

MAIN MENU:

[CALENDAR](#)[SYLLABUS](#)[DISCUSSION](#)[ADMINISTRATION](#)

NOTICES:

Digital Trademarks III: Shifting Approaches - ICANN & the ACPA

READINGS

In this section, we'll consider two recent developments in the domain names and trademarks dispute: (1) the creation of the uniform ICANN dispute resolution policy; and (2) the new US Law banning "cyberpiracy".

ICANN: The Dispute Resolution Policy

In this section, we'll consider the ICANN "Uniform Dispute Resolution Policy" (UDRP).

[ICANN Uniform Dispute Resolution Policy](#)

[WIPO Arbitration Statistics](#)

[Study Claims UDRP Decisionmaking Process Is Unfairly Biased in Favor of Complainants](#), 6 *Electronic Commerce & Law Report* (BNA) 33 (Aug. 22, 2001).

David Post, *Governing Cyberspace: Where is James Madison when we need him?* [IcannWatch.org](#), June 1999.

ICANN Arbitration Decisions

Note: these cases are most easily and quickly read by skimming the text until you reach a section entitled "Discussion and Findings" or "Findings"):

[telestra.org](#)

[crew.com](#)

[juliaroberts.com](#)

[geociities.com](#)

[walmartsucks.com](#)

[walmartcanadasucks.com](#)

Can you discern any pattern to these cases? How do they compare to the Federal Trademark Law

decisions?

Congressional Reaction: "Cyberpiracy Prevention"

On November 29, 1999, President Clinton signed into law the "Anticybersquatting Consumer Protection Act" (ACPA). This law adds section 1125(d) to title 15 of the United States Code.

Read the new section here:

[15 U.S.C. 1125\(d\) \(Supp. 2000\)](#)

Read the following cases interpreting and applying the new statute:

[Northland Insurance v. Blaylock, 115 F. Supp. 2d 1108 \(D. Minn. 2000\)](#) (pdf, 24 kb, edited)

[People for the Ethical Treatment of Animals v. Doughney, 2001 U.S. App. LEXIS 19028 \(4th Cir., Aug. 23, 2001\)](#). (pdf, 24 kb, edited)

What does "bad faith" mean in this context?



Uniform Domain Name Dispute Resolution Policy

Policy Adopted: August 26, 1999
Implementation Documents Approved: October 24, 1999

Notes:

1. This policy is now in effect. See www.icann.org/udrp/udrp-schedule.htm for the implementation schedule.
2. This policy has been adopted by all accredited domain-name registrars for domain names ending in .com, .net, and .org. It has also been adopted by certain managers of country-code top-level domains (e.g., .nu, .tv, .ws).
3. The policy is between the registrar (or other registration authority in the case of a country-code top-level domain) and its customer (the domain-name holder or registrant). Thus, the policy uses "we" and "our" to refer to the registrar and it uses "you" and "your" to refer to the domain-name holder.

□

Uniform Domain Name Dispute Resolution Policy

(As Approved by ICANN on October 24, 1999)

1. Purpose. This Uniform Domain Name Dispute Resolution Policy (the "Policy") has been adopted by the Internet Corporation for Assigned Names and Numbers ("ICANN"), is incorporated by reference into your Registration Agreement, and sets forth the terms and conditions in connection with a dispute between you and any party other than us (the registrar) over the registration and use of an Internet domain name registered by you. Proceedings under **Paragraph 4** of this Policy will be conducted according to the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules of Procedure"), which are available at www.icann.org/udrp/udrp-rules-24oct99.htm, and the selected administrative-dispute-resolution service provider's supplemental rules.

2. Your Representations. By applying to register a domain name, or by asking us to maintain or renew a domain name registration, you hereby represent and warrant to us that (a) the statements that you made in your Registration Agreement are complete and accurate; (b) to your knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party; (c) you are not registering the domain name for an unlawful purpose; and (d) you will not knowingly use the domain name in violation of any applicable laws or regulations. It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights.

3. Cancellations, Transfers, and Changes. We will cancel, transfer or otherwise make changes to domain name registrations under the following circumstances:

- a. subject to the provisions of **Paragraph 8**, our receipt of written or appropriate electronic instructions from you or your authorized agent to take such action;
- b. our receipt of an order from a court or arbitral tribunal, in each case of competent jurisdiction, requiring such action; and/or
- c. our receipt of a decision of an Administrative Panel requiring such action in any administrative proceeding to which you were a party and which was conducted under this Policy or a later version of this Policy adopted by ICANN. (See **Paragraph 4(i)** and **(k)** below.)

We may also cancel, transfer or otherwise make changes to a domain name registration in accordance with the terms of your Registration Agreement or other legal requirements.

4. Mandatory Administrative Proceeding.

This Paragraph sets forth the type of disputes for which you are required to submit to a mandatory administrative proceeding. These proceedings will be conducted before one of the administrative-dispute-resolution service providers listed at www.icann.org/udrp/approved-providers.htm (each, a "Provider").

a. Applicable Disputes. You are required to submit to a mandatory administrative proceeding in the event that a third party (a "complainant") asserts to the applicable Provider, in compliance with the Rules of Procedure, that

- (i) your domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
- (ii) you have no rights or legitimate interests in respect of the domain name; and
- (iii) your domain name has been registered and is being used in bad faith.

In the administrative proceeding, the complainant must prove that each of these three elements are present.

b. Evidence of Registration and Use in Bad Faith. For the purposes of **Paragraph 4(a)(iii)**, the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith:

- (i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or
- (ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
- (iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a

product or service on your web site or location.

c. How to Demonstrate Your Rights to and Legitimate Interests in the Domain Name in Responding to a Complaint. When you receive a complaint, you should refer to **Paragraph 5** of the Rules of Procedure in determining how your response should be prepared. Any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate your rights or legitimate interests to the domain name for purposes of **Paragraph 4(a)(ii)**:

(i) before any notice to you of the dispute, your use of, or demonstrable preparations 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.

d. Selection of Provider. The complainant shall select the Provider from among those approved by ICANN by submitting the complaint to that Provider. The selected Provider will administer the proceeding, except in cases of consolidation as described in **Paragraph 4(f)**.

e. Initiation of Proceeding and Process and Appointment of Administrative Panel. The Rules of Procedure state the process for initiating and conducting a proceeding and for appointing the panel that will decide the dispute (the "Administrative Panel").

f. Consolidation. In the event of multiple disputes between you and a complainant, either you or the complainant may petition to consolidate the disputes before a single Administrative Panel. This petition shall be made to the first Administrative Panel appointed to hear a pending dispute between the parties. This Administrative Panel may consolidate before it any or all such disputes in its sole discretion, provided that the disputes being consolidated are governed by this Policy or a later version of this Policy adopted by ICANN.

g. Fees. All fees charged by a Provider in connection with any dispute before an Administrative Panel pursuant to this Policy shall be paid by the complainant, except in cases where you elect to expand the Administrative Panel from one to three panelists as provided in **Paragraph 5(b)(iv)** of the Rules of Procedure, in which case all fees will be split evenly by you and the complainant.

h. Our Involvement in Administrative Proceedings. We do not, and will not, participate in the administration or conduct of any proceeding before an Administrative Panel. In addition, we will not be liable as a result of any decisions rendered by the Administrative Panel.

i. Remedies. The remedies available to a complainant pursuant to any proceeding before an Administrative Panel shall be limited to requiring the cancellation of your domain name or the transfer of your domain name registration to the complainant.

j. Notification and Publication. The Provider shall notify us of any decision made by an Administrative Panel with respect to a domain name you have registered with us. All decisions under this Policy will be published in full over the Internet, except when an Administrative Panel determines in an exceptional case to redact portions of its decision.

k. Availability of Court Proceedings. The mandatory administrative proceeding

requirements set forth in [Paragraph 4](#) shall not prevent either you or the complainant from submitting the dispute to a court of competent jurisdiction for independent resolution before such mandatory administrative proceeding is commenced or after such proceeding is concluded. If an Administrative Panel decides that your domain name registration should be canceled or transferred, we will wait ten (10) business days (as observed in the location of our principal office) after we are informed by the applicable Provider of the Administrative Panel's decision before implementing that decision. We will then implement the decision unless we have received from you during that ten (10) business day period official documentation (such as a copy of a complaint, file-stamped by the clerk of the court) that you have commenced a lawsuit against the complainant in a jurisdiction to which the complainant has submitted under [Paragraph 3\(b\)\(xiii\)](#) of the Rules of Procedure. (In general, that jurisdiction is either the location of our principal office or of your address as shown in our Whois database. See [Paragraphs 1](#) and [3\(b\)\(xiii\)](#) of the Rules of Procedure for details.) If we receive such documentation within the ten (10) business day period, we will not implement the Administrative Panel's decision, and we will take no further action, until we receive (i) evidence satisfactory to us of a resolution between the parties; (ii) evidence satisfactory to us that your lawsuit has been dismissed or withdrawn; or (iii) a copy of an order from such court dismissing your lawsuit or ordering that you do not have the right to continue to use your domain name.

5. All Other Disputes and Litigation. All other disputes between you and any party other than us regarding your domain name registration that are not brought pursuant to the mandatory administrative proceeding provisions of [Paragraph 4](#) shall be resolved between you and such other party through any court, arbitration or other proceeding that may be available.

6. Our Involvement in Disputes. We will not participate in any way in any dispute between you and any party other than us regarding the registration and use of your domain name. You shall not name us as a party or otherwise include us in any such proceeding. In the event that we are named as a party in any such proceeding, we reserve the right to raise any and all defenses deemed appropriate, and to take any other action necessary to defend ourselves.

7. Maintaining the Status Quo. We will not cancel, transfer, activate, deactivate, or otherwise change the status of any domain name registration under this Policy except as provided in [Paragraph 3](#) above.

8. Transfers During a Dispute.

a. Transfers of a Domain Name to a New Holder. You may not transfer your domain name registration to another holder (i) during a pending administrative proceeding brought pursuant to [Paragraph 4](#) or for a period of fifteen (15) business days (as observed in the location of our principal place of business) after such proceeding is concluded; or (ii) during a pending court proceeding or arbitration commenced regarding your domain name unless the party to whom the domain name registration is being transferred agrees, in writing, to be bound by the decision of the court or arbitrator. We reserve the right to cancel any transfer of a domain name registration to another holder that is made in violation of this subparagraph.

b. Changing Registrars. You may not transfer your domain name registration to another registrar during a pending administrative proceeding brought pursuant to [Paragraph 4](#) or for a period of fifteen (15) business days (as observed in the location of our principal place of business) after such proceeding is concluded. You may transfer administration of your domain name registration to another registrar during a pending court action or arbitration, provided that the domain name you have registered with us shall continue to be subject to the proceedings commenced against you in accordance with the terms of this Policy. In the event that you transfer a domain name registration to us during the pendency of a court action or arbitration, such dispute shall remain subject to the domain name dispute policy of the registrar from which the domain name registration was transferred.

9. Policy Modifications. We reserve the right to modify this Policy at any time with the permission of ICANN. We will post our revised Policy at <URL> at least thirty (30) calendar days before it becomes effective. Unless this Policy has already been invoked by the submission of a complaint to a Provider, in which event the version of the Policy in effect at the time it was invoked will apply to you until the dispute is over, all such changes will be binding upon you with respect to any domain name registration dispute, whether the dispute arose before, on or after the effective date of our change. In the event that you object to a change in this Policy, your sole remedy is to cancel your domain name registration with us, provided that you will not be entitled to a refund of any fees you paid to us. The revised Policy will apply to you until you cancel your domain name registration.

Comments concerning the layout, construction and functionality of this site
should be sent to webmaster@icann.org.

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Case Results: gTLDs (until end of September 2001)

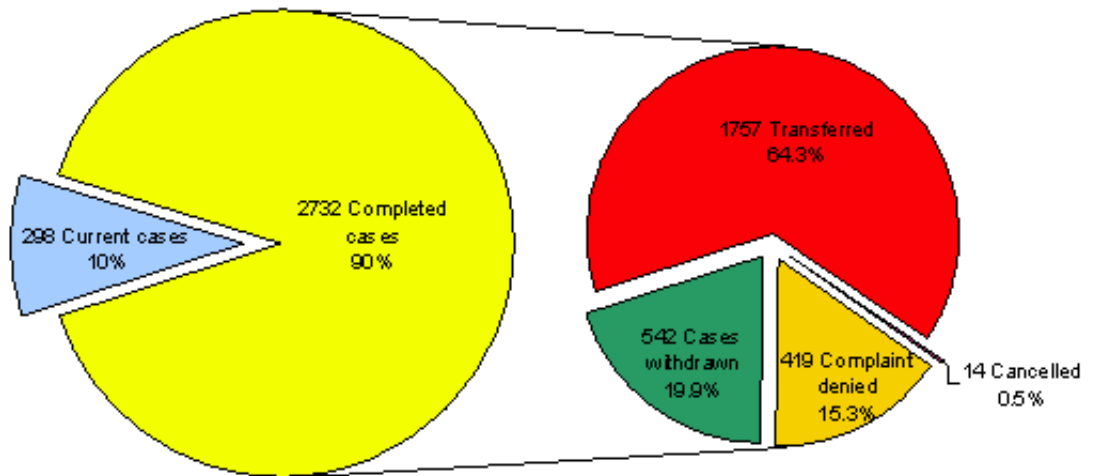
- What's New
- About the Center
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- Mediation
- Domain Name Disputes
 - gTLDs
 - New gTLDs
 - ccTLDs
 - Panelists
 - Case Statistics
 - Case Filing
- Keyword Disputes
- ASPs
- Neutrals
- Events
- Press Room

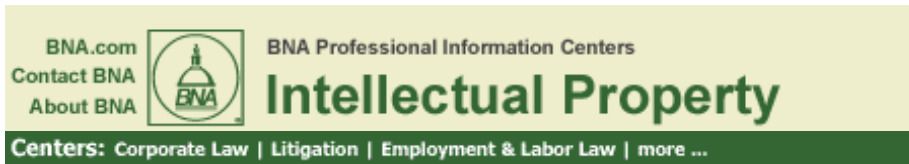
All gTLD cases:

Year	Number of Cases
1999	1
2000	1841
2001	1188
Total:	3030

Completed gTLD cases:

Transferred	1757
Cancelled	14
Complaint denied	419
Withdrawn/Terminated	542
Total:	2732





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FREE TRIAL

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Internet Governance

Study Claims UDRP Decisionmaking Process Is Unfairly Biased in Favor of Complainants

The current process for handling trademark-related disputes over Internet domain name registrations is badly skewed in favor of trademark owners, according to a study released Aug. 20.

Data collected in the report, *Fair.com?: An Examination of the Allegations of Systematic Unfairness in the ICANN UDRP*, suggest that the nearly universally applicable Uniform Dispute Resolution Policy encourages forum shopping in search of what appear to be strongly pro-trademark owner tribunals.

The study found that decisions from arbitration tribunals operated by the National Arbitration Forum and the World Intellectual Property Organization continue to run strongly in favor of trademark-owner complainants--who prevail in approximately 82 percent of their cases before these providers--and that cases decided by a single-member panel are much more likely to result in victory for the complainant than those decided by three-member panels.

Making three-member panels the default approach, creating caseload minimums and maximums for individual panelists, and encouraging greater accountability through transparent decisionmaking processes is needed to instill "greater confidence and fairness" in the present system, report author Michael Geist of the University of Ottawa Law School argued.

A review of the UDRP is on the agenda for the Internet Corporation for Assigned Names and Numbers's next meeting, set for Sept. 9 in Montevideo, Uruguay.

Is Flyswatter 'Fair' to the Fly?

The charge that the UDRP is biased in favor of trademark owners emanates from a deep well of innocence. The UDRP was created to remedy a "problem" that existed entirely in the minds of trademark owners: the widespread registration of domain names containing all or part of their marks. The principal author of the UDRP was WIPO, an international agency whose mission is to advance the interests of the intellectual property community.

ICANN, which imposes the terms of the UDRP on all registrants in the top-level domains it controls, is controlled by a community of large Internet infrastructure suppliers. To the extent that ICANN has any government oversight at all, it comes from the U.S. Department of Commerce, an agency statutorily dedicated to the promotion of U.S. business interests.

The Geist study documents the UDRP decisionmaking record by four dispute resolution providers, which was adopted by ICANN in late 1999. Under the UDRP, trademark owners are afforded the opportunity to gain control of a domain name registration if they are able to prove--to the satisfaction of an arbitrator or arbitration panel in a pleadings-only proceeding--that they have trademark rights in the name and the name was registered by the respondent in bad faith.

The Geist group surveyed approximately 3,000 UDRP cases decided up until early July 2001 by the four ICANN-accredited arbitration services providers: WIPO, NAF, the Disputes.org/eResolution Consortium, and the CPR Institute.

NAF came in for particular criticism, both for its heavy-handed marketing of its services--trumpeted through press releases such as the one that proclaimed "Arbitrator Delivers Internet Order for Fingerhut"--and for its practice of assigning cases to a small handful of arbitrators with solid pro-complainant track records.

