use of a well-known trademark in a domain name may constitute dilution under federal or state dilution law. Plaintiffs who sought to halt defendants’ similar domain name use under a dilution theory initially met with considerable success. However, as the volume of Internet-related litigation grew, so did judicial wariness of dilution claims directed to noncompetitive uses. This wariness was especially acute where plaintiff’s mark was a word in the English language. Because of the Internet’s role as a means of communication, courts were reluctant to bestow monopoly rights on trademarks composed of ordinary English words. The owners of English-language word marks (for example, CLUE for board games) were not able to prevent identical uses in different fields (for example, CLUE for a computer consulting business).

44.1. See infra section 11:6.6.
45. Interactive Prods. Corp. v. a2z Mobile Office Sols., Inc., 326 F.3d 687, 691 (6th Cir. 2003). See supra section 11:1.1 for definition of post-domain path.
46. See chapter 9, “The Evolution of Dilution,” for a complete discussion of dilution law.
47. See Panavision Int’l L.P. v. Toeppen, 945 F. Supp. 1296 (C.D. Cal. 1996), aff’d, 141 F.3d 1316 (9th Cir. 1998).
The owner of a famous, fanciful mark should be sure to distinguish his position from those cases dealing with trademarks that are ordinary English words.

Like domain name cases raising confusion issues, domain name cases raising dilution issues are now mostly dealt with under the UDRP or the ACPA, as discussed below.

§ 11:6 Uniform Domain Name Dispute Resolution Policy (UDRP)

§ 11:6.1 Nature of UDRP Proceedings

ICANN’s Uniform Domain Name Dispute Resolution Policy (UDRP) provides an administrative proceeding for trademark owners to challenge domain names registered in bad faith by others. The proceeding is applicable to many TLDs, including .com and .net. The UDRP is meant to enable trademark owners to resolve domain name disputes without having to go to court. Questions of trademark invalidity are not within the purview of any UDRP proceeding.

§ 11:6.2 UDRP Procedures

First, the trademark owner must file a complaint in hard copy and electronically with a dispute resolution service provider approved by ICANN. The complainant can select either a one-member or a three-member panel to hear the dispute and must pay a fee based on the size of the panel.

The trademark owner must prove three things:

• the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights;

49. See www.icann.org for similar procedures available for other TLDs, including ccTLDs.
51. See details at www.icann.org.
§ 11:6.2 KANE ON TRADEMARK LAW

• the domain name holder has no rights or legitimate interest in respect of the domain name;\textsuperscript{53} and

• the domain name has been registered and is being used in bad faith.\textsuperscript{54}

Care must be taken to ensure that all requirements of a UDRP claim are met. In the Bechtel case, the complainant engineering firm Bechtel Group sought to secure riley-bechtel.com, where Riley Bechtel was the name of the group’s CEO. The panelist considered “riley-bechtel.com” sufficiently different from the registered BECHTEL mark and noted the lack of evidence that the complainant company (as opposed to Mr. Riley Bechtel himself) had any rights in “Riley Bechtel” as a mark. Also noteworthy: the respondent domain owner’s only response to the action was that he “allow[ed] the transfer” of the domain to the complainant. For some reason, complainant decided not to request a stay of the proceeding to allow the promised transfer to be completed. Complainants beware: you can readily lose even an uncontested UDRP proceeding if not careful.\textsuperscript{54.1} Complainants further beware: making unfounded claims in a UDRP may result in a finding of reverse domain name hijacking. Such was the case in iPayment.com, Inc. v. Kim, where complainant (1) failed to disclose its prior ownership and subsequent abandonment of the disputed domain name; (2) relied on a cancelled registration; and (3) submitted aggressive pleadings that repeatedly characterized respondent’s conduct in a manner inconsistent with the actual facts.\textsuperscript{54.2}

\begin{itemize}
  \item 53. Telstra Corp. v. Nuclear Marshmallows, Case No. D2000-0003 (WIPO Feb. 18, 2000) (complainant’s TELSTRA mark “appears to be an invented word, and as such is not one traders would legitimately choose unless seeking to create an impression of an association with the Complainant”).
  \item 54. Uniform Domain Name Dispute Resolution Policy ¶ 4(a), www.icann.org/udrp/udrp-policy-24oct99.htm#4.
\end{itemize}
One advantage of the UDRP proceeding is that there is no issue of personal jurisdiction with respect to many of the most commonly used top-level domains, for example, .com. Anyone who has registered a domain name with an accredited ICANN registrar is subject to the dispute resolution proceedings, no matter where the registrant is located.

§ 11:6.3 Remedies Under the UDRP

Remedies that dispute resolution panels may impose include:

- transferring the domain name to the trademark owner;\(^{55}\)
- leaving the domain name in the hands of respondent;\(^{56}\) or
- cancelling the domain name altogether.\(^{57}\)

§ 11:6.4 Sample UDRP Decisions

Sample dispute resolution decisions on bad faith include:

<table>
<thead>
<tr>
<th>COMPLAINANT’S TRADEMARK</th>
<th>RESPONDENT’S DOMAIN NAME</th>
<th>HOLDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIORDANA</td>
<td>giordana.com</td>
<td>Respondent registered family pet name, Giordana, for cycling apparel in bad faith.(^{58})</td>
</tr>
</tbody>
</table>

\(^{56}\) Telstra Corp. Ltd. v. Nuclear Marshmallows, Case No. D00-0003 (WIPO Feb. 18, 2000).
<table>
<thead>
<tr>
<th>COMPLAINANT’S TRADEMARK</th>
<th>RESPONDENT’S DOMAIN NAME</th>
<th>HOLDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neiman Marcus</td>
<td>neimansmarcus.com</td>
<td>Respondent registered domain name in bad faith; domain name similar to trademark.(^{59})</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>cheap-holiday-inn-hotels-accomodation.com</td>
<td>Respondent’s use permitted; domain name accurately described business.(^{60})</td>
</tr>
<tr>
<td>Snorenomore</td>
<td>snorenomore.net</td>
<td>Insufficient evidence to establish common law rights/bad faith.(^{61})</td>
</tr>
<tr>
<td>Coca-Cola</td>
<td>cocacolavending.com</td>
<td>Passive holding of the domain name amounts to a use in bad faith.(^{61.1})</td>
</tr>
<tr>
<td>Sofia Vergara</td>
<td>sofiavergara.org</td>
<td>Website with posts and pay-per-click links about other celebrities not a legitimate fair use fan site.(^{61.2})</td>
</tr>
</tbody>
</table>

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COMPLAINANT'S TRADEMARK | RESPONDENT'S DOMAIN NAME | HOLDING
---|---|---
SNAPCHAT | snapchatcheck.com | Use of mark in domain for website allowing users to check if their data was leaked during Snapchat security breach is legitimate, non-bad faith use. 61.3

HOPSCOTCH | hopscotch.com | Merely offering to sell domain for large sum does not constitute bad faith. 61.4

§ 11:6.5 **Appeals to the Courts**

While UDRP dispute resolution is expedited (the decision must be rendered within fourteen days of the panel’s appointment), there is no appeal process. However, a party disappointed with the result may bring an action in court.

It is clear that UDRP proceedings are not binding on courts. 62 Indeed, a de novo standard of review is applied. 63 This means that a trademark owner who loses under the UDRP could bring an ACPA or other Lanham Act action.

63. A party should be able to use a national court “to seek a de novo review of a dispute that has been the subject of the administrative procedure.” WIPO Final Report, at 150 (iv), *quoted in* Parish v. Netlearning, Inc., 139 F. Supp. 2d 745, 752 (E.D. Va. 2001).
against the domain name registrant.\(^{64}\) And a special Lanham Act provision entitles registrants who are unhappy with the UDRP result to seek a declaratory judgment that the domain name use is not unlawful under the Lanham Act.\(^{65}\)

§ 11:6.6 New gTLDs, More Acronyms

In addition to the UDRP, new rights protection mechanisms (RPMs) were developed to address brand owner concerns about ICANN’s new gTLD program. These RPMs require active participation and aren’t free. The following are the key components:

- **Trademark Clearinghouse (TMCH).** The TMCH is a central database in which brand owners record their trademark registration and use data (for a fee) in order to access later programs. Trademark information must be recorded in the TMCH prior to launch of a new gTLD for the brand owner to participate in the Sunrise Registration Period. Rates vary depending upon the length of the TMCH registration (one-, three-, and five-year terms are being offered).

- **Sunrise Registration Period (SR).** Each new gTLD that has “open” domain name registration will provide a “sunrise” time period before domain registration is available to the general public during which brand owners who have recorded their trademark data in the TMCH can have first dibs on a domain registration in the new gTLD that matches their mark. Some sunrise registrations are expensive. The privilege of securing [yourbrand].sucks, for example, costs nearly $2,500 per year.

- **Trademark Claims Service (TCS).** Brand owners who have recorded their data in the TMCH will receive notifications

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64. See, e.g., Newport News Holdings Corp. v. Virtual City Vision Inc., 650 F.3d 423, 98 U.S.P.Q.2d 1441 (4th Cir. 2011) (ACPA claim successful after unsuccessful UDRP action where domain registrant changed website to add infringing content after winning UDRP).

regarding new applications for domain name registrations that match their marks. The TCS is like a watching service and does not block any domain name registration; it just provides notice to the brand owner and to the domain applicant which may (or may not) help avoid a dispute.

- **Uniform Rapid Suspension (URS).** This shorter, less expensive UDRP proceeding is meant to apply to truly egregious bad faith domain registrations. Note that a successful URS proceeding will cause the domain registration to be suspended but will not result in a transfer of the domain to the claimant.

  IBM won one of the first cases brought under the URS, involving the domain names ibm.guru and ibm.ventures, registered on January 31, 2014. Respondent claimed the domains were to be used for a news and/or community website, but upon registration redirected the domains to IBM’s website. In a decision handed down just twelve days after the registration, the panel found that respondent was aware of IBM’s rights, having received a TMCH Trademark Claims Notice, and that respondent had no legitimate rights in the domains. The domain names were suspended and redirected to a placeholder website stating that the domains were taken down as a result of a complaint under the URS.\(^{65.1}\)

- **Post-Delegation Domain Dispute Resolution Procedure (PDDRP).** This is a new procedure “developed to provide those harmed by a new gTLD Registry Operator’s conduct an alternative avenue to complain about that conduct.” PDDRP provides a mechanism for a brand owner to assert that a Registry Operator is complicit in trademark infringement problems at the new gTLD. See http://newgtlds.icann.org/en/program-status/pddrp.