Charges of forum shopping and pro-trademark-owner bias are not new. Last year, Syracuse University professor Milton Mueller released *Rough Justice: An Analysis of ICANN's Uniform Dispute Resolution Policy*, a report that also found evidence of a pro-complainant bias in UDRP decisions (5 ECLR 1168, 12/6/00). As was the case in the Mueller study, the Geist study finds both NAF and WIPO equally receptive to complainants's petitions, each holding in favor of the complainant in 82 percent of all cases.

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Under the UDRP, complainants are allowed to select which dispute resolution provider will decide their petition, and they are also allowed to select--initially--whether the case will be decided by a single-member or a three-member panel. The respondent has the option of asking for a three-member panel in all cases. In cases where a three-member panel is involved, the complainant and respondent have large roles in selecting which panelists will decide the case. In single-member panel cases, the panelist is selected by the dispute resolution provider.

Single Panelist Cases Worrisome

The study zeroed in on one particular anomaly of UDRP decisionmaking: Among those cases handled by WIPO and NAF, complainants are winning single panelist decisions at far greater rates than in cases decided by a three-member panel. At NAF, complainants prevail in 85.4 percent of all single-member panel cases; whereas, in three-member panel cases, complainants prevail 51.9 percent of the time. At WIPO, the story is similar, though less pronounced. Complainants prevail in 84.4 percent of all WIPO single-member panel cases, and prevail in 64.0 percent of all three-member panel cases.

While it could be assumed that respondents would request a three-member panel in cases in which they had a strong claim to the domain name, thus accounting for some of the disparity between the single-member and three-member panel outcomes, data collected in the report failed to substantiate this assumption. In fact, complainants request three-member panels more often than respondents, the reported noted. One explanation for this circumstance offered by the report's authors is that three-member panels are being requested to prevent aberrant decisionmaking by a single panelist.

The study notes that at another provider, eResolution, the gap between the single-member and three-member panel cases is less pronounced: Complainants prevail in 63.9 percent of the single-member panel cases, and in 54.0 percent of the three-member panel decisions.

"The lack of transparency on issues such as panelist allocation is particularly worrisome since the data suggests that there is a significant difference in outcome when panelists are allocated exclusively by the provider in a single panelist case and when both parties influence the composition of the panel, as in the three-member panelist case," the report stated.

The study complained that no information is available indicating how panelists are selected in single-member cases. Looking at NAF decisions, it found a rough correlation between complainant success and panelist caseload. At NAF, six panelists handled 53 percent of all single-panelist cases. One arbitrator, James Carmody, alone handled 140 of NAF's 966 single-panel cases, deciding in favor of the complainant 95.7 percent of the time.

Looking at the other side of the coin, the report mentioned that two WIPO panelists with pro-respondent reputations, Mueller and California-based attorney G. Gervaise Davis III, have yet to be assigned to a single-panelist case.

Recommendations

The report makes several recommendations for reform of UDRP decisionmaking:

- Three-member panels should be the norm, paid for entirely by the complainant. In cases in which there is a default, the case could be downgraded to a single panelist.
- Controls should be placed on the number of cases any one particular arbitrator could handle.
- Arbitrators should be annually reviewed for quality of work.
- Better data should be provided on panel decisions.

"Both WIPO and NAF, the two dominant ICANN-accredited arbitration providers, feature case allocation data that suggests that the panelist selection process is not random," the report stated. "Rather, it appears to be heavily biased toward ensuring that a majority of cases are steered toward complainant-friendly panelists."

The report Fair.com?: An Examination of the Allegations of Systematic Unfairness in the ICANN UDRP is available at <http://aix1.uottawa.ca/~geist/geistudrp.pdf>.

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Back to ICANNWatch.org

Governing Cyberspace **"Where is James Madison when we need him?"**

by David Post

Webposted on 06 June 1999

In a column last Fall I suggested that the pending reorganization of the Internet's domain name system (DNS) had the potential to become cyberspace's own "constitutional moment," a profound and thorough transformation of the institutions and processes responsible for law-making and regulation on the global electronic network. [See [Cyberspace's Constitutional Moment](#)] Over the last several months, the shadowy outlines of a new kind of constitutional structure for cyberspace have indeed begun to emerge. The consequences of these developments for the Internet's future could not be more profound, and the picture that is emerging is not always a pretty one. Not many people are paying close attention to these developments; they should. Not to be an alarmist, but to boil a frog alive, the parable tells us, you need just to turn up the heat by increments so small that the frog never notices -- never pays attention to -- the rising temperature until it is too late to do anything about it (like jump out of the pot). Well, the temperature on the Internet is starting to rise.

(A bit of) Background

[Those of you who already know how the DNS works, and what a "root server" is, might want to skip ahead . . .]

For the Internet to exist as a single coherent network, there must be a way to be sure that a message sent from any point on the network to `janedoe@xyz.com`, or a request to view the webpage at `www.school.edu`, is routed to the "right" machine; that is, each of those addresses (`xyz.com` or `www.school.edu`) must be associated unambiguously with a particular machine if message traffic is to move in a predictable way.

To make an extremely long story short, the global network we call "the Internet" manages this by, first, requiring that each machine on the network have a unique numerical address [e.g., `123.45.67.89`]; indeed, to be "on the Internet" means to have (or to be connected to) a machine to which such an address has been assigned. For your message to `www.school.edu` to be routed correctly, your computer must somehow be able to find the numerical address corresponding to the machine named `www.school.edu`. This is accomplished, on the Internet, by means of what Tony Rutkowski calls a "magical mystery tour."

When you send off a message requesting a copy of the `www.school.edu` home page ("`http://www.school.edu`"), the message first stops off at a machine known as a "DNS [Domain Name System] server." It is the job of the DNS server, which is usually operated by your Internet Service Provider, to find the correct numerical address for your message. The DNS server reads, in effect, from right to left; seeing that this is a

message destined for some machine in the EDU domain, it needs to find out where addresses in the EDU domain are stored. It does this by asking a different machine (known as the "root server") that very question: "Who is responsible for the EDU domain?" The root server replies with the numerical address of a different machine (known as the "EDU domain server"). Your DNS server then asks the EDU domain server the question: "Who is responsible for "school.edu?" The EDU domain server replies with another numerical address [or with "Not Found" if it cannot find an entry for "school.edu" in its database of names and addresses]. Your DNS server then asks this machine: "Who is responsible for www.school.edu?" School.edu replies with yet another numerical address, and now your DNS server has completed its task; once it receives the address for www.school.edu, it places that address into your message and sends it on its way.

How does this all work as smoothly as it does? Who is in charge of the root server? How does the operator of the root server decide which machines are the "authorized" domain servers for EDU, or COM, or ORG, or any of the other top-level domains? Who controls those machines (and the database of names and addresses contained in them)? And how is this whole scheme enforced? That is, what makes the root server "the" root server? Why do the many thousands of Internet Service Providers, operating the many thousands of DNS servers worldwide, all use the same root server?

In the early days of the Internet, of course -- through, say, the early 90s -- no one outside the small cadre of engineers that was putting the system together cared very much about the answers to these questions. There were, of course, answers to them all. The United States government had long operated the root server (a holdover from the days that the Internet was a Defense Department project), and had worked with something known as the Internet Assigned Numbering Authority (IANA) -- a group of engineers led by the late Jon Postel -- to organize the necessary data and to see that the various domain servers were being properly managed.

As long as it all seemed to be working smoothly enough; who cared what was going on behind the Wizard's curtain? And who noticed when, in 1992, as the extraordinary growth of the network began to outstrip the management capacity of this (largely volunteer) operation, the U.S. government engaged a private firm, Network Solutions, Inc. (NSI), to manage and maintain the databases and domain servers for the COM, ORG, and NET domains?

But slowly, as more and more people began to realize that the Internet was a Really Big Deal (and that these funny "domain name" things might actually be of real value), more and more people started to pay attention to all of this, and this arrangement began to come under increasing fire from many quarters. The government and NSI found themselves increasingly under attack from within and without the Net community by those challenging NSI's apparent monopoly control over these increasingly valuable top-level domains, by trademark owners concerned about domain names that appeared to infringe upon their valuable trademark rights, and others.

As the expiration date of the government's contract with NSI approached last June, the Commerce Department announced that the government wanted to get out of the DNS management business entirely. Citing "widespread dissatisfaction about the absence of competition in domain name registration," and the need for a "more formal and robust management structure," the government proposed transferring responsibility for management and operation of the DNS to a private non-profit corporation. This new corporation, to be formed by "Internet stakeholders" on a global basis, would take over responsibility for overseeing the operation of the authoritative Internet root server, and would be charged with introducing competitive, market mechanisms into the allocation of Internet names and addresses.

Um, What Does This Have To Do With "Internet Governance"?

This new corporation -- ICANN, the Internet Corporation for Assigned Names and Numbers -- has, over the past several months, set up shop and gotten to work. It's been a busy time. It has begun to establish "Supporting Organizations," new coalitions comprising various Internet constituencies (e.g., domain name registrars, trademark owners) who will be responsible for electing members of the ICANN Board of Directors and for formulating aspects of domain name policy. It has taken the first steps towards introducing competition into the domain name system, accrediting five companies (America Online, CORE (Internet Council of Registrars), France Telecom/Oléane, Melbourne IT, and register.com) to begin issuing registrations in the

COM, ORG, and NET, domains during a two-month test period (along with twenty-nine other entities who can begin accepting registrations in these domains once the test phase is completed). It commissioned, and recently adopted (in part), a report from the World Intellectual Property Organization (WIPO) outlining the procedures to be used in cases involving "cybersquatting" (the intentional "warehousing" of domain names for later sale).

My goal here is not to discuss any of these specific actions; there is much here to digest and debate, pro and con, and I will have a great deal more to say about the specifics of ICANN's activities over the next several months. [As, I hope, will others; I particularly recommend Michael Froomkin's commentary on the WIPO Report referenced in the preceding paragraph, posted at [at his website.](#)]

Rather, my goal here is just to suggest that notwithstanding the government's (and ICANN's) protestations to the contrary, this is about nothing less than Internet governance writ large. The Commerce Department took pains to characterize it in other terms; this new corporation would be responsible only for "technical management of the DNS," the "narrow issues of management and administration of Internet names and numbers on an ongoing basis" -- sort of what the International Telecommunications Union does with respect to managing interconnections on the international telephone network. This new framework for managing the DNS ". . . does not set out a system of Internet "governance." Existing human rights and free speech protections will not be disturbed and, therefore, need not be specifically included in the core principles for DNS management. In addition, this policy is not intended to displace other legal regimes (international law, competition law, tax law and principles of international taxation, intellectual property law, etc.) that may already apply. The continued applicability of these systems as well as the principle of representation should ensure that DNS management proceeds in the interest of the Internet community as a whole."

It is all well and good to say that this new institution will not be engaged in Internet governance -- but words will not make it so. Any entity exercising control over the DNS will be subject to immense pressure to do more than mere "technical management," because, bizarre as it may seem at first glance, the root server, and the various domain servers to which it points, constitute the very heart of the Internet, the Archimedean point on which this vast global network balances.

To appreciate that, imagine for the moment that you had control over operation of the root server. You alone get to decide which machines are "authoritative" domain servers for the COM, NET, ORG, EDU, and the other top-level domains, the machines to which all Internet users worldwide will be directed when they try to send any message to any address in those domains. You have the power, therefore, to determine who gets an address in those domains -- who gets a passport without which passage across the border into cyberspace is impossible. You can say "From now on, we will use the data in machine X as the authoritative list of COM names and addresses, but only so long as the operator of that machine complies with the following conditions," and then you can list -- well, just about anything you'd like, I suppose. It's your root server, after all. You can require that all domain server operators pay you a certain fee, or provide you with particular kinds of information about the people to whom they have handed out specific names and addresses, or only allow transmission of files in a specified format, or abide by a particular set of laws or rules or regulations. And you can demand that they "flow through" these conditions (or others) to anyone whom they list in their authoritative databases, that they revoke any name given to anyone who does not pay the required fee, or provide the required information, or use the specified file format, or comply with the specified rules and regulations.

This is quite literally a kind of life-or-death power over the global network itself, because presence in (or absence from) this chain of interlocking servers and databases is a matter of [network] life or death: If your name and address cannot be found on the "authoritative" server, you simply do not exist -- at least, not on the Internet. Eliminate the entry for xyz.com from the COM domain server and xyz.com vanishes entirely from cyberspace; designate as the new COM domain server a machine that does not have an entry for xyz.com in its database, and you have imposed the electronic equivalent of the death penalty on xyz.com.

Anyone interested in controlling the rules under which activities on the Internet take place -- and many commercial interests, who now realize the huge economic stake they have in this medium, and many governments, who have spent the last few years worrying about how they would ever get back their taxing and regulatory authority over Internet transactions, find that they are indeed quite interested in that now -- is likely

to find the existing of a single controlling point awfully tempting. Anyone with a vision of how the Internet can be made a "better" place " by making it safer for the exploitation of intellectual property rights, say, or by eliminating the capability to engage in anonymous transactions, or by making it more difficult for children to get access to indecent material -- is likely to view control over the root server as the means to impose its particular vision on Internet users worldwide. After all the talk over the past few years about how difficult it will be to regulate conduct on the Internet, the domain name system looks like the Holy Grail, the one place where enforceable Internet policy can be promulgated without any of the messy enforcement and jurisdictional problems that bedevil ordinary law-making exercises on the Net.

And that is why these are governance questions, why any reorganization of this system, far from being an arcane technical detail of Internet engineering, is inherently of constitutional significance. Power corrupts, absolute power corrupts absolutely -- on the Internet as elsewhere. Questions about constraining any form of absolute power are constitutional questions of the highest order, and "governance" means nothing more (and nothing less) than the search for mechanisms to insure that absolute power is not exercised in an unjust or oppressive manner. How can we be assured that ICANN will be able to resist pressures to stray beyond this limited "technical" mandate? Where are the checks on the new corporation's exercise of its powers?

You think, perhaps, that I exaggerate the significance of these developments, and perhaps I do. But let me point to a few dark clouds on the horizon that make me very, very nervous about what ICANN is up to. Remember all those things you could do if you were in control of the root? Like " require that domain server operators pay you a certain fee"? Well, ICANN has imposed the requirement that each accredited registrar pay ICANN a fee of \$1 for each new domain name they hand out -- can anyone say "taxation without representation"? Or "provide you with particular kinds of information about the people to whom they have handed out specific names and addresses"? ICANN, having now adopted the WIPO Report referenced earlier, is about to impose a requirement on all domain name registrars that they collect and make available "accurate and reliable contact details of domain name holders," and that they agree to "cancel the domain name registrations" wherever those contact details are shown to be "inaccurate and unreliable." -- a move with grave consequences for the continued viability of anonymous communications on the Internet. Or "abide by a particular set of laws or rules or regulations"? The WIPO Report, again, envisions that all claims by trademark holders that a domain name registrant registered an infringing name "in bad faith" be submitted to a single, uniform, worldwide dispute resolution process for adjudication.

Now, some, or even all, of these may be good ideas. But this is already way beyond the realm of technical "standards-setting," and we really must ask whether we really want or need this kind of global Internet policy and whether this is the way it should be put together. When did the affected constituency -- all Internet users worldwide -- decide that they want a global policy-making organ of this kind? Who decided that the bottom-up, decentralized, consensus-based governance structures under which the Internet grew and flourished are incompatible with its continued growth and development? When are we going to get a chance to ratify these new arrangements?

There are hard questions here, but one thing is clear; we need to disabuse ourselves of the notion that this is somehow not about Internet governance if we are going to make any serious headway on them. We know something about how institutions that possess life and death power can be constrained, about constitutions and constitutionalism, about the fragmentation of power and the need for checks on the exercise of power, and we better start thinking about this problem in these terms before too much more time elapses.

Oh and about James Madison? Madison not only thought more clearly and more insightfully about these questions than anyone before or since, he understood the necessity for public discussion and debate about issues of this kind; the Federalist Papers, in which he and Alexander Hamilton (and a somewhat recalcitrant John Jay) laid out the arguments for (and against) the constitutional structure put together in Philadelphia in 1787, began life, let us not forget, as newspaper columns appearing weekly in the New York press. We could do worse than to start thinking about updating that for the new cyber world we are building now.



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Telstra Corporation Limited v. Nuclear Marshmallows

Case No. D2000-0003

1. The Parties

1.1 The Complainant is Telstra Corporation Limited, a company incorporated in Australia, with its registered office in Melbourne, Australia. The Respondent is Nuclear Marshmallows. Nuclear Marshmallows is an unregistered business name of an unidentifiable business entity. The address of the Respondent as contained in the domain name registration is a post office box in Gosford, NSW, Australia. The administrative and billing Contact provided for the domain name registered by the Respondent is a Michael Jenkins.

2. The Domain Name and Registrar

2.1 The domain name that is the subject of this Complaint is <telstra.org>. The Registrar of this domain name is Network Solutions, Inc of Herndon, Virginia, USA.