  Many trademark and domain name service providers are offering assistance with TMCH filings. Keep tabs on the latest deadlines at newgtlds.icann.org/en/program-status/sunrise-claims-periods.

§ 11:7  Anticybersquatting Consumer Protection Act (ACPA)

The Anticybersquatting Consumer Protection Act (ACPA)\(^\text{66}\) “was Congress’ response to an onslaught of e-savvy entrepreneurs who amassed domain names incorporating protected trademarks for their own exploitation via sale or use.”\(^\text{67}\) The ACPA provides for federal court action even where the domain name owner has made no use in commerce.\(^\text{68}\) However, the ACPA does not apply to contributory infringement against registrars.\(^\text{68.1}\)

The ACPA applies where defendant registers, traffics in, or uses the domain name. The ACPA also requires proof that:

- there was a bad-faith intent to profit from the mark;\(^\text{68.2}\)
- the mark is distinctive or famous at the time of registration of the domain name;\(^\text{69}\) and


\(^{68}\) See, e.g., Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 679–81 (9th Cir. 2005) (disgruntled patient’s use of medical institute’s registered trademark in domain name for website critical of institute is not actionable under the Lanham Act; use is not a “use in commerce” but is actionable under the ACPA, which contains no commercial use requirement).

\(^{68.1}\) Petroliam Nasional Berhad v. GoDaddy.com, Inc., 737 F.3d 546 (9th Cir. 2013) (affirming district court grant of summary judgment), cert. denied, 135 S. Ct. 55 (2014).


• the domain name is identical or confusingly similar to (in the case of a famous mark, it may alternatively be proved dilutive of) the mark.\textsuperscript{70}

At least one court has allowed a claim for contributory cybersquatting to proceed where defendant was alleged to have sold a software program that taught others how to exploit trademarks in domain names to increase website traffic.\textsuperscript{71}

§ 11:7.1 \hspace{1em} \textbf{Bad Faith Requirement}

The ACPA lists nine factors to guide judges in determining whether there has been bad faith.\textsuperscript{72} However, the list is not exhaustive. In the \textit{Sporty’s Farm} case, the Second Circuit found bad faith based in part on:

• the registration of “sportys.com for the primary purpose of keeping Sportsman’s from using that domain name”;

• the creation of the Christmas tree farm dubbed Sporty’s Farm after suit was filed; and

• the incredible explanation that the name Sporty’s was derived from a dog named Spotty!\textsuperscript{73}

Other courts have found bad faith where defendants registered domain names similar to well-known trademarks and used these names to exact some payment or other advantage because of the similarity to plaintiff’s mark.\textsuperscript{74} Even a domain name initially registered in good faith can be the subject of an ACPA claim if

\textsuperscript{70} 15 U.S.C. § 1125(d)(1)(A). The ACPA applies where the domain name was reregistered after the statute’s enactment even if the name was created before the enactment. Schmidheiny v. Weber, 319 F.3d 581 (3d Cir. 2003).

\textsuperscript{71} Microsoft Corp. v. Shah, 98 U.S.P.Q.2d 1404 (W.D. Wash. 2011).


\textsuperscript{73} Sporty’s Farm L.L.C. v. Sportsman’s Mkt., Inc., 202 F.3d 489, 499 (2d Cir.), cert. denied, 530 U.S. 1262 (2000).

\textsuperscript{74} See Al Mortg. Corp. v. Al Mortg. & Fin. Servs. LLC, 82 U.S.P.Q.2d 1440 (W.D. Pa. 2006) (reasonable attorneys’ fees and $50,000 in statutory damages awarded for bad faith including violation of agreement settling lawsuit); Atlas Copco AB v. atlascopcoiran.com, 533 F. Supp. 2d 610 (E.D. Va. 2008) (“phishing” activities, that is, sending email fraudulently posing as trustworthy entity to acquire sensitive financial information, constitute bad-faith intent to profit
the owner subsequently uses the domain name with a bad-faith intent to profit from the protected mark by holding the domain name for ransom.\textsuperscript{75}

Keep in mind that proof of bad faith under the ACPA does not require the heightened showing of clear and convincing evidence that some fraud cases do. A preponderance of evidence is the proper standard.\textsuperscript{76}

The mere knowledge that the domain name is someone else’s trademark is not enough.\textsuperscript{77} If there is no bad faith, plaintiff must rely on general likelihood of confusion or dilution law.\textsuperscript{78}

Expect to see some interesting arguments from domain name registrants. In \textit{Lands’ End Inc. v. Remy}, defendants registered a series of domain names comprising misspellings of plaintiff’s “landsend.com” domain name (for example, landsende.com).\textsuperscript{79} Defendants participated in plaintiff’s website referral affiliate program, and then redirected to plaintiff’s website Internet users who mistakenly entered the misspelled domains. If these users made a purchase, defendants received 5% of plaintiff’s profits on the sales under the affiliate program. Defendants actually sought

\textsuperscript{75} DSPT Int’l, Inc. v. Nahum, 624 F.3d 1213 (9th Cir. 2010).
\textsuperscript{76} Harrods Ltd. v. Sixty Internet Domain Names, 302 F.3d 214, 226 (4th Cir. 2002). A plaintiff need not use a mark identical to a domain name registered by defendant to prevail in an action under the ACPA. See Stephens v. Trump Org. LLC, 205 F. Supp. 3d 305 (E.D.N.Y. 2016).
\textsuperscript{78} See Lucas Nursery & Landscaping, Inc. v. Grosse, 359 F.3d 806, 811 (6th Cir. 2004) (no bad faith where defendant registered lucasnursery.com or website “informing fellow consumers about the practices of a landscaping company that she believed had performed inferior work on her yard”); Nissan Motor Co. v. Nissan Comput. Corp., 61 U.S.P.Q.2d 1839 (C.D. Cal. 2002) (defendant’s motion for partial summary judgment of no cybersquatting granted; no bad faith in defendant’s registration of nissan.com where Nissan was surname of defendant corporation’s owner).
\textsuperscript{79} Lands’ End Inc. v. Remy, 447 F. Supp. 2d 941 (W.D. Wis. 2006).
summary judgment under the ACPA, arguing that because their actions directed traffic to plaintiff’s website, rather than away from it, they benefited plaintiff and were not cybersquatting. The court found this line of reasoning “specious at best.”

§ 11:7.2 Confusion and Dilution Under the ACPA

To obtain relief under the ACPA, plaintiff must show that defendant’s domain name is (1) identical or confusingly similar to a distinctive trademark or (2) identical, confusingly similar to, or dilutive of a famous trademark.

A number of courts have held that the “confusingly similar” standard under the ACPA is more limited than the “likelihood of confusion” standard used to determine traditional trademark infringement.80

In considering the issue of similarity, differences in capitalization and punctuation may be irrelevant because capital letters and apostrophes cannot be used in domain names.81 The fact that confusion could be resolved by visiting the website is also irrelevant under the ACPA.82

§ 11:7.3 Safe Harbor Defense

The “safe harbor” defense under the ACPA provides that “bad faith intent . . . shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise


81. Sporty’s Farm, 202 F.3d at 497–98 (domain name “sportys.com” indistinguishable from the trademark “Sporty’s”) (citing Brookfield Commun’ns, Inc. v. W. Coast Entm’t Corp., 174 F.3d 1036, 1055 (9th Cir. 1999)).

82. Coca-Cola Co. v. Purdy, 382 F.3d 774, 783 (8th Cir. 2004).
lawful.\textsuperscript{83} “Reasonable grounds to believe” focuses on the objective reasonableness of the conduct. Thinking a use to be lawful is not “reasonable grounds to believe” under the ACPA.\textsuperscript{84}

\section*{§ 11:7.4 \textit{In Rem Actions}}

The ACPA gives courts in rem jurisdiction over domain name registrations where in personam jurisdiction over the registrant cannot be obtained or the registrant cannot be located after diligent efforts.\textsuperscript{85} In these cases, an in rem action can be brought in jurisdictions where the domain name registry is located or where the court has sufficient information to determine the authority over the domain name.\textsuperscript{86} This is important because it can be difficult to get personal jurisdiction over a domain name holder or website operator.\textsuperscript{87}

In \textit{Caesars World}, the court held the in rem jurisdiction provision of the ACPA constitutional.\textsuperscript{88} Because the res, the domain name, is itself the thing at issue and not merely a device to get the defendant, there need be no minimum contacts to establish in personam jurisdiction. Even if the Constitution

\begin{itemize}
\item \textsuperscript{84}People for Ethical Treatment of Animals v. Doughney, 263 F.3d 359, 369 (4th Cir. 2001).
\item \textsuperscript{87}See infra section 11:10, “Personal Jurisdiction.”
\end{itemize}
requires minimum contacts, the registration of the domain name with NSI, located in Virginia, supplies them.\textsuperscript{89}

In \textit{Harrods}, the Fourth Circuit held that the ACPA in rem provision is not limited to bad-faith registration claims under section 1125(d)(1), but “also authorizes in rem actions for certain federal infringement and dilution claims.”\textsuperscript{90} Another Fourth Circuit decision held that the general federal in rem jurisdiction provision, 28 U.S.C. § 1655, does not provide in rem jurisdiction over dilution claims.\textsuperscript{91}

Nevertheless, in personam jurisdiction is preferred. For example, a plaintiff who filed suit only eight days after notifying defendant of plaintiff’s intent to proceed with an in rem action did not satisfy the requirements of the ACPA.\textsuperscript{92}

\section*{§ 11:7.5 Remedies}

The ACPA provides for injunctive relief such as court-ordered cancellation or transfer of a domain name, and for monetary relief that can include (1) defendant’s profits, (2) any damages sustained by plaintiff, (3) costs of the action, (4) statutory damages of between $1,000 and $100,000 per domain name in lieu of actual damages/profits, and (5) attorneys’ fees where defendant’s conduct meets the exceptional case requirement of 15 U.S.C. § 1117(a).\textsuperscript{93} Fees have been awarded against defendants with a history of domain name cybersquatting, including in an in rem case.\textsuperscript{94} Because statutory damages are awarded to punish cybersquatters and deter future violations, they are not duplicative of actual damages awarded for related infringement or unfair competition

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\textsuperscript{89} Id. at 504 (citing Shaffer v. Heitner, 433 U.S. 186 (1977)).