3. Procedural History

Issuance of Complaint

3.1 A Complaint made pursuant to the Uniform Domain Name Dispute Resolution Policy implemented by the Internet Corporation for Assigned Names and Numbers (ICANN) on October 24, 1999 ("Uniform Policy"), and under the Rules for Uniform Domain Name Dispute Resolution Policy implemented by ICANN on the same date ("Uniform Rules"), was submitted electronically to the World Intellectual Property Organization Arbitration and Mediation Center ("WIPO Center") on January 4, 2000. A paper original of the Complaint together with annexures and the required fees were forwarded by courier under cover of a letter of the same date, and received by the WIPO Center on January 10, 2000. An Acknowledgment of Receipt was sent by the WIPO Center to the Complainant, by facsimile and email dated January 10, 2000.

3.2 A copy of the Complaint was dispatched by courier to the Registrar on 5 January, 2000, and delivered to the Registrar on 7 January, 2000. By email to the WIPO Center on 7 January, 2000, the Registrar confirmed that it is the Registrar of the domain name <telstra.org>; confirmed that the current registrant of that domain name is the Respondent, Nuclear Marshmallows; informed that the administrative, technical, zone and billing Contact for the Respondent is Michael Jenkins; and provided a postal and a email address, and a telephone and a facsimile number, for the Contact. The Registrar also supplied the terms of the domain name service agreement between it and the Respondent. Amongst other things, that agreement provides that the Respondent agrees to be bound by the domain name dispute policy incorporated therein. The policy incorporated into the agreement is the Uniform Policy.

Notification to Respondent

3.3 Having verified that the Complaint satisfied the formal requirements of the Uniform Policy and the Uniform Rules, the WIPO Center issued to the Respondent on January 12, 2000, a Notification of Complaint and Commencement of Administrative Proceeding (including a copy of the filed Complaint), to both the postal and email addresses of the Respondent, and to the facsimile of the Respondent's Contact, as provided by the Registrar. Copies of this Notification of Complaint were sent to the Complainant, the Registrar and ICANN on the same date.

3.4 On January 14, 2000, an email was received by the WIPO Center from the email address of Nuclear Marshmallows' Contact, saying in full "cannot read attachment". On that day, the WIPO Center replied to the Contact by email, attaching the Notification of Complaint in four different formats in four separate transmissions, and inviting the Contact to specify any other format required. No response to these emails was received. Moreover, no response to the postal dispatches of the Notification of Complaint to the Respondent was received. Furthermore, all attempts to transmit the Notification of Complaint to the Respondent by facsimile failed. Having reviewed the communications records in the case file, the Administrative Panel finds that the WIPO Center has discharged its responsibility under Paragraph 2(a) of the Uniform Rules "to employ reasonably available means calculated to achieve actual notice to Respondent".

3.5 Having received no response from the Respondent within the specified time in the Notification of Complaint, on February 3, 2000, the WIPO Center issued to both parties a Notification of Respondent Default. On February 4, 2000, the WIPO Center issued to both parties a Notification of Appointment of Administrative Panel and Projected Decision Date. This Notification informed the parties that the Administrative Panel would be comprised of a single Panelist, Dr Andrew Christie.

4. Factual Background

4.1 The Complaint asserted, and provided evidence in support of, and the Administrative Panel finds established, the following facts.

Complainant's Activities

4.2 The Complainant is the largest company listed on the Australian stock exchange, having a market capitalisation of approximately \$A62 billion. It is the largest provider of telecommunications and information services in Australia, with financial year 1998-99 revenue exceeding \$A16 billion. The Complaint's main activities, each of which is carried out under or by reference to the <TELSTRA> mark, are the provision of a fixed telephony network to residences and businesses across Australia; the provision of local, long distance domestic and international telephone call services to over 7 million residential and business customers in Australia; the provision of 78,000 public payphones in Australia; the operation of mobile telecommunications services to 3.4 million customers; the provision of a range of data, Internet and on-line services (including the largest Internet Service Provider in Australia); the provision of wholesale services to other telecommunications carriers and service providers; the provision of directory information and connection services to over 520 million calls per annum; the publication and distribution of white pages and yellow pages directories in hard-copy, CD-ROM and on-line formats; and the operation of over 80 retail outlets throughout Australia.

Complainant's Trading Name and Trademarks

4.3 The predecessor in title to the Complainant's business can be traced back to 1901. In April 1993 the Complainant changed its legal name to Telstra Corporation Limited. It has traded under the name <Telstra> outside Australia since that date, and within Australia since July 1995. The Complainant is the proprietor of more than 50 registrations in Australia of trademarks consisting of or containing the word <TELSTRA> (details of which are contained in Annexure 3 to the Complaint), including a number of registrations in class 38 in respect of telecommunications services. The various trademark registrations and applications cover an extensive range of goods and services, and span 17 of the 42 trademark classes. As well, the Complainant has registered, or applied for registration of, a range of trademarks consisting of or containing the word <TELSTRA>, in a large number of countries, such as Brunei, Cambodia, France, Germany, Hong Kong, Indonesia, Ireland, Japan, Kazakstan, Kiribati, Korea, Laos, Malaysia, Mauritius, New Zealand, Papua New Guinea, People's Republic of China, South Africa, Russian Federation, Saudi Arabia, Singapore, Taiwan, The Philippines, Tonga, United Kingdom, United States of America, Vanuatu, Vietnam and Western Samoa. In addition, the Complainant has obtained a registered Community Trade Mark for a trademark including the word <TELSTRA>. Details of the trademark registrations in countries outside Australia are set out in Annexure 4 to the Complaint.

Complainant's Domain Names and Web Sites

4.4 The Complainant is the registrant of the following domain names containing the word <TELSTRA>:

- telstra.com
- telstra.net
- telstra.com.au
- telstra-inc.com
- telstrainc.com

4.5 The Complainant operates its principal web site at <telstra.com>. The site includes electronic customer services for its fixed-line and mobile-phone customers, news and entertainment services, and White Pages and Yellow Pages directories.

Respondent's Identity and Activities

4.6 The Respondent is the registrant of the domain name <telstra.org>, the Registrar of which is Network Solutions, Inc. This domain name does not resolve to a web site or other on-line presence.

4.7 The postal address of the Respondent and its Contact, as contained in the Registrar's registry, is a post office box in a town in the State of New South Wales, Australia. The registers of company names and business names in Australia do not disclose a

registration of a company name or business name for the Respondent's name, Nuclear Marshmallows. Accordingly, it is not possible to identify the legal entity conducting business in Australia under the Respondent's name.

4.8 Prior to the issuing of the Complaint, the Complainant made substantial efforts to identify and contact the Respondent, using the details then current on the Registrar's registry. During the course of these attempts, some of the contact details of the Respondent changed. The Complaint then renewed its efforts to contact the Respondent, using the changed contact details. These combined efforts disclosed that the street and post box addresses of the Respondent were for persons unassociated with the Respondent, and that the telephone number was for a person unassociated with the Respondent.

5. Relevant Provisions of the Uniform Policy

5.1 Paragraph 4(a) of the Uniform Policy sets out the three elements which must be present for a proceeding to be brought against the Respondent, and which the Complainant must prove to obtain a remedy. It provides as follows:

a. Applicable Disputes. You [the Respondent] are required to submit to a mandatory administrative proceeding in the event that a third party (a "complainant") asserts to the applicable Provider, in compliance with the Rules of Procedure, that

- (i) your domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
- (ii) you have no rights or legitimate interests in respect of the domain name; and
- (iii) your domain name has been registered and is being used in bad faith.

In the administrative proceeding, the complainant must prove that each of these three elements are present.

5.2 Paragraph 4(b) of the Uniform Policy identifies, in particular but without limitation, four circumstances which, if found by the Administrative Panel to be present, shall be evidence of the registration and use of a domain name in bad faith. The precise wording of this paragraph is as follows:

b. Evidence of Registration and Use in Bad Faith. For the purposes of Paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith:

- (i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or
- (ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
- (iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.

5.3 It is worthy of note that *each* of the four circumstances in paragraph 4(b), if found, is an instance of "registration and use of a domain name in bad faith", notwithstanding the fact that circumstances (i), (ii), and (iii) are concerned with the primary intention or purpose of the registration of the domain name, whilst circumstance (iv) is concerned with an act of use of the domain name. The significance of this point is discussed in paragraph 7.10 below.

5.4 Paragraph 4(c) of the Uniform Policy sets out circumstances, in particular but without limitation, which, if found by the Administrative Panel to be proved, demonstrate the Respondent's rights or legitimate interests to the domain name for the purposes of paragraph 4(a)(ii). The provisions of this paragraph are as follows:

c. How to Demonstrate Your Rights to and Legitimate Interests in the Domain Name in Responding to a Complaint. When you receive a complaint, you should refer to Paragraph 5 of the Rules of Procedure in determining how your response should be prepared. Any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate your rights or legitimate interests to the domain name for purposes of Paragraph 4(a)(ii):

- (i) before any notice to you of the dispute, your use of, or demonstrable preparations 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.

6. Parties' Contentions

The Complaint

6.1 The Complainant contends that each of the three elements specified in paragraph 4(a) of the Uniform Policy are applicable to this dispute. In relation to element (i), the Complaint contends that the relevant part of the domain name in issue is <telstra>, and that this is clearly identical with or confusingly similar to the various trademarks for the word <TELSTRA> which are registered and owned by the Complainant.

6.2 In relation to element (ii), the Complaint contends that the word <TELSTRA> is 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. The Complaint further contends that it has not licensed or otherwise permitted the Respondent to use any of its trademarks, nor has it licensed or otherwise permitted the Respondent to apply for or use any domain name incorporating any of those marks. Accordingly, the Complainant contends that the Respondent has no rights or legitimate interests in respect of the domain name in issue.

6.3 In relation to element (iii), the Complainant contends that evidence of bad faith registration and use is established by the following circumstances. First, the Respondent is in breach of the relevant Australian business names registration legislation, by virtue of its failure to register its trading name, Nuclear Marshmallows, as a business name. Secondly, the Respondent has provided false address information for the purposes of its domain name registration, in breach of the Respondent's warranty under paragraph 2(a) of the Uniform Policy. Thirdly, the trademark <TELSTRA> is one of the best known trademarks in Australia, and it is inconceivable that the person or persons behind the Respondent would not be aware of this fact. Fourthly, by virtue of the wide spread use and reputation of the trademark <TELSTRA>, members of the public in Australia would believe that the entity owning the domain name <telstra.org> was the Complainant or in some way associated with the Complainant. Fifthly, any realistic use of the domain name must misrepresent an association with the Complainant and its goodwill, resulting in passing off, breaches of Australian consumer protection legislation, and trademark infringements.

The Response

6.4 The Respondent did not file a Response to the Complaint.

7. Findings and Conclusions

Identical or Confusingly Similar Domain Name

7.1 The domain name in issue is <telstra.org>. The relevant part of this domain name is <telstra>. The Administrative Panel finds that this part of the domain name is identical to the numerous trademark registrations of the word <TELSTRA> held by the Complainant. In addition, the Administrative Panel finds that the whole of the domain name is confusingly similar to those trademark registrations.

Respondent's Rights or Legitimate Interests in the Domain Name

7.2 The Respondent has not provided evidence of circumstances of the type specified in paragraph 4(c) of the Uniform Policy, or of any other circumstances giving rise to a right to or legitimate interest in the domain name. In light of (i) the fact that the Complainant has not licensed or otherwise permitted the Respondent to use any of its trademarks or to apply for or use any domain name incorporating any of those marks, and (ii) the fact that the word <TELSTRA> 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, the Administrative Panel finds that the Respondent has no rights or legitimate interests in the domain name.

Domain Name Registered and Used in Bad Faith

7.3 It is less clear cut whether the Complainant has proved the third element in paragraph 4(a) of the Uniform Policy, namely that the domain name "has been registered and is being used in bad faith" by Respondent. The Administrative Panel notes two things about this provision. First, the provision contains the conjunction "and" rather than "or". Secondly, the provision refers to both the past tense ("has been registered") and the present tense ("is being used").

7.4 The significance of the use of the conjunction "and" is that paragraph 4(a)(iii) requires the Complainant to prove use in bad faith as well as registration in bad faith. That is to say, bad faith registration alone is an insufficient ground for obtaining a remedy under the Uniform Policy. This point is acknowledged in the Administrative Panel Decision in the WIPO Center Case No. D99-0001, the first case decided under the Uniform Policy. In paragraph 6 of that Decision, the Administrative Panel refers to the legislative history of the Uniform Policy, and in particular to the Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy submitted to the ICANN Board at its meeting on October 24, 1999. That Report, at paragraph 4.5, contains the following relevant

statement and recommendation:

Several comments (submitted by INTA and various trademark owners) advocated various expansions to the scope of the definition of abusive registration. For example:

a. These comments suggested that the definition should be expanded to include cases of either registration or use in bad faith, rather than both registration and use in bad faith. These comments point out that cybersquatters often register names in bulk, but do not use them, yet without use the streamlined dispute-resolution procedure is not available. While that argument appears to have merit on initial impression, it would involve a change in the policy adopted by the Board. The WIPO report, the DNSO recommendation, and the registrars-group recommendation all required both registration and use in bad faith before the streamlined procedure would be invoked. Staff recommends that this requirement not be changed without study and recommendation by the DNSO.

7.5 From the fact that the ICANN Board accepted the approach recommended in the Second Staff Report, and thus adopted the Uniform Policy in the form originally proposed, it is clear that ICANN intended that bad faith registration alone not give rise to a remedy under the Uniform Policy. For a remedy to be available, the Complainant must prove both that the domain was registered in bad faith and that it is being used in bad faith.

7.6 This interpretation is confirmed, and clarified, by the use of both the past and present tenses in paragraph 4 (a)(iii) of the Uniform Policy. The use of both tenses draws attention to the fact that, in determining whether there is bad faith on the part of the Respondent, consideration must be given to the circumstances applying both at the time of registration and thereafter. So understood, it can be seen that the requirement in paragraph 4(a)(iii) that the domain name "has been registered and is being used in bad faith" will be satisfied only if the Complainant proves that the registration was undertaken in bad faith *and* that the circumstances of the case are such that Respondent is continuing to act in bad faith.

7.7 Has the Complainant proved that the domain name "has been registered in bad faith" by the Respondent? In light of the facts established in paragraphs 4.6 to 4.8, the Administrative Panel finds that the Respondent does not conduct any legitimate commercial or non-commercial business activity in Australia. In light of the facts established in paragraphs 4.6 to 4.8, the Administrative Panel further finds that the Respondent has taken deliberate steps to ensure that its true identity cannot be determined and communication with it cannot be made. Given the Complainant's numerous trademark registrations for, and its wide reputation in, the word <TELSTRA>, as evidenced by the facts established in paragraphs 4.2 to 4.5, it is not possible to conceive of a plausible circumstance in which the Respondent could legitimately use the domain name <telstra.org>. It is also not possible to conceive of a plausible situation in which the Respondent would have been unaware of this fact at the time of registration. These findings, together with the finding in paragraph 7.2 that the Respondent has no rights or interests in the domain name, lead the Administrative Panel to conclude that the domain name <telstra.org> has been registered by the Respondent in bad faith.

7.8 Has the Complainant proved the additional requirement that the domain name "is being used in bad faith" by the Respondent? The domain name <telstra.org> does not resolve to a web site or other on-line presence. There is no evidence that a web site or other on-line presence is in the process of being established which will use the domain name. There is no evidence of advertising, promotion or display to the public of the domain name. Finally, there is no evidence that the Respondent has offered to sell, rent or otherwise transfer the domain name to the Complainant, a competitor of the Complainant, or any other person. In short, there is no positive action being undertaken by the Respondent in relation to the domain name.

7.9 This fact does not, however, resolve the question. As discussed in paragraph 7.6, the relevant issue is not whether the Respondent is undertaking a positive action in bad faith in relation to the domain name, but instead whether, in all the circumstances of the case, it can be said that the Respondent is acting in bad faith. The distinction between undertaking a positive action in bad faith and acting in bad faith may seem a rather fine distinction, but it is an important one. The significance of the distinction is that the concept of a domain name "being used in bad faith" is not limited to positive action; inaction is within the concept. That is to say, it is possible, in certain circumstances, for inactivity by the Respondent to amount to the domain name being used in bad faith.

7.10 This understanding of paragraph 4(a)(iii) is supported by the actual provisions of the Uniform Policy. Paragraph 4(b) of the Uniform Policy identifies, without limitation, circumstances that "shall be evidence of the registration and use of a domain name in bad faith", for the purposes of paragraph 4(a)(iii). Only one of these circumstances (paragraph 4(b)(iv)), by necessity, involves a positive action post-registration undertaken in relation to the domain name (using the name to attract custom to a web site or other on-line location). The other three circumstances contemplate either a positive action or inaction in relation to the domain name. That is to say, the circumstances identified in paragraphs 4(b)(i), (ii) and (iii) can be found in a situation involving a passive holding of the domain name registration. Of course, these three paragraphs require additional facts (an intention to sell, rent or transfer the registration, for paragraph 4(b)(i); a pattern of conduct preventing a trade mark owner's use of the registration, for paragraph 4(b)(ii); the primary purpose of disrupting the business of a competitor, for paragraph 4(b)(iii)). Nevertheless, the point is that paragraph 4(b) recognises that inaction (eg. passive holding) in relation to a domain name registration can, in certain circumstances, constitute a domain name being used in bad faith. Furthermore, it must be recalled that the circumstances identified in paragraph 4(b) are "without limitation" - that is, paragraph 4(b) expressly recognises that *other* circumstances can be evidence that a domain name was registered and is being used in bad faith.