\textsuperscript{90} Harrods Ltd. v. Sixty Internet Domain Names, 302 F.3d 214, 228 (4th Cir. 2002).

\textsuperscript{91} Porsche Cars N. Am., Inc. v. Porsche.net, 302 F.3d 248 (4th Cir. 2002) (noting that dismissal of plaintiff’s in rem dilution claims was not inconsistent with \textit{Harrods}). \textit{Porsche} further held that the situation giving rise to in rem jurisdiction need not persist throughout the case.

\textsuperscript{92} Lucent Techs., Inc. v. Lucentsucks.com, 95 F. Supp. 2d 528 (E.D. Va. 2000) (dismissing action where plaintiff failed to comply with in rem requirements of the ACPA).

\textsuperscript{93} 15 U.S.C. §§ 1116 (a), 1117 (a) and (d), and 1125(d)(1)(C) and (d)(3); DaimlerChrysler v. Net, Inc., 388 F.3d 201, 208 (6th Cir. 2004) (injunction broader than ACPA claim proper to protect plaintiff’s reputation and goodwill).

claims. Statutory awards have ranged from the minimum amount upwards, based on the need for deterrence and the extent of defendant’s bad faith.

Injunctions are available even for domain names that were registered before November 29, 1999, the date of the ACPA’s enactment, because injunctions provide prospective relief. The ACPA also applies where the domain name originally registered before the ACPA’s effective date was reregistered with a new domain name registrar after the ACPA took effect.

§ 11:8 Internet Infringement Defenses

§ 11:8.1 Descriptive and Nominative Fair Use

The descriptive fair use doctrine provides a defense to a term charged with being an infringement where the term is used otherwise than as a mark and is used fairly and in good faith solely to describe defendant’s goods. For example, in Sunmark, Inc. v. Ocean Spray Cranberries, Inc., Ocean Spray’s use of “sweet,” “tart,” and “sweet-tart” in TV commercials and other promotional

100. Sunmark, Inc. v. Ocean Spray Cranberries, Inc., 64 F.3d 1055, 1058 (7th Cir. 1995).
material to describe the taste of its Ocean Spray cranberry juice was a fair descriptive use of plaintiff’s SWEETARTS mark for candies.

Defendants’ efforts to justify the use of plaintiffs’ marks in defendants’ metatags as a fair use have been rejected where the marks are not used in a descriptive sense. For example, the Tdata court stated that defendant’s use “is not in a good faith, descriptive sense, but is in a bad faith, bait-and-switch, create-initial-interest-confusion sense.”101 On the other hand, a fair use claim was successful where plaintiff’s mark was used in a metatag in gripe sites.102

Another type of fair use is nominative fair use. A nominative use is a use of plaintiff’s mark to refer to plaintiff. In New Kids on the Block, for example, defendant newspapers’ use of the NEW KIDS trademark to refer to the New Kids rock-and-roll band in a poll and newspaper articles was permissible.103

On the other hand, Edina Realty rejected a nominative fair use defense where defendant used plaintiff’s mark as an Internet search term in sponsored links and in hidden metatags. A qualification for nominative fair use is that defendant takes only so much of plaintiff’s mark as necessary to identify plaintiff’s product. The court noted that defendant could have promoted his website just as effectively without using plaintiff’s mark. Other search terms, for example, Twin Cities real estate, were available.104

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102. Bihari v. Gross, 119 F. Supp. 2d 309 (S.D.N.Y. 2000) (descriptive use and good-faith elements of fair use defense satisfied when mark as metatag served to index site created by interior decorator’s disgruntled former client); Career Agents Network v. careereagentsnetwork.biz, 96 U.S.P.Q.2d 1884 (E.D. Mich. 2010) (use of domain name careereagentsnetwork.biz for gripe site was not commercially misleading; plaintiff cannot “invoke the Lanham Act to protect itself from unwanted critical commentary even if comment harms plaintiff’s business”; website did not mention defendant’s business as alternative to plaintiff; summary judgment granted).

103. New Kids on the Block v. News Am. Publ’g, Inc., 971 F.2d 302, 308 (9th Cir. 1992). See also Horphag Research Ltd. v. Pellegrini, 328 F.3d 1108, 1112 (9th Cir. 2003) (no nominative use where defendant’s use of plaintiff’s mark and variants thereof in metatags was unreasonably pervasive and suggested that plaintiff sponsored or was associated with defendant’s websites and products).

§ 11:8.2 Commentary, Criticism, Parody, and Noncommercial Fair Use

Also protected from liability under the rubric of fair use are commentary, criticism, and parody under the First Amendment right to free speech.

There is increasing judicial receptivity to First Amendment claims with respect to subject matter on the Internet. In the Bally Total Fitness case, the defendant’s website at www.compupix.com prominently displayed “Bally Sucks” in a logo style used by plaintiff’s health club. The website content was devoted to criticizing plaintiff’s services. The court considered the use to be a form of noncommercial expression protected by the First Amendment. The court observed that while it is illegal to use the trademark of another to attract customers, the First Amendment protects use of a trademark as parody, satire, or a way to express one’s opinions of a company.105

There is a distinction between use of a trademark to express opinions in website content versus use in a domain name. A number of decisions reject the First Amendment defense because domain names are source identifiers and any communicative message can be conveyed in the website content using a noninfringing domain name.106 The Second Circuit rejected a fair use claim in the

105. Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161 (C.D. Cal. 1998). See also Aviva USA Corp. v. Vazirani, 902 F. Supp. 2d 1246 (D. Ariz. 2012) (financial advisor’s use of insurance conglomerate’s trademarks and trade dress in critical commentary is noncommercial use protected by First Amendment). For more on commercial versus noncommercial use, see supra sections 9:6.10[F] and 9:6.15[C].

106. See, e.g., Planned Parenthood Fed’n of Am., Inc. v. Bucci, 42 U.S.P.Q.2d 1430, 1440 (S.D.N.Y. 1997), aff’d, 152 F.3d 920 (2d Cir.), cert. denied, 525 U.S. 834 (1998) (defendant’s usage was to identify source rather than part of communicative message); People for Ethical Treatment of Animals v. Doughney, 263 F.3d 359, 366–67 (4th Cir. 2001) (domain name using plaintiff’s mark when viewed apart from website did not convey a constitutionally protected parody message); Coca-Cola Co. v. Purdy, 382 F.3d 774, 787–88 (8th Cir. 2004) (First Amendment does not protect defendant’s use of plaintiffs’ marks as domain names, e.g., “mycoca-cola.com,” to draw Internet users to an antiabortion activist site where use is likely to create confusion as to source or sponsorship); HER, Inc. v. RE/MAX First Choice LLC, 468 F. Supp. 2d 964 (S.D. Ohio 2007) (no First Amendment protection for competitor’s gripe site that engages in commercially misleading use of plaintiff’s marks).
TCPIP case, noting that use of a mark as a domain name was not mere descriptive use but instead constituted use as a trademark.\textsuperscript{107} A fair use claim was also rejected where plaintiff’s famous mark CHANEL was used in the domain names chanelstore.com and chanelfashion.com to entice Internet users to respondent’s retail fashion industry database.\textsuperscript{108} Some courts advocate a multi-step First Amendment analysis, including the domain name itself, the way the name is used, the motivation of the website author, and the contents of the website.\textsuperscript{109}

\section*{§ 11:9 Policing Social Media Sites}

There is a long and growing list of brand owners whose Internet policing efforts have spawned public relations nightmares. Before taking action, consider all of the following.

1. Check the site’s terms of service:
   a. Is what the user is doing permitted by the site rules? A “fake” user, for example, is permitted on Twitter but not on Facebook.

\textsuperscript{107} TCPIP Holding Co. v. Haar Commc’ns, Inc., 244 F.3d 88, 103–04 (2d Cir. 2001) (nondescriptive use obviated need for good-faith analysis; preliminary injunction affirmed).


b. What happens if you complain to the site as opposed to complaining to the user? Maybe the user will be more willing to cooperate with a direct approach than an approach to the site that earns him or her “strikes” on the social media platform.

2. If you are not familiar with the site, how it works and its purpose, get familiar with it. Different sites have different purposes. If you don’t know how it works, you will not be able to fully assess whether the use is infringing or not.

3. Why is the user doing what it is doing? Is it a joke? Is it a commentary? Is it a fan tribute? Or is the user trying to confuse the public?

4. Is your public relations department on board? Are they ready to handle any backlash?

5. What are your other options if a user name that the brand wants to use is taken? Do you really “need” this particular name?

6. How popular is the user? How many people have “viewed” or “followed” or “liked” the use? Will a protest just turn more eyes on the page than it is ever likely to receive if left alone?

7. How can the issue be fixed? If the user could fix the issue with a minor change—adding “fake” to the profile name in Twitter, for example—be sure the client knows up front what the remedy is likely to be before challenging the use.

§ 11:10 Personal Jurisdiction

Websites are accessible from nearly anywhere on the planet, but accessibility does not equal physical presence. The question is: Does operation of a website by an out-of-state owner result in sufficient contacts with the forum state to create a basis for personal jurisdiction consistent with due process?

The general trend seems to be to focus on the defendant’s purposeful availment of the forum. This may be demonstrated where defendant makes sales, solicits business, offers services, or
otherwise responds to Internet users in the forum state. Jurisdiction may be found even where products or services are not offered but the defendant tries to sell the domain name to the trademark owner.\textsuperscript{110} Jurisdiction has been denied where defendant operates merely a passive website.

Many courts have used the \textit{Zippo} “sliding scale” analysis to determine whether the website is sufficiently interactive for jurisdictional purposes. Under the sliding scale, “the likelihood that personal jurisdiction can be constitutionally exercised is directly proportionate to the nature and quality of commercial activity that an entity conducts over the Internet.”\textsuperscript{111}

The Fourth Circuit has introduced a modified \textit{Zippo} test, concluding that personal jurisdiction exists where an entity

\begin{itemize}
\item[(1)] directs electronic activity into the State,
\item[(2)] with the manifest intent of engaging in business or other interactions within the State,
\item[(3)] that actively creates, in a person within the State, a potential cause of action cognizable in the State’s courts.\textsuperscript{112}
\end{itemize}

\textbf{Sample Cases Finding Personal Jurisdiction:}

<table>
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<tr>
<th>DEFENDANT’S ACTIVITY</th>
<th>CITATION</th>
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\textsuperscript{110} Panavision Int’l L.P. v. Toeppen, 945 F. Supp. 1296 (C.D. Cal. 1996), aff’d, 141 F.3d 1316 (9th Cir. 1998) (personal jurisdiction exists where defendant tries to sell domain name to trademark owner; injury occurs in place where trademark owner located); see also Internmatic Corp. v. Toeppen, 947 F. Supp. 1227 (N.D. Ill. 1996).