7.11 The question that then arises is what circumstances of inaction (passive holding) other than those identified in paragraphs 4(b)(i), (ii) and (iii) can constitute a domain name being used in bad faith? This question cannot be answered in the abstract; the question can only be answered in respect of the particular facts of a specific case. That is to say, in considering whether the passive holding of a domain name, following a bad faith registration of it, satisfies the requirements of paragraph 4(a)(iii), the Administrative Panel must give close attention to all the circumstances of the Respondent's behaviour. A remedy can be obtained under the Uniform

Policy only if those circumstances show that the Respondent's passive holding amounts to acting in bad faith.

7.12 The Administrative Panel has considered whether, in the circumstances of this particular Complaint, the passive holding of the domain name by the Respondent amounts to the Respondent acting in bad faith. It concludes that it does. The particular circumstances of this case which lead to this conclusion are:

- (i) the Complainant's trademark has a strong reputation and is widely known, as evidenced by its substantial use in Australia and in other countries,
- (ii) the Respondent has provided no evidence whatsoever of any actual or contemplated good faith use by it of the domain name,
- (iii) the Respondent has taken active steps to conceal its true identity, by operating under a name that is not a registered business name,
- (iv) the Respondent has actively provided, and failed to correct, false contact details, in breach of its registration agreement, and
- (v) taking into account all of the above, it is not possible to conceive of any plausible actual or contemplated active use of the domain name by the Respondent that would not be illegitimate, such as by being a passing off, an infringement of consumer protection legislation, or an infringement of the Complainant's rights under trademark law.

In light of these particular circumstances, the Administrative Panel concludes that the Respondent's passive holding of the domain name in this particular case satisfies the requirement of paragraph 4(a)(iii) that the domain name "is being used in bad faith" by Respondent.

8. Decision

8.1 The Administrative Panel decides that the Complainant has proven each of the three elements in paragraph 4(a) of the Uniform Policy. Accordingly, the Administrative Panel requires that the domain name <telstra.org> be transferred to the Complainant.

Andrew F. Christie
Presiding Panelist

Dated: February 18, 2000



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

J. Crew International, Inc. v. crew.com

Case No. D2000-0054

1. The Parties

Claimant is J. Crew International, Inc. a corporation located at 802 West Street, Suite 102, Wilmington, Delaware 19801 USA with its corporate headquarters located at 770 Broadway, New York, New York 10003 USA.

Respondent is "crew.com" an entity of unknown type located at P.O. Box 9911, Washington, DC 20016 USA. Respondent's alter ego is Telepathy, Inc., which uses the identical post office box as Respondent, and which is listed as the Administrative Contact, Technical Contact and Billing Contact for Respondent. Respondent refers to itself in the Response as Telepathy, Inc. The only time it used the business name "crew.com" was when it registered its domain name <crew.com>. Respondent is not incorporated under the name "crew.com" and has not filed an assumed name certificate under the name "crew.com."

2. The Domain Name and Registrar

The domain name at issue is <crew.com>. The registrar is Network Solutions, Inc. (the "Registrar"), 505 Huntmar Park Dr., Herndon, Virginia 20170 USA.

3. Procedural History

The WIPO Arbitration and Mediation Center (the "Center") received the Complaint of Complainant on February 10, 2000 by email and on February 15, 2000 in hardcopy. The Complainant paid the required fee.

On February 16, 2000, the Center sent an Acknowledgement of Receipt of the Complaint to the Complainant. On the same date, the Center sent to the Registrar a request for verification of registration data. On February 16, 2000, the Registrar confirmed, *inter alia*, that it is the registrar of the domain name in dispute and that <crew.com> is registered in the Respondent's name.

Having verified that the Complaint satisfies the formal requirements of the ICANN Uniform Domain Name Dispute Resolution Policy (the "Policy"), the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the "Supplemental Rules"), the Center on February 16, 2000 sent to the Respondent, with a copy to the Complainant, a notification of the administrative proceeding together with copies of the Complaint. This notification was sent by the methods required under paragraph 2(a) of the Rules. The formal date of the commencement of this administrative proceeding is February 16, 2000.

On March 7, 2000, the Center received Respondent's Response by email with hardcopy received on March 9, 2000. On March 10, 2000, the Center sought clarification of certain items in the Response and in correspondence from Complainant. On March 24, 2000, after receiving their completed and signed Statements of Acceptance and Declarations of Impartiality and Independence, the Center notified the parties of the appointment of a three-arbitrator panel consisting of Mr. Richard W. Page as the Presiding Panelist, Mr. Mark Partridge as Complainant's party-appointed panelist and Mr. G. Gervaise Davis, as Respondent's party-appointed panelist.

The Panel met by telephone conference call on April 5, 2000. In the Panel's Procedural Order No.1 delivered to the Center and the parties, the Presiding Panelist confirmed the Panel's finding that the resolution of the present dispute involved extraordinary circumstances warranting the extension of the deadline to deliver the Decision until April 20, 2000.

4. Factual Background

Complainant is a leading retailer of women's and men's apparel, shoes and accessories and is the owner of two United States trademarks (1) J. CREW for bags, clothing and catalog services, Reg. No. 1308888, issued December 11, 1984, and (2) CREW for clothing, Reg. No. 1348064, issued July 19, 1985. Complainant has been using its principal trademark is J. CREW since 1982. It has used in a more limited manner its secondary trademark CREW for in-store signs, but not in its primary advertising. Complainant's products are distributed exclusively through the company's retail stores, factory outlet stores, catalogs and Internet site www.jcrew.com. Complainant currently circulates over 73 million J. CREW catalogs per year and operates over 80 J. CREW retail stores and 45 J. CREW factory outlet stores. In 1998, products sold under the J. CREW brand name contributed \$626 million in revenues. Revenues derived from the Internet were estimated at \$20 million for 1998.

Respondent registered the domain name <crew.com> on July 12, 1998, then later registered the domain name <j.crew.com> as a sub-account. Respondent's alter ego is Telepathy, Inc., which uses the identical post office box as Respondent, and which is listed as the Administrative Contact, Technical Contact and Billing Contact for Respondent. Telepathy has registered or acquired more than 50 domain names consisting of words that may be trademarks of others or are generic words that others may wish to use. The identical post office box also is listed for an individual named Nat Cohen, who is believed to be a principal of both Respondent and Telepathy, Inc.

None of Telepathy's domain names (other than its own domain name <telepathy.com>) is being used for an active website. Telepathy is clearly in the business of offering its domain names for sale. Its purpose in registering or acquiring these domain names has been expressly stated on its website, www.telepathy.com:

Telepathy has acquired attractive domains both for use in its own development efforts and for its development partners and clients.

Telepathy registered or acquired these domain names primarily for the purpose of selling, renting, or otherwise transferring the domain name registrations to its "clients." The same appears to be true of Respondent's domain name <crew.com>.

Complainant registered the trademarks J. CREW and CREW before Respondent registered the domain name <crew.com> or the variation domain name <j.crew.com>.

Respondent has used its domain name <crew.com> only for a website linked to Complainant's web site, and for no other purpose.

After Respondent had registered the domain name <crew.com>, an employee of Complainant invited Respondent to join Complainant's affiliate network. Pursuant to this affiliate program, Respondent was permitted to place a banner ad on Respondent's website which was linked to Complainant's website. Complainant promised Respondent a commission for sales made to customers using that link, but has apparently defaulted on its obligation. The only material on Respondent's website was the banner ad linked to Complainant's website.

When Complainant's attorney asked Respondent's attorney whether Respondent might be willing to sell its domain name <crew.com> to Complainant, Respondent's attorney said that Respondent had "spent over 6 figures for domain names" and "would not be interested in a nominal sum." Complainant then revoked Respondent's participation in the affiliate network. Respondent is not a licensee of Complainant, nor has Respondent ever been authorized by Complainant to use Respondent's domain name <crew.com> or the variation domain name <j.crew.com>.

In response to a request by Complainant to Network Solutions, Inc. ("NSI"), Respondent's domain name <crew.com> was placed on "Hold" on September 3, 1999 in accordance with NSI's Domain Name Dispute Policy. However, under the new ICANN Uniform Domain Name Dispute Resolution Policy, NSI has informed Complainant that Respondent's domain name <crew.com> will be reactivated on February 11, 2000 unless it receives a copy of the Complaint in this matter.

5. Parties' Contentions

A. Complainant contends that the domain name <crew.com> is identical to the trademark CREW and confusingly similar to the trademark J. CREW pursuant to the Policy paragraph 4(a)(i).

B. Complainant contends that Respondent has no rights or legitimate interest in the domain name <crew.com> pursuant to the

Policy paragraph 4(a)(ii).

C. Complainant contends that Respondent registered and is using the domain name <crew.com> in bad faith in violation of the Policy paragraph 4(a)(iii).

D. Respondent does not contest that the domain name <crew.com> is identical with the trademark CREW. Respondent does contest that the domain name <crew.com> is confusingly similar to the trademark J. CREW.

E. Respondent contends that it has rights and legitimate interest in <crew.com> because of Respondent's legitimate business of developing domain names for its own use and for sale to its clients.

F. Respondent contends that its registration and use of <crew.com> is in good faith because it had no actual knowledge of the CREW or J. CREW trademarks when it registered the domain name and because it was asked to join Complainant's affiliates group.

6. Discussion and Findings

Identity or Confusing Similarity.

The domain name presently at issue is <crew.com>. The "crew" portion of this domain name is identical to Complainant's trademark CREW. Therefore, a majority of the Panel finds that the requirement of the Policy paragraph 4(a)(i) is satisfied.

The Complainant has not offered sufficient proof to warrant a finding the domain name <crew.com> is confusingly similar to Complainant's trademark J. CREW or to its domain name <jcrew.com>.

Rights or Legitimate Interest.

Respondent is a speculator who registers domain names in the hopes that others will seek to buy or license the domain names from it. Speculation means the practice of registering or acquiring domain names without any demonstrable plan for a specific use of that domain name. The speculator hopes to license or sell the domain name in the future for profit, but has no specific use in mind at the time of registration or acquisition. Such conduct does not fall within any of the circumstances listed under Paragraph 4 of the Policy as evidence of rights or legitimate interest in the domain name. Such conduct precludes others who have a legitimate desire to use the name from doing so. Persons precluded by such conduct may be those who have no prior right or interest in the name, as well as those who have a demonstrable prior interest in the name. Speculation is not recognized by the Policy as a legitimate interest in a name, and the Policy should not be interpreted to hold that mere speculation in domain names is a legitimate interest. To hold otherwise would be contrary to well-established principles that preclude mere speculation in names and trademarks and would encourage speculators to appropriate domain names that others desire to put to legitimate use. Ultimately, speculation in domain names increases costs to the operators of websites and limits the availability of domain names.

The Complainant and the Respondent are both domiciled in the United States of America. Therefore, the case law on United States trademarks gives the most persuasive point of reference for resolution of the legitimacy of speculation in domain names and provides authority that speculation in the registration and use of domain names corresponding to another's trademark is an abusive registration.

Respondent asserts that its activities are no different than what other entrepreneurs do in developing intent to use trademarks. However, Respondent is in error in its suggestion that speculation in trademarks is permissible. Under United States trademark law, an applicant must have a demonstrable bona fide intent to use a trademark before filing an intent to use application. 15 U.S.C. 1051(b). Failure to present evidence of a demonstrable plan to use the mark can result in a finding that the application is invalid. See *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 U.S. P.Q.2d 1503, 1507 (T.T.A.B. 1993):

[W]e hold that absent other facts which adequately explain or outweigh the failure of an applicant to have any documents supportive of or bearing upon its claimed intent to use its mark in commerce, the absence of any documentary evidence on the part of an applicant regarding such intent is sufficient to prove that the applicant lacks a bona fide intention to use the mark in commerce.

Further, the applicant may not obtain a registration before it has made actual use of the mark. 15 U.S.C. 1051(d). While the application is pending, the application may not be sold to any other party except in connection with a sale of the underlying business. 15 U.S.C. 1060. Otherwise, the application becomes void and any subsequent registration is subject to cancellation. *Clorox Co. v. Chemical Bank*, 40 U.S.P.Q.2d 1098, 1104-1106 (T.T.A.B. 1996)(holding that the assignment of an intent to use application and resulting registration were void). These statutory rules were carefully considered and serve a valuable purpose of preventing mere speculation in the registration of trademarks. As discussed in *Clorox*, the provisions of United States law preventing the assignment of intent to use applications without the sale of the underlying business is part of a strong public

policy recognized by the United States Congress to prevent trafficking or speculation in trademarks. Id. at 1104. The policy against trafficking in trademarks has also been adopted in other countries besides the United States.

The ICANN Policy is based on the principle of "abusive registration" set forth in the Report of the WIPO Internet Domain Name Process, April 30, 1999 (the "WIPO Report"). Paragraph 172 of the WIPO report identifies situations not considered to fall within the definition of an abusive registration:

The cumulative conditions of the first paragraph of the definition make it clear that the behavior of innocent or good faith domain name registrants is not to be considered abusive. For example, a small business that had registered a domain name could show, through business plans, correspondence, reports, or other forms of evidence, that it had a bona fide intention to use the name in good faith.

Here, Respondent has failed to show demonstrable evidence of plans to use the domain name in good faith. Indeed, its response concedes that it had no definite plan for use of the <crew.com> domain name when it obtained the registration and made no bona fide use of the domain name prior to being contacted by Complainant to participate in Complainant's affiliate program.

Respondent has given various justifications for its registration of <crew.com>, claiming that the domain name could be used for rowing or for construction teams. Shifting justifications for the selection of a domain name has been deemed to support a finding of bad faith. See Northern Light Technology, Inc. v. Northern Lights Club, 2000 U.S. Dist. LEXIS 4732 (D. Mass. March 31, 2000)(finding the defendant's various explanations to be mere pretext).

Mere speculation in domain names is distinguishable from the conduct allowed in other cases where the domain name registrant has prevailed over the objections of a trademark owner. For example, in Avery Dennison Corp. v. Sumpton, 189 F.3d 868 (9th Cir. 1999), on which Respondent relies, the defendant was making bona fide use of the domain names at issue. That is not the case here. Further, the Court decisions have not yet interpreted the meaning of "abusive registration" within the context of the ICANN policy.

This also is not a case of reverse domain name "hijacking." The typical case of reverse domain name hijacking arose where a trademark owner would use the old NSI policy to place a domain name on "Hold" status even though the domain name holder was using the name in connection with unrelated goods or services or was already known by the name. Here, Respondent has not presented any evidence of demonstrable plans to use the domain name in connection with a bona fide offering of goods or services or actual use of the domain name. Rather, it has registered the domain name for purely speculative purposes despite the fact that it had constructive notice as a matter of law that the name was a registered trademark of another.

Therefore, a majority of the Panel finds that Respondent has no rights or legitimate interest in the domain name <crew.com> and that the requirement of the Policy paragraph 4(a)(ii) is satisfied.

Bad Faith.

Paragraph 4 of the Policy provides that evidence of bad faith registration and use includes circumstances showing:

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

a. Preclusion

Respondent's registration prevents Complainant from using the <crew.com> or <j.crew.com> domain names corresponding to Complainant's registered trademarks. We recognize that Complainant has registered the domain name <jcrew.com>. However, the ability of the Complainant to obtain alternate domain names should not make this provision inapplicable. Otherwise, the provision would always be inapplicable for it would nearly always be possible for the Complainant to obtain an alternative domain name or even to register the same name as its trademark in another gTLD or ccTLD.

b. Constructive Notice

Although Respondent claims it acquired the domain name without knowledge of Complainant's trademark registration, Respondent had constructive notice of that registration as a matter of United States trademark law pursuant to 17 U.S.C. 1072. As a result, Respondent cannot rely on lack of knowledge as a defense to its conduct. It knew or should have known that its registration of <crew.com> prevented Complainant from reflecting its CREW trademark in a corresponding .com domain name. Because of the constructive notice provisions of United States trademark law, lack of actual knowledge is not a defense and it is not necessary to find actual knowledge to conclude that the use or registration of a mark is in bad faith.

c. Pattern of Conduct

Respondent admits it is engaged in a pattern of conduct involving the speculative registration of domain names for profit. While

Respondent owns a long list of registrations, it has given only one example where it has made bona fide use of a domain name. This pattern of conduct prevents others from making bona fide use of desirable domain names that may correspond to their trademarks.

Therefore, a majority of the Panel finds that Respondent has registered and used the domain name <crew.com> in bad faith and that the requirement of the Policy paragraph 4(a)(iii) is satisfied.

Prior Decisions Regarding Speculation

A majority of the Panel has considered the decision in *General Machine Products Company, Inc. v. Prime Domains*, ICANN Case No. FA0001000092531, finding that registration of the domain name <craftwork.com> was not an abusive registration. In *General Machine*, Respondent's alter ego *Telepathy, Inc.* (then known as *Prime Domains*) was in the business of selling generic and descriptive domain names. Respondent demonstrated that the phrase "craftwork" was commonly used as a descriptive term, and claimed that it registered the domain name without actual knowledge of the complainant's trademark because it had widespread use as a descriptive or generic term.

Although *General Machine* appears to be directly applicable to the present case, the panel in that case did not discuss the fact that Respondent had constructive notice as a matter of law of the complainant's mark and the decision does not disclose whether the Respondent had a demonstrable plan to use the domain name when it was registered. A majority of the present Panel could only agree with the result in *General Machine* if there were evidence of a demonstrable plan at the time of registration. If it is the holding of the panel in *General Machine* that the Policy permits speculative registration of names that happen to be the trademarks of others without a demonstrable plan for bona fide use of the domain name, then a majority of the present Panel must respectfully disagree with the decision.

In reaching our opinion we are well aware that trademarks are not "rights in gross" and we do not think our opinion grants trademark owners rights beyond those recognized under applicable law, particularly in the United States where Congress has enacted the Anti-Cybersquatting Consumer Protection Act ("ACPA"), in part, to prevent trafficking in domain names that are the same as the trademarks of another. See, for example, *Cello Holdings, L.L.C. v. Lawrence-Dahl Companies*, 2000 U.S. Dist. LEXIS 3936 (S.D.N.Y. March 30, 2000)(denying cross motions for summary judgment due to factual disputes); *Northern Light Technology, Inc. v. Northern Lights Club*, 2000 U.S. Dist. LEXIS 4732 (D. Mass. March 31, 2000)(refusing to modify preliminary injunction against *northernlights.com* domain name based on ACPA). In *Cello Holdings*, the Court stated that a reasonable fact finder could conclude the defendant had a bad faith intent to profit from registration of a domain name that matched the plaintiff's CELLO mark because " he had no proprietary rights to the 'Cello' mark when he registered 'cello.com,' he had not previously used it, and he had engaged in a pattern of registering domain names that could be of interest to others and then trying to sell them." Thus, our conclusion--that the Respondent's registration of <crew.com> was an abusive registration--is consistent with the scope of protection afforded consumers and trademark owners under U.S. law.

7. Decision

The majority of the Panel does not decide that all speculation in domain names is prevented by the Policy. Rather, for the purpose of this case, we merely hold that registration of domain names for speculative purposes constitutes an abusive registration when (1) the respondent has no demonstrable plan to use the domain name for a bona fide purpose prior to registration or acquisition of the domain name; (2) the respondent had constructive or actual notice of another's rights in a trademark corresponding to the domain name prior to registration or acquisition of the domain name; (3) the respondent engages in a pattern of conduct involving speculative registration of domain names; and (4) the domain name registration prevents the trademark holder from having a domain name that corresponds to its registered mark. This definition is consistent with the considerations stated in the WIPO Report and allows speculation in domain names that do not correspond to registered marks or where the registrant has a demonstrable plan to use the domain name for a bona fide purpose prior to registration or acquisition.

A majority of the Panel concludes (a) that the domain name <crew.com> is identical to the trademark CREW, (b) that Respondent has no rights or legitimate interest in the domain name and (c) that Respondent registered and used the domain name in bad faith. Therefore, pursuant to paragraphs 4(i) of the Policy and 15 of the Rules, a majority of the Panel orders that the domain name <crew.com> be transferred to Complainant J. Crew International, Inc.

Richard W. Page
Presiding Panelist

Mark V.B. Partridge
Panelist

April 20, 2000

DISSENT BY PANELIST

I respectfully dissent from the decision of the majority of this panel because their decision creates and applies a test for "abusive domain name registrations" which is not, in my opinion, part of the ICANN Uniform Dispute Resolution Policy nor consonant with the stated and very limited purpose of this Policy. It does so in what I deem a mistaken view that it is up to the panel to enforce a non-existent policy of ICANN to prevent people from registering domain names for resale to others than the trademark owner. Whether such activity is proper or improper is not before us under the ICANN Policy and we do not, in any event, have the authority to so decide under the ICANN rules. Even if the decision were correct under the Anti-Cybersquatting Consumer Protection Act [1](#), which I do not think is the case, we are not here authorized to apply that Act which differs significantly from the ICANN Policy and Rules. The majority decision goes far beyond the scope of the present ICANN Policy.

The panel holds "that the registration of domain names for speculative purposes constitutes a abusive registration when (1) the Respondent has no demonstrable plan to use the domain name for a bona fide purpose prior to registration or acquisition of the domain name; (2) the Respondent had constructive or actual notice of another's rights in a trademark corresponding to the domain prior to registration or acquisition of the domain name; (3) the respondent engages in a pattern of conduct involving speculative registration of domain names; and (4) the domain name registration prevents the trademark holder from having a domain name that corresponds to its registered trademark."

Unfortunately, the biased test the panel has used here automatically creates a situation, in every case, where there is only one element left to test, if the Complainant has a registered trademark and the domain registered by the Respondent is similar to the Complainant's registered trademark. Since every ICANN case, by definition, has to have these two other elements the decision obviates two thirds of the tests set up under the ICANN Policy. The majority view boils each case down to the single question, "Did the Respondent have a specific bona fide purpose or use in mind prior to acquisition of the domain name?" It rejects the idea that someone might not know exactly how he or she intends to use the domain name, and makes such uncertainty bad faith registration. That is not what the Policy we, as rule bound arbitrators, are directed to apply by the Rules.

The majority has identified the second element as "knowledge." This test, however, is always satisfied *per se* by what the majority identifies as automatic "constructive" notice of another's trademark rights. This is not a test, since this element would be satisfied for all registered trademarks by virtue of the simple fact of registration under the majority's logic.

Similarly, the third element of the majority's test is also satisfied *per se* anytime the second level domain name and the registered trademark are similar or identical. Thus, the only test left, in each case, is whether the Respondent had a demonstrable plan to use the domain name for a bona fide purpose prior to registration or acquisition of the domain name. This is a gross over-simplification of the issues involved in preventing abusive domain name registrations. It ignores the planned limits of the ICANN Policy and adds wholly new purposes to what is presently a fairly clear set of rules. These rules were worked out as a compromise between the one view of assuming all registrations of domains that are the same as or similar to a trademark were abusive, and the other that recognizes that it is not against the trademark laws of the world to register a domain with an intent to use it that is not fully developed at the time of the registration. The majority decision would create a world where Intent to Use Registrations could be destroyed by simply showing that the ITU registrant has changed his mind after the fact, or was not entirely certain how the mark would finally be used or on what type of product or service. I do not believe this was the intent of the ICANN Directors or the many people who participated in developing these rules. To do so, would be tantamount to repeal of some of the very sound reasons the US and other nations permit ITU registrations.

Factual Background

Complainants are the owners of the United States trademark registrations for (1) J. CREW for bags, clothing and catalog services, Reg. No. 1,308,888 and (2) CREW for clothing, Reg. No. 1308064. Complainant uses as its principal mark J. CREW, and admits that the trademark CREW has not been used as primary advertising for its products and mostly only for in-store signs, etc. Even that is questionable given that the only evidence of that is a few pictures of signs which could have been created for this case, although I do not suggest that that is the fact here. While the majority notes that substantial amounts of advertising have been expended on the J. CREW brand-name, this also appears to be of little relevance in the instant case because the trademark at issue is the CREW mark, not J. CREW. It appears all of Complainant's products are distributed exclusively through the retail stores, factory outlet stores, catalogs and an Internet site at www.jcrew.com. In 1998 for example, Complainant sold under the J. CREW brand-name \$626 million worth of merchandise. There is no evidence before this panel that any goods or services were ever sold under the CREW name.

The Respondent claims to have had no actual knowledge of the CREW trademark when it registered the CREW domain name. There is no evidence before this panel to the contrary. The majority states that "Telepathy has registered or acquired more than 50 domain names consisting of words that **may be trademarks** of others or which are generic words that others **may wish to use.**" [2](#) [Emphasis added]

The parties to this dispute are not unfamiliar with each other. Long prior to this dispute, Respondent was solicited **by Complainant** to become part of Complainant's affiliate network advertising its goods. Respondent agreed to permit

Complainant to place banner ads on Respondent's Web site that were linked to Complainant's web site. Complainant promised Respondent to pay a commission on sales made to customers using that link, but defaulted on its obligation to pay the commission. At one time Complainant's attorney apparently unilaterally offered to purchase the <crew.com> domain name from Respondent. When it became clear that Respondent would not sell the domain name for a nominal sum, Complainant revoked Respondent's participation in the affiliate network and instituted this action. One might question whether this does not suggest that, in fact, this is a case of reverse domain name hijacking in which the Complainant has unilaterally decided this is a domain it would now like to have, after encouraging its use by another, and that it is now trying to use the ICANN rules to achieve what it cannot do by negotiations for the purchase of the name.

Nature of the word and trademark "CREW"

It is not disputed that the Complainant's trademark CREW and the Respondent's domain name are essentially the same. Paragraph 4 (a) (i) of the ICANN Policy requires that the domain name be identical or confusingly similar to the Complainant's trademark. The Complainant clearly meets this test. In this case, however, that fact cuts both ways because the word CREW is so generic. The American Heritage Dictionary defines CREW as:

CREW1 (kr) *n.* **1.a.** A group of people working together; a gang: *a CREW of stagehands.* **b.** A group of people gathered together temporarily; a crowd. **2.a.** All personnel operating or serving aboard a ship. **b.** All of a ship's personnel except the officers. **c.** All personnel operating or serving aboard an aircraft in flight. **3.a. Sports.** A team of rowers, as of a racing shell. **b.** The sport of rowing. --**CREW** *intr.v.* **CREWed**, **CREW-ing**, **CREWs.** To serve as a member of a CREW: *CREWed for my sister on a sloop; a spacecraft that was CREWed by a team of eight people.* [Middle English *creue*, military reinforcement, from Old French *creue*, increase, from feminine past participle of *creistre*, to grow, from Latin *cr[]iscere*. See **ker-2** below.]

CREW2 (kr) *v.* *Chiefly British.* A past tense of **crow2**.

As discussed below, the fact that CREW is a generic term permeates any analysis for trademark purposes. The majority's contention that any trademark registration by Complainant means that Respondent should automatically be imbued with constructive knowledge of the existence of the registration for purposes of the ICANN Policy, while incorrect in and of itself, is particularly inappropriate for a generic term. Additionally, as numerous courts have stated, a trademark owner is not by definition entitled to all domain names incorporating their trademark or even those identical to their trademark. See, Judge Pregerson's excellent discussion of this issue in *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F.Supp. 949 (C.D. Cal. 1997), *aff'd*, 194 F.3d 980 (9th Cir. 1999). This is especially so where the mark is generic and a common term. See, *Cello Holdings, LLC v. Lawrence-Dahl Companies*, 2000 U.S. Dist. LEXIS 3936 (S.D. N.Y. 2000), denying cross motions for summary judgment because the Court felt the Plaintiff could not prove bad faith registration under the ACPA because of the generic nature of the word Cello, as a musical instrument. In *Cello* the defendant even acknowledged that it had sought to sell the domain name to others, as part of his business of selling domain names for generic use. This is exactly the situation here, and the same logic should apply.

Furthermore, the majority seems to assume that a trademark owner has some sort of God given right to use the trademark to the exclusion of others. As Justice Holmes observed, "A trademark does not confer a right to prohibit the use of the word or words.... A trademark only gives the right to prohibit the use of it so far as to protect the owner's goodwill against the sale of another's product as his." *Prestonettes, Inc. v. Coty*, 264 U.S. 359 (1924). In short, the Complainant does not own all rights to the generic word CREW by virtue of its trademark registration.

Registrant Rights or Legitimate Interests

Paragraph 4 (a) (I I) of the ICANN Policy asks whether the Respondent has any rights or legitimate interests in respect of the domain name. Where the domain name and trademark in question are generic, and in particular where they comprise no more than a single, short, common word, the rights and interests inquiry is more likely to favor the domain name owner. As the court held in *Hasbro, Inc. v. Clue Computing, Inc.*, 66 F.Supp.2d 117, (D. Mass., 1999), holders of a famous mark are not automatically entitled to use that mark as their domain name; trademark law does not support such a monopoly. If another Internet user has an innocent and legitimate reason for using the famous mark as a domain name and is the first to register it, that user should be able to use the domain name, provided that it has not otherwise infringed upon or diluted the trademark.

The ICANN policy is very narrow in scope; covers only clear cases "cybersquatting" and "cyber piracy," and does not cover every dispute that might rise over domain names. See, for example, Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy (October 24th, 1999), <http://www.icann.org/udrp/udrp-second-staff-report-24oct99.htm> 4.1(c) which states:

Except in cases involving "abusive registrations" made with bad-faith intent to profit commercially from others' trademarks (e.g., cybersquatting and cyberpiracy), the adopted policy leaves the resolution of disputes to the courts (or arbitrators where agreed

by the parties) and calls for registrars not to disturb a registration until those courts decide. The adopted policy establishes a streamlined, inexpensive administrative dispute-resolution procedure intended only for the relatively narrow class of cases of "abusive registrations." Thus, the fact that the policy's administrative dispute-resolution procedure does not extend to cases where a registered domain name is subject to a legitimate dispute (and may ultimately be found to violate the challenger's trademark) is a feature of the policy, not a flaw.

The majority decision spends substantial effort attempting to demonstrate that what it terms "speculation in domain names" is sufficient *per se* to be an "abusive registration." However, carefully reviewing the tests provided in the ICANN policy indicates otherwise.

Bad Faith Registration and Use

The third element of the ICANN policy requires that Complainant prove that the domain name was registered and is being used in bad faith. Paragraph 4 (B)(U) of the policy sets forth four factual examples of circumstances under which the registration and use of the domain name may be found to be in bad faith. The Complainant in the instant case has not and cannot meet any of the four alternative elements of a bad faith registration and use.

Specifically, the key alternative element which the Complainant is unable to meet in paragraph 4 is underlined below:

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

Despite the majority's contention that Complainant's registration of the CREW trademark somehow automatically imputes to the Respondent a violation of this element, there is absolutely no such evidence before this panel. While it is possible that the Respondent acquired the domain name for the purpose selling renting or otherwise transferring the domain name, because CREW is a common word, it cannot merely be assumed that Respondent's intent was to sell and transfer the domain name to the Complainant.

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

Similar to the first test element above, one cannot simply, without additional evidence, impute that when one registered a generic name he or she by definition does so to prevent the owner of the trademark on a generic word from having or using that domain name. While a court of law might come, after having taken proper evidence, listened to testimony, and properly weighed the evidence, to a determination that this was the intent of the domain name registrant, it is not place of this panel to do so, based on unsupported assumptions of intent.

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

There is no evidence to support this element and it is thus completely inapplicable.

And finally, the last alternative test is

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

This element of the bad faith analysis also fails for two reasons. First, the name is generic and as such does not have an immediate relationship to the Complainant any more than it does to thousands of CREW teams around world or any of a number of its other meanings. (Again, see the Hasbro decision *supra*). Second, there is no evidence that the Respondent in any way attempted to create confusion as to the source of origin, sponsorship, or ownership of the domain name. Any confusion which may have occurred was at least, in part, due to the conduct of the Complainant whose own solicitation of the link on the web site of www.crew.com caused an implied relationship. As noted above, at the behest of Complaint's own representative, the Respondent was encouraged by an offer of a commission, to, and did, place a banner ad on the CREW.com web site to direct traffic to the Complainant's web site. In my judgment, it is highly illogical to find that by placing the banner ad, solicited and sanctioned by the Complainant, that directing traffic to the Complainant's business should be considered an intentional attempt to create confusion as to the source of the domain. To the contrary, it seems an admission by Complainant that there is no confusion likely.

Conclusion

We are not legislators, but arbitrators. The majority, in an effort to stop a practice that it seems to take upon itself to believe is an unstated purpose of the ICANN Policy, has completely over-stepped its mandate as arbitrators. The decision creates a new and

unauthorized test out of whole cloth, based on assumptions of fact by arbitrators without evidence on the subject, instead of using the appropriate and carefully crafted three step test for required evidence set out by the ICANN' Policy and Rules. In my judgment, the majority's decision prohibits conduct which was not intended to be regulated by the ICANN policy. This creates a dangerous and unauthorized situation whereby the registration and use of common generic words as domains can be prevented by trademark owners wishing to own their generic trademarks in gross. I cannot and will not agree to any such decision, which is fundamentally wrong. I respectfully dissent from the majority decision of my fellow professional panelists.

G. Gervaise Davis III
Dissenting Panelist

April 20, 2000

Footnotes:

1. Found in part in 15 U.S.C. §1125(d).
2. The majority takes this fact, rules it bad, and uses it to achieve its desired result. In contrast, see the discussion in Administrative Panel Decision for the <thyme.com> domain name, dispute case No.AF-0104.