### Sample Cases Finding No Personal Jurisdiction:

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<th>DEFENDANT’S ACTIVITY</th>
<th>CITATION</th>
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<tr>
<td>Website intended to provide information on Indiana and Illinois boxers was accessible worldwide; no basis to conclude that defendants expressly aimed their activity at Pennsylvania knowing that harm was likely to be caused there.</td>
<td>Remnick v. Manfredy, 238 F.3d 248 (3d Cir. 2001)</td>
</tr>
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DEFENDANT’S ACTIVITY
Website that can be accessed in Maryland and that used Maryland web hosting company did not subject Illinois organization to personal jurisdiction in Maryland.

New Jersey resident’s online matchmaking website did not target or exploit Illinois market—only twenty Illinois people with profiles on website.

Foreign defendant’s sale of a few products to in-state residents does not provide minimum contacts needed to justify personal jurisdiction.

CITATION
Carefirst of Md., Inc. v. Carefirst Pregnancy Ctrs., Inc., 334 F.3d 390, 401 (4th Cir. 2003)

be2 LLC v. Ivanov, 642 F.3d 555 (7th Cir. 2011)

Advanced Tactical Ordnance Sys., LLC v. Real Action Paintball, Inc., 751 F.3d 796 (7th Cir. 2014)

§ 11:11 Scope of Relief: When Is the World Wide Web Too Wide?

The Internet’s global reach poses special problems when it comes to the scope of relief. Typically, trademark rights are territorial, and there may be situations where similar marks are owned by different parties in different jurisdictions. How do courts regulate the use of those marks on the Internet? An injunction that requires blocking access to a site or removal of infringing marks may be too broad when the infringer can legitimately use the mark in some geographic areas.

The Sixth Circuit acknowledged the difficulty of fashioning relief in Internet cases where “a senior user holds a federal registration subject to limited concurrent rights of a junior user.” The court stated that “permitting some form of internet use seems necessary; otherwise, if two parties have concurrent rights to the same mark in distinct geographical areas, neither party would ever be allowed any use of the internet.”

In *Jeri-Jo*, Italian defendants were not required to de-list their homepage address “www.energie.it” from Internet search engines even though defendants’ ENERGIE mark was found to infringe plaintiff’s ENERGIE mark in the United States. The court noted that “defendants may legitimately advertise their mark over much of the rest of the globe” and “[p]laintiffs did observe at oral argument that [perfect relief] is not possible, the Internet being what it is.”114

Another Italian defendant who made sexually explicit images available through its site established in Italy was found in contempt of a New York court order enjoining use of PLAYMEN on English language publications or related products sold or distributed in the United States.115 The court permitted continued operation of the website but prohibited the site “from accepting subscriptions from customers living in the United States.”116

As Internet trademark jurisprudence continues to develop, expect more cases to consider the complex issues involving scope of relief on the World Wide Web.

§ 11:12 Where Does Responsibility for Infringement Lie?

In many cases, the website owner just provides a platform for others to post content. When the content posted is infringing, who is responsible? The actual poster of the content is sometimes difficult if not impossible to locate and may not be subject to jurisdiction in a convenient venue.

One point is clear: absent bad faith, responsibility does not lie with the domain name registrar. The ACPA provides:

A domain name registrar, a domain name registry, or other domain name registration authority shall not be liable for damages under this section for the registration or maintenance of a domain name for another absent a showing of bad faith intent to profit from such registration or maintenance of the domain name.117

116. *Id.* at 1040.
However, where the service provider itself has acted in bad faith, an action may lie. For example, Microsoft and Verizon have brought actions on the grounds that the registrar registered the domain names for itself, taking steps to mask that it was the true registrant. Other actions have also alleged abusive domain name tasting and domain name kiting by registrars.¹¹⁸

The GoDaddy case illustrates the difficulties a brand owner faces in trying to hold a registrar liable for registering allegedly infringing domain names to third parties. The plaintiff, the Academy of Motion Picture Arts and Sciences, owner of OSCAR and ACADEMY AWARDS marks, sought to hold GoDaddy liable under the ACPA for registering and providing “parked pages” featuring pay-per-click advertising for the hundred-plus domains at issue. While the parked pages and advertising generated some minimal revenue for GoDaddy, and GoDaddy had a generalized intent to make a profit from its programs, the Academy failed to prove that GoDaddy had any bad faith intent to profit from the Academy’s specific marks. The district court decision provides a lengthy but clear explanation of the various automated behind-the-scenes mechanics for parked pages and automatically generated Internet advertisements.¹¹⁸¹ Are you seeing ads for your client’s mark when you visit a particular page? Perhaps that is not because of anything that the owner of the page has done and instead the content is a result of your own Internet searching history. GoDaddy is recommended reading for anyone seeking to enforce trademark rights against registrars in the domain sphere.