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Julia Fiona Roberts v. Russell Boyd

Case No. D2000-0210

1. The Parties

Claimant is Julia Fiona Roberts a United States citizen, with a principal place of business c/o Armstrong Hirsch Jackoway Tyerman & Wertheimer, 1888 Century Park East 18th Floor, Los Angeles, California 90067 USA.

Respondent is Russell Boyd a United States citizen with a mailing address 189 Carter Road, Princeton, New Jersey 08540 USA.

2. The Domain Name and Registrar

The domain name at issue is <juliaroberts.com >. The registrar is Network Solutions, Inc. (the "Registrar") 505 Huntmar Park Dr., Herndon, Virginia 20170 USA.

3. Procedural History

The WIPO Arbitration and Mediation Center (the "Center") received the Complaint of Complainant on March 25, 2000 by email and on March 29, 2000 in hardcopy. The Complainant paid the required fee. On March 29, 2000, the Center sent an Acknowledgement of Receipt of the Complaint to the Complainant.

On March 27, 2000, the Center sent to the Registrar a request for verification of registration data. On March 28, 2000, the Registrar confirmed, *inter alia*, that it is the registrar of the domain name in dispute and that <juliaroberts.com> is registered in the Respondent's name.

Having verified that the Complaint satisfies the formal requirements of the ICANN Uniform Domain Name Dispute Resolution Policy (the "Policy"), the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the "Supplemental Rules"), the Center on March 29, 2000 sent to the Respondent, with a copy to the Complainant, a notification of the administrative proceeding together with copies of the Complaint. This notification was sent by the methods required under paragraph 2(a) of the Rules. The formal date of the commencement of this administrative proceeding is March 29, 2000.

In a series of correspondence with the Center, Respondent requested and was granted an extension of time to file his Response. On May 8, 2000, the Center received Respondent's Response. On May 18, 2000, after receiving their completed and signed Statements of Acceptance and Declarations of Impartiality and Independence, the Center notified the parties of the appointment of a three member Administrative Panel consisting of Mr. Richard W. Page as the Presiding Panelist, Ms. Sally M. Abel as Complainant's party-appointed panelist and Mr. James Bridgeman, as Respondent's party-appointed panelist.

On May 8 and 9, 2000, Complainant tendered a Reply by fax and email. The acceptance of a Reply is subject to the discretion of

the Panel.

The Panel met by telephone conference call on May 25, 2000. During the telephone conference call the Panel decided not to accept or consider Complainant's Reply.

4. Factual Background

The Complainant, Julia Fiona Roberts, is a famous motion picture actress. She has appeared in such movies as Erin Brockovich, Notting Hill, Runaway Bride, Stepmom, My Best Friend's Wedding, Conspiracy Theory, Everyone Says I Love You, Mary Reilly, Michael Collins, Something to Talk About, I Love Trouble, Ready to Wear, The Pelican Brief, The Player, Dying Young, Hook, Sleeping With the Enemy, Flatliners, Pretty Woman, and more. A partial filmography for the Complainant is found at Yahoo! Movies. The Complainant is widely featured in celebrity publications, movie reviews, and entertainment publications and television shows, and she has earned two Academy Award nominations. Her latest film, Erin Brockovich (released nationwide on March 16, 2000), is currently ranked #1 at the box office.

Respondent registered the subject domain name on November 9, 1998. As of March 24, 2000, the website www.juliaroberts.com featured a photograph of a woman named "Sari Locker". The Respondent has placed the domain name up for auction on the commercial auction website, "eBay," specifically at <http://cgi.ebay.com/aw-cgi/eBayISAPI.dll?ViewItem&item=285891617>.

The Respondent has also registered over fifty (50) other domain names, including names incorporating other movie stars names within <madeleinestowe.com> and <alpacino.com> and a famous Russian gymnast's name within <elenaprodunova.

com>. Respondent lists his email address as mickjagger@home.com. Respondent was offered US\$2,550 in the eBay auction for the domain name registration.

5. Parties' Contentions

- A. Complainant contends that the domain name <juliaroberts.com> is identical to and confusingly similar with the name "Julia Roberts" and the common law trademark rights which she asserts in her name pursuant to the Policy paragraph 4(a)(i).

Complainant contends that Respondent has no rights or legitimate interest in the domain name <juliaroberts.com> pursuant to the Policy paragraph 4(a)(ii).

Complainant contends that Respondent registered and is using the domain name <juliaroberts.com> in bad faith in violation of the Policy paragraph 4(a)(iii).

- B. Respondent does not contest that the domain name <juliaroberts.com> is identical with and confusingly similar to Complainant's name. Respondent does contest whether Complainant has common law trademark rights in her name. Respondent admits that he selected the domain name <juliaroberts.com> because of the well known actress.

Respondent contends that he has rights and legitimate interest in <juliaroberts.com> because of his registration and use of the domain name.

Respondent contends that his registration and use of <juliaroberts.com> is in good faith.

6. Discussion and Findings

Identity or Confusing Similarity

The initial consideration of the Panel was whether Complainant had sufficiently alleged the existence of common law trademark rights in her Complaint. On page 5 of her Complaint, Complainant alleges that "The Respondent's use of www.juliaroberts.

com infringes upon the name and trademark of Complainant and clearly causes a likelihood of confusion as defined by Section 2(d) of the United States Lanham Act, Section 2(d), 15 U.S.C. Section 1052(d)." From this allegation, the Panel understood that Complainant asserted common law trademark rights in her name. The Panel further decided that registration of her name as a registered trademark or service mark was not necessary and that the name "Julia Roberts" has sufficient secondary association with Complainant that common law trademark rights do exist under United States trademark law.

A recent decision citing English law found that common law trademark rights exist in an author's name. The Policy does not require that the Complainant should have rights in a registered trademark or service mark. It is sufficient that the Complainant should satisfy the Administrative Panel that she has rights in common law trademark or sufficient rights to ground an action for passing off. See *Jeanette Winterson v. Mark Hogarth*, WIPO Case No. D2000-0235, May 22, 2000.

Having decided that Complainant has common law trademark rights in her name, the next consideration was whether the domain name <juliaroberts.com> was identical to or confusingly similar with Complainant's name. The second level domain name in <juliaroberts.com> is identical to the Complainant's name. Therefore, the Panel finds that the requirement of the Policy paragraph 4(a)(i) is satisfied.

Rights or Legitimate Interest

Respondent has no relationship with or permission from Complainant for the use of her name or mark. The domain name was registered with the Registrar on November 9, 1998. At this time Complainant has already been featured in a number of motion pictures and had acquired common law trademark rights in her name. Respondent admits at page 13 of his Response that "I registered JuliaRoberts.com because, after seeing several of her movies, I had a sincere interest in the actor..."

In the conclusion of the Response on page 16, the Respondent elaborates that "If Julia Roberts had picked up a phone and said, 'Hi Russ, can we talk about the domain name juliaroberts.com?' she would own it by now." Then Respondent concludes "But as I mentioned at the beginning of this response, I still think Julia is nifty crazy wacko cool."

The original content posted on the website www.juliaroberts.com had little if anything to do with Julia Roberts. It was not until this dispute arose that her likeness was posted.

In addition, Respondent admits that he has registered other domain names including including other well-known movie and sports stars and having placed the disputed domain name <juliaroberts.com> for auction on eBay

The Complainant has established a prima facie case that the Respondent has no rights or legitimate interest in the domain name and the Respondent has not provided any evidence to rebut this. It is clear from the submissions and evidence provided to this Administrative Panel that Respondent has failed to show (a) use of the domain name in connection with the offering of any goods or services, (b) common knowledge that he is known by the domain name, (c) legitimate noncommercial or fair use of the domain name, or (d) any other basis upon which he can assert rights or a legitimate interest.

Therefore, the Panel finds that Respondent has no rights or legitimate interest in the domain name <juliaroberts.com> and that the requirement of the Policy paragraph 4(a)(ii) is satisfied.

Bad Faith

Paragraph 4 of the Policy provides that evidence of bad faith registration and use includes circumstances showing:

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

The Respondent admits that he has registered other domain names including several famous movie and sports stars. Such actions necessarily prevent Complainant from using the disputed domain name and demonstrate a pattern of such conduct.

Therefore, the Panel finds that Respondent has registered and used the domain name <juliaroberts.com> in bad faith and that the requirement of the Policy paragraph 4(a)(iii) is satisfied.

In addition, the Respondent has placed the domain name up for auction on the commercial website eBay. When considered in conjunction with the pattern of registrations described above, the Panel finds that such action constitutes additional evidence of bad faith.

7. Decision

The Panel concludes (a) that the domain name <juliaroberts.com> is identical to Complainant's common law trademark in her name "Julia Roberts," (b) that Respondent has no rights or legitimate interest in the domain name and (c) that Respondent registered and used the domain name in bad faith. Therefore, pursuant to paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the domain name <juliaroberts.com> be transferred to Complainant Julia Fiona Roberts.

Richard W. Page
Presiding Panelist

Sally M. Abel James Bridgeman
Panelists

Dated: May 29, 2000



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

GEOCITIES v. GEOCIITES.COM

Case No. D2000-0326

1. The Parties

Complainant: Geocities, a Delaware Corporation having its principal place of business at 3420 Central Expressway, Santa Clara, California 95051.

Respondent: Geociites.com, having a recorded mailing address of 630 E. 10th Dr. Mesa, Arizona 85204, with an administrative, technical and billing contact identified as "Cable Rosenberg".

2. The Domain Name(s) and Registrar(s)

Domain Name: geociites.com

Registrar: Network Solutions, Inc. ("NSI")

3. Procedural History

The procedural history of this proceeding can be summarized as follows:

- On April 25, 2000, Complainant initiated the proceeding by filing a complaint against Respondent.
- The complaint was reviewed by the WIPO Arbitration and Mediation Center (the "Center") and found to have been filed in compliance with the requirements of the ICANN Uniform Domain Name Dispute Resolution Policy (the Policy), the Rules for Uniform Domain Name Dispute Resolution Policy (the Rules), and the Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the Supplemental Rules).
- The Complainant paid the requisite fee, and requested a single panelist.
- The panel agrees with the Center's conclusions regarding compliance of the complaint with the requirements of the UDRP, the Rules and the Supplemental Rules.
- On May 3, 2000, notice was sent by email and by certified mail to "geociites.com" by the Center. The notice indicated that the present administrative proceeding had been commenced, and that Respondent would have twenty days from the date of commencement of the proceeding to file a response to the administrative complaint (i.e., the Respondent was given until May 22, 2000). No response was received by WIPO from the Respondent by this date, and no response or any other communication from the Respondent subsequent to this date has been received by WIPO.

- On April 28, 2000, a copy of the complaint and the notice of the complaint were provided to NSI as registrar of the domain serving as the basis of the present proceeding. NSI responded on April 30, 2000, confirming that it was the Registrar of the Domain Name "geociites.com", indicating that the status of the registration was "active" and providing information regarding the registrant of "geociites.com".
- The panel concludes that the complaint was properly notified in accordance with Rules, paragraph 2(a).
- On May 24, 2000, WIPO provided Complainant and Respondent notice of Respondent default in light of the fact that no response had been received by WIPO by the required date from the Respondent.
- On May 31, 2000, the present administrative panel was notified to the parties, and a projected decision date of June 13, 2000 set for the panel. The panel provided a Statement of Acceptance and Declaration of Impartiality and Independence prior to its appointment.
- No further submissions were made by either of the parties.

4. Factual Background

The following facts have been uncontested by the Respondent and are accepted as being true:

- The Complainant is the owner of a United States registration no. 2,124,762. The service mark was registered by the United States Patent and Trademark Office on December 30, 1997, and cites a first use of the mark in commerce on February 15, 1995. The registration is for the term "GEOCITIES" in Classes 35 and 42 (US. Classes 101 and 102).
- The Complainant is the owner of the mark "GEOCITIES" and has used that mark in connection with its Internet website development and hosting services since at least as early as February 1995.
- The Complainant is the owner the domain name "geocities.com".
- The mark "GEOCITIES" as applied to GeoCities' services, pursuant to the representations of the Complainant in paragraphs 20, 22, 25, 26 and 27, is famous.
- The Respondent owns the domain name "geociites.com."
- The domain name "geociites.com" differs from the domain name "geocities.com" by the insertion of an additional letter "i" after the fourth letter of the latter domain name.
- Individuals who type "geociites.com" into their Internet browser are taken to a site displaying banner advertisements, and are subsequently re-directed to a distinct website (i.e., www.blacksonblondes.com) displaying pornographic images and other information. Additional windows are generated when the user is re-directed, each displaying banner advertisements or pornographic images. Attempts by the user to back out of the site by returning to the location previously browsed by the user also triggers the Internet browser to generate additional windows, each linking to a web page showing banner advertisements or pornographic images.
- GeoCities has received complaints from third parties that have mistyped the domain name "geocities.com" and have been subjected to events described in the preceding paragraph.
- A search for the term "geocities.com" using the Internet search site "Altavista.com" will include in the results for that search entries that link to the domain "geociites.com". Third parties have been taken or directed to the "geociites.com" link based on a search for the term "geocities.com" on said Internet search site.
- The Complainant has not authorized the Respondent to use or register the "geociites.com" domain name. Complainant through legal counsel has sent correspondence to Respondent to cease and desist the actions described above.

5. Parties' Contentions

A. Complainant

The Complainant asserts that the Respondent's registration and subsequent use of the domain name "geociites.com" meet the bad faith element set forth in Section 4(b)(iv) of the UDRP. In particular, Complainant alleges that the Respondent uses the Domain Name "geociites.com" to intentionally attract, for commercial gain, Internet users to its websites by creating a likelihood

of confusion with GeoCities's GEOCITIES mark as to the source, sponsorship, affiliation and endorsement of Respondent's websites and of the services offered at the sites.

In addition, the Complainant asserts that the Respondent's registration and use of the Domain Name "geociites.com" meet the bad faith element set forth in Section 4(b)(iii) of the UDRP. In particular, Complainant asserts that Respondent registered the Domain Name and used it primarily for the purpose of disrupting the commercial activities of GeoCities; namely, to compete for non-pornographic banner advertising revenue.

Finally, the Complainant asserts that the Respondent (i) has not used and is not using the name "geociites.com" in connection with a bona fide offering of goods or services, and has not demonstrated an intent to do so; (ii) Respondent is not and has not been commonly known by the Domain Name "geociites.com", and (iii) Respondent is not making legitimate noncommercial or fair use of the Domain Name "geociites.com" without intending to mislead and divert consumers or to tarnish Complainant's mark for commercial gain.

B. Respondent

No response was received from the Respondent.

6. Discussion and Findings

To prevail on the merits of this proceeding, the Complainant must establish, that with respect to the Domain Name in question, that:

(i) the Domain Name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and

(ii) the Respondent and registrant of the Domain Name has no rights or legitimate interests in respect of the Domain Name; and

(iii) the Domain Name has been registered and is being used in bad faith.

Each of these elements will be taken up in sequence.

A. The Domain Name is confusingly similar to the registered mark "GEOCITIES"

The Complainant has established that it possesses rights in the registered mark "GEOCITIES" in the United States in relation to its use in connection with website hosting and development services. The evidence provided by the Complainant shows a significant volume of use of the term "GEOCITIES" in connection with web-based activities, including advertising, linking and other means of promotion or use of the term in connection with the Complainant. The volume of use makes reasonable the assertion by the Complainant that the mark "GEOCITIES" is famous with respect to web-based activities.

The Domain Name is a simple misspelling of the registered mark of the Complainant. Moreover, the Domain Name has been registered in the same top level domain as the domain name owned by the Complainant that uses the identical term as the registered mark "GEOCITIES" (i.e., www.geocities.com).

Evidence has been provided that demonstrates that third parties have made typographical errors that led to the user mistakenly being directed to the Respondent's web site due to the misspelling of the term. Moreover, evidence has also been provided that users conducting searches for the Complainant's trademark and domain name on well-known Internet search sites retrieve results that, when clicked, intentionally direct those users to the Respondent's web-site. This has been shown to occur both with regard to results that overtly disclose the misspelling as well as links that do not disclose this misspelling to the user.

In light of these uncontested findings and assertions of fact, the panel finds that the Domain Name "geociites.com" is confusingly similar to the domain name owned by the Complainant.

B. The Respondent has no rights or legitimate interests in the Domain Name

The Respondent has filed no response to the complaint, and thus has made no assertion of interest in the Domain Name. No evidence has been provided to the panel to suggest that the Respondent has any rights or any legitimate interests in the Domain Name. The evidence provided by the Complainant as to the nature of web-sites associated with the Domain Name reveals nothing that would indicate any relationship of the content or purpose of those web-sites to the Domain Name.

The panel finds that the Respondent has no rights or legitimate interests in the Domain Name.

C. The Domain Name has been registered and is being used in bad faith by the Respondent

The evidence provided by the Complainant shows that the Respondent has used the Domain Name in bad faith as that term has been defined in paragraphs 4(b)(iii) and (iv) of the UDRP.

- The evidence provided by the Complainant demonstrates that users who enter the term "geociites.com" by mistake into their Internet browser will be led to the Respondent's web site(s). None of these sites offers services related to the web-hosting or other services provided by the Complainant, and none of these sites is sponsored or affiliated with the Complainant. The registration of the Domain Name appears to serve no purpose other than to capture the user who mistakenly or inadvertently enters the incorrect domain name (i.e., "geociites.com") when he or she is attempting to link to the Complainant's web site or a site affiliated with that website using the Complainant's trademark (i.e., "GEOCITIES"). The evidence thus supports the Complainant's assertion that the Respondent is intentionally using the Domain Name in bad faith to redirect users to its web-sites and is thereby capitalizing on the confusion created by the confusing similar term "geociites.com".

The evidence offered by the Complainant also shows that there has been actual confusion caused by the Respondent's Domain Name among users. In particular, parties intending to visit a GeoCities-sponsored or affiliated web-site have been intentionally misdirected to the Respondent's web-sites as a consequence of misspelling of the Complainant's domain name which incorporates Complainant's registered trademark "GEOCITIES."

Finally, the evidence supports Complainant's assertion that the apparent purpose of the misdirection is to create commercial opportunities for the Respondent, either in the form of payment for access to the Respondent's web-sites, or through sales of products offered for sale on those web-sites by the Respondent. Based on these points, the Complainant has sustained its burden of demonstrating that the Respondent registered the Domain Name in bad faith as that term is defined in paragraph (4)(b)(iv)

- The second assertion of the "bad faith" registration by the Complainant is based upon paragraph 4(b)(iii) of the UDRP. In this regard, the Complainant asserts that the Respondent's registration and use of the Domain Name was primarily to disrupt the business of the Complainant. To support this assertion, the Complainant asserts that both it and the Respondent compete in the sale of non-pornographic banner advertisements. Complainant then argues that this fact, coupled with the Respondent's intention to trade on the goodwill and fame of GeoCities and the GEOCITIES mark, provide evidence demonstrating that the Respondent registered the domain name primarily to disrupt the business of the Complainant.

The criteria of bad faith defined in paragraph 4(b)(iii) specifies that the standard will be met if it is shown that the Respondent registered the domain name "primarily for the purpose of disrupting the business of a competitor". Unlike the standard of bad faith defined in paragraph 4(b)(iv), this standard focuses on actions taken by a party to intentionally disrupt the business of another party through the registration of a domain name. The evidence provided by the Complainant demonstrates without any question that the Respondent registered a domain name that represents a simple one letter misspelling of the Complainant's registered trademark and that this resulted in actual confusion of users. The evidence further shows that the use of the Domain Name by the Respondent was an intentional plan to commercially capitalize on the fame and goodwill of the Complainant's mark "GEOCITIES" as well as the GeoCities site.

The answer to the question of whether the evidence supports the Complainant's assertion that the registration of the Domain Name by the Respondent was done primarily to disrupt the business of the Complainant is less clear. The standard defined in paragraph 4(b)(iii) does not focus primarily on the question of commercial gain through creation of confusion with the mark or goodwill of the owner of the mark by a party through registration of a confusingly similar domain name. Instead, the standard in paragraph 4(b)(iii) focuses on the question of whether it was the intent of the Respondent to disrupt the business of the Complainant through the registration of the domain name. The result - disruption of the business -- may come from parties that are confused by the registration of a domain name that is confusingly similar to a trademark. The result may also stem from a domain name that has no prospect of causing confusion with the mark of the complaining party (e.g., it may disparage the business of the complaining party directly).

The potential of increased competition in sales of banner advertisements that may ensue from the misdirection of users by the Respondent, standing alone, would not seem sufficient to demonstrate that conditions of paragraph (iii) have been met. Such evidence seems particularly relevant to the questions posed by the standard of bad faith articulated in paragraph (iv).

However, in the present case, the Complainant has demonstrated that users who make a typographical error when entering the URL of the Complainant will be taken to the Respondent's web-sites. The subsequent events (i.e., a series of propagating windows that "trap" the user at the Respondent's sites) interfere with the ability of the user to leave Respondent's sites and to return to the site to which they intended to visit but for the typographical error. This practice unquestionably disrupts the delivery of access to websites hosted by the Complainant by "capturing" unwitting users and making it difficult for those users to gain access to such websites. In addition, users who are so captured are forced to view websites containing pornographic images and information. This disrupts the business of the Complainant because, among other things, it prevents the Complainant from operating its website hosting services according to the terms and conditions specified in the GeoCities website hosting

agreements (i.e., it directs users to sites that contain pornographic information in a manner contrary to the GeoCities terms of service).

In view of these points, the panel finds that the practices of the Respondent in registering the Domain Name have resulted in disruption of the business of the Complainant, and, in the absence of evidence to the contrary, the panel finds that the Respondent has registered the domain name primarily for this purpose.

7. Decision

The panel finds that the Complainant has sustained its burden of demonstrating that (a) the Domain Name ("geociites.com") is identical to or confusingly similar to the mark "GEOCITIES" owned by the Complainant, (b) Respondents have no rights and no legitimate interest in the Domain Name ("geociites.com") and (c) the Domain Name ("geociites.com") has been registered and is being used in bad faith by the Respondent.

Accordingly, pursuant to the authority of Article 4(i) of the UDRP, the Panel requires that the registration of the Domain Name ("geociites.com") be transferred to the Complainant.

Jeffrey P. Kushan
Presiding Panelist

Dated: June 19, 2000



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Wal-Mart Stores, Inc. v. Richard MacLeod d/b/a For Sale

Case No. D2000-0662

1. The Parties

The Complainant is Wal-Mart Stores, Inc., a United States corporation with its headquarters in Bentonville, Arkansas, United States of America.

The Respondent is Richard MacLeod d/b/a For Sale, 21 Simpson Avenue, Toronto, ON M8Z1C9, United States of America.

2. The Domain Name and Registrar

The domain name at issue is wal-martsucks.com. The domain name is registered with Register.com.

3. Factual Background

The Panel has reviewed the Complainant's Complaint and Respondent's Response. The following facts appear to be undisputed: The Complainant operates over 2,500 stores worldwide. All its trading operations, advertisements and promotions are conducted under the mark "Wal-Mart," and it has used this mark continuously since 1962. Its Internet addresses include walmart.com, wal-mart.com, and walmartstores.com. Its businesses include discount retail stores, grocery stores, pharmacies, membership warehouse clubs, and deep discount warehouse outlets.

Complainant holds registrations for the mark "Wal-Mart" in the United States, Switzerland, the United Kingdom, Denmark, and numerous other countries. The Respondent has no rights granted by the Complainant in any of the marks involving the word "Wal-Mart".

The Respondent registered the domain name wal-martsucks.com on February 12, 2000.

4. Procedural Background

Complainant filed its Complaint by email on June 22, 2000. Because of a deficiency noted by the Center (Complainant had failed to comply with Rule 3(b)(xiii)), Complainant filed an Amended Complaint, which was received in hardcopy by the Center on July 10, 2000.

On July 14, 2000, the Center formally commenced this proceeding and notified Respondent that its Response would be due by August 2, 2000. Respondent timely filed its Response, which was received by the Center in hardcopy on July 26, 2000.

Meanwhile, on July 20, 2000, the Center released a decision in *Wal-Mart Stores, Inc. v. Walsucks and Walmart Puerto Rico*, Case No. D2000-0477, which involved the same Complainant. The Panel in that case ruled that the domain names *walmartcanadasucks.com*, *walmartcanadasucks.com*, *walmartuksucks.com*, *walmartpuertorico.com* and *walmartpuertoricosucks.com* were confusingly similar to Complainant's Wal-Mart trademark, that the respondent in that case lacked a legitimate interest in the domain names, and that the domain names were registered and used in bad faith. The Panel thus ordered that the domain names be transferred to the Complainant.

On July 25, 2000, Complainant in this case requested leave to submit a reply in light of the decision in Case No. D2000-0447. On July 26, 2000, the Respondent indicated that he would not object to the filing of a reply, and requested that he be allowed to submit a sur-reply.

On August 4, 2000, the Center appointed a Panel. The Panelist thereafter developed a conflict of interest, and recused himself. On September 6, 2000, the Center appointed David H. Bernstein as a substitute Panelist. Neither party requested a three-member Panel.

On September 6, 2000, the Panel issued an order denying the Complainant's request for leave to file a reply, except that the Panel took note of the decision in Case No. D2000-0447, and denying as moot the Respondent's request to submit a sur-reply. On September 17, 2000, the Respondent asked that he be allowed to submit a statement regarding Case No. D2000-0447. In particular, Respondent requested the right to supplement his Response because, "[s]hould this case be used against me, I believe it would be fair to give me a chance to submit a few comments about that case."

The Panel denies Respondent's request to supplement his Response. First, the request is moot because Case No. D2000-0447 has not been "used against" him; the issues in this case are quite different and, although this Panel has read the decision in Case No. D2000-0447, that decision has not affected the Panel's findings and conclusions in this case. More generally, Respondent's request is inconsistent with the expedited process created by ICANN. If parties were allowed to supplement their submissions based solely on the issuance of a decision by another Panel, it would, given the pace with which UDRP decisions are issued, allow parties endlessly to drag out the UDRP process with replies and sur-replies and sur-sur-replies. See *Document Technologies, Inc. v. International Electronic Communications, Inc.*, Case No. D2000-0270 (WIPO, June 6, 2000) (denying Complainant's request to file reply where proposed reply raised no new legal or factual authority, and thus would unnecessarily delay the final adjudication). When a new, relevant decision is issued (whether by another Panel or by a court), the appropriate course instead is for a party to bring the decision to the Panel's attention, without providing additional, substantive argument, so that the Panel can review the decision and use its own judgment as to whether that decision is relevant to the issues in the case before the Panel and, if so, how it affects the decision in the instant case. See *Pet Warehouse v. Pets.Com, Inc.*, Case No. D2000-0105 (WIPO, Apr. 13, 2000) (accepting supplemental submission comprised of a new decision by another UDRP Panel that was submitted "without any argument").

5. Parties' Allegations

The Complainant submits that its mark is famous throughout the United States and all those other countries in which it trades. It further argues that the domain name is identical to its "Wal-Mart" mark because the domain name wholly incorporates "Wal-Mart" and also is confusingly similar to its "Wal-Mart" marks because "Wal-Mart" is so famous that buyers "would be likely to think that any commercial site connected with the domain name *wal-martsucks.com*, particularly a site selling consumer products," or "any domain name incorporating the Wal-Mart name (or a close approximation thereof)" originates with the Complainant.

The Complainant argues that Respondent has no rights or legitimate interests in respect of the domain name. First, Respondent is not currently using the domain name in connection with any ongoing business. Second, to the best of the Complainant's knowledge, Respondent has no rights to any use of the term Wal-Mart.

The Complainant further submits that the domain name *wal-martsucks.com* was registered and is used in bad faith. Improper use of the name is shown by the Respondent's attempt to sell the name through the Great Domains website for \$530,000 and on Respondent's website for \$545,000.

The Respondent focuses his response on the first factor of the ICANN policy, arguing that *wal-martsucks.com* is neither identical to nor confusingly similar to "Wal-Mart." He relies on *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161 (C.D. Cal. 1998), which concluded that the addition of the word "sucks" prevents any reasonably prudent user from confusing a "sucks" website with an authorized website.

Respondent concedes that his original intention upon registration of *wal-martsucks.com* was to sell the name for profit, and concedes that this constitutes registration in bad faith, but claims that he had a "change of heart" when he learned of Wal-Mart's abusive employment and consumer practices, so that the website no longer is being "used" in bad faith. He further claims that Wal-Mart cannot prove that it was actually Respondent who offered *wal-martsucks.com* for sale because Great Domains does not verify sellers. Thus, he claims that Complainant has insufficient evidence to show bad faith. Finally, he suggests that

Complainant knew of the availability of the wal-martsucks.com domain name long before he registered it and should have done so when the name was available.

6. Discussion and Findings

The burden for the Complainant under paragraph 4(a) of the ICANN Policy is to prove:

(a) That the domain name registered by the Respondent is identical or confusingly similar to a trademark or service mark in which the Complainant has rights;

(b) That the Respondent has no rights or legitimate interests in respect of the domain name; and

(c) The domain name has been registered and used in bad faith.

Initially, the Panel rejects any suggestion that Complainant's failure to register wal-martsucks.com before Respondent did so precludes this Complaint under any theory, including laches. Trademark owners are not required to create "libraries" of domain names in order to protect themselves, and there are strong policy reasons against encouraging this behavior. Moreover, as human creativity reaches its utmost where disparagement (not to mention money) is involved, any such attempt by a trademark owner would be futile, and thus Respondent has no equitable argument against Complainant.

The second and third elements of the Policy are easily disposed of in this case. Respondent's sole argument with respect to the second element is that he is using wal-martsucks.com to criticize Wal-Mart. Respondent could potentially have a legitimate interest in using wal-martsucks.com as a site critical of Wal-Mart; the Policy specifically provides that "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," can establish legitimate rights and interests in a domain name. Policy paragraph 4(c)(iii). In this case, however, Complainant alleges, and Respondent does not deny, that before Complainant initiated the present proceeding, he was using the site solely for the purpose of selling it. While Respondent claims to have had a "change of heart," this change appears to have been driven by his domain name disputes with Complainant, and it is too little, too late.

Respondent admits that he registered the domain name in bad faith. The Panel specifically rejects Respondent's argument that Complainant produced insufficient evidence of bad faith use. Though Respondent questions the reliability of the information on the Great Domains website (Respondent claims that anyone can list a domain name for sale on that site, and thus Complainant has not proven that it is Respondent who offered the name for sale), he never actually denies that it was he who listed wal-martsucks.com on Great Domains, nor does he deny that he offered the domain name for sale on his own site. Indeed, the Respondent's intent is made clear by the name in which he registered the domain name: "For Sale." See *Unibanco v. Vendo Domain Sale*, Case No. D2000-0671 (WIPO, Aug. 31, 2000). Combined with Respondent's own admission, this is ample evidence of bad faith use. Again, Respondent's newly developed critical use of the site during the pendency of this proceeding is insufficient to erase the prior bad faith use.

The difficult question in this case is whether Complainant has shown that wal-martsucks.com "is identical or confusingly similar to" Complainant's mark under Paragraph 4(a)(1) of the Policy. In prior cases, this Panel has held that a domain name that incorporates a mark but also adds another word is not "identical" to the mark under the Policy. See, e.g., *EAuto, L.L.C. v. Triple S. Auto Parts d/b/a Kung Fu Yea Enterprises, Inc.*, No. D2000-0047 (WIPO, Mar. 24, 2000). This Panel has also held that incorporating a distinctive mark in its entirety creates sufficient similarity between the mark and the domain name to render it confusingly similar. *Id.*

Following this reasoning, Complainant contends that consumers are likely to believe that any domain name incorporating the sequence "Wal-Mart" or a close approximation thereof is associated with Complainant. In the ordinary case, when a generic term is appended to the trademark (such as the domain name walmartstores.com), this would be so. But the fame of a mark does not always mean that consumers will associate all use of the mark with the mark's owner. No reasonable speaker of modern English would find it likely that Wal-Mart would identify itself using wal-martsucks.com. Complainant has no evidence of any potential confusion. The Panel specifically rejects Complainant's argument that consumers are likely to be confused as to the sponsorship or association of a domain name that combines a famous mark with a term casting opprobrium on the mark.

Nevertheless, the Panel understands the phrase "identical or confusingly similar" to be greater than the sum of its parts. The Policy was adopted to prevent the extortionate behavior commonly known as "cybersquatting," in which parties registered domain names in which major trademark owners had a particular interest in order to extort money from those trademark owners. This describes Respondent's behavior. Thus, the Panel concludes that a domain name is "identical or confusingly similar" to a trademark for purposes of the Policy when the domain name includes the trademark, or a confusingly similar approximation, regardless of the other terms in the domain name. In other words, the issue under the first factor is not whether the domain name causes confusion as to source (a factor more appropriately considered in connection with the legitimacy of interest and bad faith factors), but instead whether the mark and domain name, when directly compared, have confusing similarity. Having so concluded, Respondent's use of the domain name wal-martsucks.com meets all three of the conditions

necessary to justify a transfer of the domain name to Complainant.

The Panel is cognizant of the importance of protecting protest sites that use a trademark to identify the object of their criticism. The "legitimate interest" and "bad faith" factors should adequately insulate true protest sites from vulnerability under the Policy, especially as the Complainant retains the burden of proof on each factor. Where, as here, a domain name registrant does not use a site for protest but instead offers it for sale for substantially more than the costs of registration, the site does not further the goal of legitimate protest; rather, it constitutes trademark piracy.

7. Decision

For the foregoing reasons, the Panel decides:

(a) that the domain name wal-martsucks.com is identical or confusingly similar to the Wal-Mart trademark in which the Complainant has rights;

(b) that the Respondent has no rights or legitimate interests in respect of the domain name; and

(c) the Respondent's domain name has been registered and is being used in bad faith.

Accordingly, pursuant to paragraph 4(i) of the Policy, the Panel requires that the registration of the domain name wal-martsucks.com be transferred to the Complainant.