Also, keep in mind that many service providers will remove infringing content upon notice by a trademark owner. Check the terms of service for the site at issue.¹¹⁹


¹¹⁹. See section 8:4 regarding case law dealing with eBay policy of removing infringing content. A service provider with no policy regarding removing infringing material after notice and no designated person to receive notice runs the risk of being found liable for contributory infringement. See, e.g., Louis Vuitton Malletier, S.A. v Akanoc Sols., Inc., (Kane, Rel. #9, 6/18)
Like service providers, other companies who count counterfeiters and domain name cybersquatters among their customers may find themselves on the receiving end of a lawsuit.\textsuperscript{120}

Note that 47 U.S.C. § 230(c)(1) (commonly referred to as section 230 of the Communications Decency Act) provides immunity from liability for “interactive computer service” providers or users who publish information provided by others. Section 230 immunity will apply to claims that try to hold the service provider liable for defamation and similar state law claims, including state right-of-publicity claims and state criminal laws, but the immunity does not extend to federal criminal law or intellectual property claims.\textsuperscript{120.1}

§ 11:13 The Internet As a Source of Information and Evidence

The Internet is a limitless resource for information useful to trademark practitioners. Information that once was obtained through an investigator’s discreet anonymous phone calls or a visit to a company’s premises is now literally at the attorney’s fingertips. A quick search may reveal whether the product of interest is available for sale, the company’s location, and the complete product line and history. Chances are that you can order the potentially infringing product over the Internet. However, the Internet is frequently just the first step. In many situations, you will still want to check out the retail marketplace and hire an investigator to visit the premises.

The Internet not only provides useful background information, but may also provide evidence to support your case in court. When confronted with the issue of admissibility of material printed off the Internet, practitioners should consider these points:

\begin{itemize}
\item 120. See, e.g., Gucci Am., Inc. v. Frontline Processing Corp., No. 1:09-cv-06925-HB (S.D.N.Y. June 23, 2010) (plaintiff alleged facts sufficient to infer that company that assisted counterfeiting site in setting up its credit card transactions intentionally induced trademark infringement and that bank and credit card processing company exerted sufficient control over the infringing transactions and knowingly provided services to a counterfeiter; motion to dismiss denied).
\item 120.1. See, e.g., Perfect 10, Inc. v. CCBill LLC, 488 F.3d 1102 (9th Cir. 2007).
\end{itemize}
If the evidence is offered for the truth of statements contained in the Internet printout, there is likely to be a hearsay problem.

If the evidence is offered to show the existence of a company name or trademark as it appears on the Internet, a judge may request the parties to stipulate to the admissibility of this material—or it may come through the testimony of the downloader. Judicial notice may also be taken of documents obtained from the Internet.\textsuperscript{120.2}

The Internet home page of your adversary may contain information that can be used against him, such as statements contrary to the assertions he is making in court. See, for example, the Bath & Body Works website featuring testimonials by customers that they purchased BATH & BODY TWILIGHT WOODS products because they liked the Twilight movies.\textsuperscript{121}

Where there are claims that the mark is generic or descriptive and therefore weak, the Internet, like the Nexis database of newspaper and magazine articles, may demonstrate descriptive uses. However, frequent presence of a term on the Internet does not necessarily indicate weakness, for example, where a well-known mark is the target of cybersquatters.\textsuperscript{122}

If defendant wants to demonstrate the weakness of plaintiff’s mark as a result of third-party use, remember: appearance on the Internet does not necessarily equate with commercial

\textsuperscript{120.2} See Marten Transp., Ltd. v. Plattform Advert., Inc., No. 14-2464-JWL, 2016 WL 1718662 (D. Kan. Apr. 29, 2016) (authentication of archive webpages from Wayback Machine not necessary where accuracy of screenshots at time they were captured could not reasonably be questioned).

\textsuperscript{121} Bath & Body Works Brand Mgmt., Inc. v. Summit Entm’t, LLC, 7 F. Supp. 3d 385 (S.D.N.Y. 2014) (denying Bath & Body Works motion for summary judgment).

\textsuperscript{122} Beware that Trademark Office examiners may look up applicant on the Internet and use applicant’s Internet description of its product to support a rejection, for example, based on descriptive. See In re Promo Ink, 78 U.S.P.Q.2d 1301, 1304 (T.T.A.B. 2006) (descriptiveness rejection supported by Internet ads showing use of “Party at a Discount” in promotional information featuring discount coupons for parties).
use. Of course, the Internet is a good starting point to
determine what uses should be further investigated and
documented, for example, by purchase of products in the
marketplace or photographs of retail premises.

§ 11:14 Conclusion

Like much of technology, the Internet has pluses and minuses
for the practitioner. You are able to obtain information much more
quickly and easily, but so can your opponent. From the trademark
owner’s point of view, damage caused by exposure of infringing
uses on the Internet can be far more immediate and wide
reaching than exposure at the local retail level. The Anticyber-
squatting Consumer Protection Act, the UDRP, and the IPR
procedures in place for the new gTLDs are important steps in
the effort to protect trademarks on the Internet. However, the
flood of Internet litigation, like the flood of Internet information,
is not likely to recede soon.