David H. Bernstein
Sole Panelist

Dated: September 19, 2000



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Wal-Mart Stores, Inc. v. Walsucks and Walmarket Puerto Rico

Case No. D2000-0477

1. The Parties

The Complainant is Wal-Mart Stores, Inc., with place of business in Bentonville, Arkansas, USA.

The Respondents are Walsucks and Walmarket Puerto Rico, with addresses in Burnt Head, Cupids, Newfoundland, Canada.

2. The Domain Name(s) and Registrar(s)

The disputed domain names "walmartcanadasucks.com", "wal-martcanadasucks.com", "walmartuksucks.com", "walmartpuertorico.com" and "walmartpuertoricosucks.com".

The registrar of the disputed domain names is Tucows.com (Domain Direct), with business address in Toronto, Ontario, Canada.

3. Procedural History

The essential procedural history of the administrative proceeding is as follows:

- a) The Complainant initiated the proceeding by the filing of a complaint via e-mail, received by the WIPO Arbitration and Mediation Center ("WIPO") on May 23, 2000, and by courier mail received by WIPO on May 24, 2000. Payment by Complainant of the requisite filing fees accompanied the courier mailing.
- b) On May 26, 2000, Respondent transmitted an e-mail message to the Director of the WIPO Arbitration and Mediation Center, Mr. Francis Gurry, requesting that WIPO refuse to accept Complainant's complaint on grounds that Respondent had filed a complaint with the Internet Corporation for Assigned Names and Numbers (ICANN) based on an earlier administrative panel determination against Respondent, asserting that WIPO is in a conflict of interest position. On May 28, Mr. Gurry advised Respondent that WIPO rejected his request.
- c) On May 29, 2000, WIPO transmitted a Request for Registrar Verification to the registrar, Tucows.com (Domain Direct). On May 31, 2000, WIPO completed its formal filing compliance requirements checklist.
- d) On May 31, 2000, WIPO transmitted notification of the complaint and commencement of the proceeding to Respondent via e-mail and courier mail.
- e) On June 10, 2000, Respondent via e-mail requested an extension of the deadline for filing a response. On June 15, WIPO granted an extension until June 26, 2000.

f) On June 26, 2000, Respondent transmitted his response to WIPO via e-mail. A hardcopy of the response was received by WIPO on June 30, 2000. Respondent also transmitted his response to Complainant.

g) On July 3, 2000, WIPO invited the undersigned to serve as panelist in this administrative proceeding, subject to receipt of an executed Statement of Acceptance and Declaration of Impartiality and Independence ("Statement and Declaration"). On July 3, 2000, the undersigned transmitted by fax the executed Statement and Declaration to WIPO.

h) On July 4, 2000, the Complainant and Respondent were notified by WIPO of the appointment of the undersigned sole panelist as the Administrative Panel (the "Panel") in this matter. WIPO notified the Panel that, absent exceptional circumstances, it would be required to forward its decision to WIPO by July 17, 2000. On July 4, 2000, the Panel received an electronic file in this matter by e-mail from WIPO. The Panel subsequently received a hard copy of the file in this matter by courier mail from WIPO.

i) Accompanying the hard copy of the file received by the Panel was a request by Complainant, dated June 26, 2000, for the opportunity to file a brief reply to Respondent's response. On July 10, 2000, Respondent requested (via e-mail) that the Panel grant it the opportunity to respond to Complainant's reply, should the Panel grant Complainant's request to file a reply. On July 11, 2000, the Panel advised the parties of its decision to grant leave to Complainant to file a reply to Respondent's response, and to grant leave to Respondent to file a response to Complainant's reply, and the Panel established a proposed timetable for receipt of such submissions. The parties via e-mail indicated their agreement to the proposed timetable. The Panel further advised the parties and WIPO that in view of its granting of leave to file supplemental submissions, it anticipated rendering its decision by July 20, 2000.

j) On July 12, 2000, Complainant transmitted via e-mail its Supplemental Reply to the Panel, Respondent and WIPO. On July 15, 2000, Respondent transmitted his Response to Complainant's Supplemental Reply to the Panel, Complainant and WIPO. The Panel confirmed via e-mail its receipt of these submissions to Complainant and Respondent, respectively.

The Panel has not received any requests from Complainant or Respondent regarding further submissions, waivers or extensions of deadlines, and the Panel has not found it necessary to request any further information from the parties. The proceedings have been conducted in English.

3. Factual Background

According to the registrar's response to WIPO's request for verification, the registrant of the disputed domain names "WALMARTCANADASUCKS.COM", "WAL-MARTCANADASUCKS.COM", "WALMARTUKSUCKS.COM" and "WALMARTPUERTORICOSUCKS.COM" is "Walsucks", with Administrative Contact at "Harvey, Kenneth". According to the registrar's response to WIPO's request for verification, the registrant of the disputed domain name "WALMARTPUERTORICO.COM" is "Walmart Puerto Rico", with Administrative Contact at "Harvey, Kenneth". (E-mail from registrar to WIPO, dated May 29, 2000).

According to the registrar's response, the domain name "WALMARTCANADASUCKS.COM" was registered on May 13, 2000; the domain name "WAL-MARTCANADASUCKS.COM" was registered on May 13, 2000; the domain name "WALMARTUKSUCKS.COM" was registered on May 15, 2000; the domain name "WALMARTPUERTORICO.COM" was registered on May 17, 2000; and the domain name "WALMARTPUERTORICOSUCKS.COM" was registered on May 17, 2000. In each case, the record of registration was last updated on the same date as the record was created.

A prior Administrative Panel Decision conducted under the Policy, *Wal-Mart Stores, Inc. v. Walmarket Canada*, Case No. D2000-0150, dated May 2, 2000, involved Mr. Kenneth Harvey as Administrative Contact for Walmarket Canada. In that proceeding, initiated by Complainant in this proceeding, the panelist determined that Walmarket Canada had engaged in abusive domain name registration in connection with the domain name "walmartcanada.com", and directed the registrar, Register.com, to transfer the disputed domain name to Complainant. In that proceeding, the panelist found that Walmarket Canada had offered to sell the disputed domain name (for five million dollars), and that this action constituted bad faith. The panelist also found that Walmarket Canada had indicated an intention to use the disputed domain name "to develop a confusingly similarly-named business in Thailand, where the Complainant has a registered mark". The panelist concluded that this "is also indicative of bad faith". (D2000-0150, at sec. 6)

As part of the factual record in the *Wal-Mart v. Walmarket Canada* proceeding, the panelist recited the following e-mail message from Walmarket to Wal-Mart:

"This is to let you know that www.WalMartCanada.com, http:\\www.WalMartCanada.com is up for auction at GreatDomains.com. I am the owner. Perhaps certain executives within your company might be interested in purchasing it. Thanks for passing this along to the appropriate individuals. Kindest regards, Kenneth J. Harvey." D2000-0150, at sec. 4.

In *Wal-Mart v. Walmarket*, the panelist noted as part of its factual record:

"The Complainant operates stores throughout the United States, employing some 600,000 workers. It also has 144 stores in Canada and lesser numbers in Puerto Rico, Mexico, Brazil, Argentina, China, United Kingdom, Korea, Indonesia and Germany. Its stores are discount retail stores, grocery stores, pharmacies, membership warehouse clubs and deep discount warehouse outlets.

The Complainant holds registrations for the mark <WAL-MART> for use in retail department stores in the United States and Canada. The registration is on the basis that the mark was known in Canada as early as 1965. It also holds registrations for the mark <WAL-MART> in 46 countries, including Thailand, the United Kingdom and the People's Republic of China. The Thailand registration is Number SM3711, registered November 24, 1995, and is for retail department store services. The <WAL-MART> mark has been in continuous use in the United States since 1962 and is used in the Complainant's extensive advertising of its services and merchandise on television, websites, etc. For example, amongst its Internet addresses are <http://www.walmart.com>, <http://www.wal-mart.com> and <http://walmartstores.com>.

The Respondent has no rights granted by the Complainant in any of the marks involving the word 'Wal-Mart'."

The panelist in *Wal-Mart v. Walmarket* decided that Complainant has rights in the trademark "Wal-Mart" within the meaning of paragraph 4(a) of the Policy, and that the domain name "walmartcanada.com" was confusingly similar to Complainant's mark. The panelist said:

"In the Panel's view, the domain name <WALMARTCANADA.COM> is confusingly similar to the Complainant's trademarks registered in the USA, Canada and Thailand and other countries <WAL-MART>. The Complainant has a reputation for this name for a convenience store. This reputation is well-recognised in the United States and Canada particularly, but in many other countries also. Applying the usual tests under trademark law and passing-off law, the Panel decides that the domain name is confusingly similar. Persons dealing with, or even perusing the website of, <WALMARTCANADA.COM> could easily conclude that the registrant of the domain name was associated with the Wal-Mart operation in Canada. Nor is it any excuse to say that the Complainant does not trade in Thailand. It owns a registered trademark in that country which it is entitled to use. It is entitled to the benefit of registration unless and until the Thailand authorities revoke the registration, which is not likely to occur until after a judicial hearing. It would be difficult to imagine that any Court would uphold the use of a name confusingly similar to a registered mark where that name had first been used some 4 years after the registration of the mark." (D2000-0150, at sec. 6)

On March 10, 2000, prior to the panelist's decision in *Wal-Mart v. Walmarket Canada*, Respondent in this proceeding sent an e-mail message with the following text to Complainant:

"As a gesture of good will, I would like to point out that 'Wal-MartCanada.net' and 'Wal-MartCanada.org' remain unregistered. I suggest you inform Wal-Mart so that they might register those specific domain names before they are snatched up by roaming marauders." (E-mail from Kenneth Harvey to Mary J. Saunders, March 10, 2000, Complaint, Annex C)

On June 3, 2000, subsequent to the panel determination in *Wal-Mart v. Walmarket Canada* and subsequent to the transmittal of notice to Respondent via e-mail and courier mail of the initiation of this proceeding, Respondent transmitted the following message via e-mail to Complainant and its counsel:

"C O P Y

WITHOUT PREJUDICE

Mr. Pelletier:

Some time ago, before the original dispute over 'walmartcanada.com' was filed with WIPO by Mary Jane Saunders, I informed Ms. Saunders that other variations of Wal-Mart Canada domain names were available. I informed her that 'Wal-MartCanada.net' and 'Wal-MartCanada.org' were available for purchase and that she should inform executives at Wal-Mart so that they might purchase them. I refrained from buying them. Some time later, these names were-- indeed-- purchased by Wal-Mart. I passed on this information to Ms. Saunders in my capacity as a domain name consultant.

Therefore, I would like to receive compensation for this consultation. Also, through my purchase of 'walmartcanada.com' and 'walmartcanadasucks.com' and other names that I presently hold, I have intentionally highlighted the fact that Wal-Mart does not hold rights to basic Internet domain names that other large corporations have purchased (in their names) years ago. This was made blatantly obvious by my prompting Wal-Mart to purchase every conceivable combination of name on their domain name buying spree from May 12th to May 16th. Again, I wish to be compensated for this pivotal role I played in protecting Wal-Mart from future difficulties.

For your information, as of this morning, there are several other essential and blatantly-fundamental Wal-Mart dot-com, dot-net and dot-org names available for purchase that Wal-Mart does not own. I am not interested in buying them, as I am growing tired of this dispute and would like to bring it to an end. For an additional domain name consulting fee, I would gladly inform Wal-Mart of the important names left hanging for others to purchase at their will.

If you wish to discuss this via telephone, my number is: 709-528-1996. I look forward to hearing from you.

Sincerely,

Kenneth J. Harvey"

(Complainant's Supplemental Reply)

Respondent has acknowledged the authenticity of the foregoing message, stating:

"With regards to the e-mail message submitted by the Respondent to Wal-Mart on June 3, 2000, this message was in reference to the dispute over WALMARTCANADA.COM, and not in reference to the domain names presently under dispute. The Respondent suggested that a consulting fee would be appropriate to inform Wal-Mart of other available domain names as a means of settling the legal action brought against Wal-Mart over WALMARTCANADA.COM. The letter has no bearing on the issue presently at hand. These five domain names currently in dispute were never offered for sale nor are they for sale." (Respondent's Response to Complainant's Supplemental Reply)

Respondent has established websites at the addresses identified by the domain names "walmartcanadasucks.com" and "walmartuksucks.com". Complainant indicates that these websites were established subsequent to the initiation of this proceeding (Complainant's Supplemental Reply). Respondent has disputed the validity of this assertion with respect to "walmartcanadasucks.com" (Respondent's Response to Complainant's Supplemental Reply).

Respondent has not established websites at the addresses identified by the domain names "wal-martcanadasucks.com", "walmartpuertorico.com" and "walmartpuertoricosucks.com".

The "walmartcanadasucks.com" and "walmartuksucks.com" web pages each state that "This is a freedom of information site set up for dissatisfied Walmart Canada [or UK, respectively] customers." Each site invites visitors to "Spill Your Guts" with a "horror story relating to your dealings with Wal-Mart Canada [or UK, respectively]". On the "walmartcanadasucks.com" website, Respondent has posted "Wal-Mart Horror Story #1" which recounts his version of events in respect to the "walmartcanada.com" domain name. Each website posts a photograph of Respondent, labeled "President", and Respondent's biography. Each "Spill Your Guts" page indicates "If we feel your story is interesting, it might be included in award-winning author Kenneth J. Harvey's forthcoming book – 'Wal-MartCanadaSucks.com' [or, on UK page, 'about Walmart']".

The Service Agreement in effect between Respondent and Domain Direct subjects Respondent to Domain Direct's dispute settlement policy, the Uniform Domain Name Dispute Resolution Policy, as adopted by ICANN on August 26, 1999, and with implementing documents approved by ICANN on October 24, 1999. The Uniform Domain Name Dispute Resolution Policy (the "Policy") requires that domain name registrants submit to a mandatory administrative proceeding conducted by an approved dispute resolution service provider, of which WIPO is one, regarding allegations of abusive domain name registration (Policy, para. 4(a)).

5. Parties' Contentions

A. Complainant

Complainant states:

"The factual and legal grounds for this Complaint are:

A. On March 10, 2000, Complainant initiated a Complaint for Domain Name Dispute Resolution captioned Wal-Mart Stores, Inc. v. Walmarket Canada, Case No. D2000-0150, with the WIPO Arbitration and Mediation Center. That Complaint alleged that Walmarket Canada registered and used the domain name WALMARTCANADA.COM in bad faith. Walmarket Canada is an entity owned and controlled by Respondents' administrative contact, Kenneth J. Harvey.

B. On March 10, 2000, after receiving the aforementioned Complaint, Mr. Harvey sent the following email message to Complainant's representative:

'As a gesture of good will, I would like to point out that "Wal-MartCanada.net" and "Wal-MartCanada.org" remain unregistered. I suggest you inform Wal-Mart so that they might register those specific domain names before they are snatched up by roaming marauders.'

A copy of this email message is attached to this Complaint...

C. On April 3, 2000, Mr. Harvey sent the following message to the WALMARTCANADA.COM registrar, Register.com:

This is to inform you that we are in the process of filing a law suit against Wal-Mart to retain ownership of our domain name walmartcanada.com. The dispute is presently before WIPO for arbitration. There has yet to be a ruling. Regardless of WIPO's decision, we will be filing suit against Wal-Mart for harassment and other – yet undisclosed charges.

...

D. On May 9, 2000, an Administrative Panel Decision issued from the WIPO Arbitration and Mediation Center in the case of Wal-Mart Stores, Inc. v. Walmarket Canada, Case No. D2000-0150. The Administrative Panel found (a) that the domain name WALMARTCANADA.COM is identical or confusingly similar to Complainant's Wal-Mart trademark; (b) that Walmarket Canada has no rights or legitimate interests in respect of the domain name; and (c) that Walmarket Canada registered and used the domain name WALMARTCANADA.COM in bad faith. The Administrative Panel order directed the Registrar, Register.com, to transfer the domain name to Complainant. [Footnote 1: Mr. Harvey claims that he filed suit to prevent this transfer. Complainant has seen no evidence of this lawsuit.]

E. On May 13, 2000, Mr. Harvey registered the domain names WALMARTCANADASUCKS.COM and WAL-MARTCANADASUCKS.COM in the name of Respondent Walsucks.

F. On May 14, 2000, Mr. Harvey sent an email message to Complainant's representative, criticizing Complainant for failing to act promptly in response to his earlier admonition about 'roaming marauders' registering Wal-Mart domain names. He then announced that he was the owner of WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM and WALMARTUKSUCKS.COM.... Notably, Mr. Harvey's 'announcement' predated his actual registration of the domain name WALMARTUKSUCKS.COM.

G. On May 15, 2000, Mr. Harvey registered the domain name WALMARTUKSUCKS.COM in the name of Respondent Walsucks.

H. On May 16, 2000, Mr. Harvey sent another email message to Complainant's representative advising that he had obtained WALMARTPUERTORICO.COM and WALMARTPUERTORICOSUCKS.COM.... Again, Mr. Harvey's announcement predated his actual registration of these domain names. On May 17, 2000, Mr. Harvey registered the domain name WALMARTPUERTORICO.COM in the name of Respondent Walmarket Puerto Rico and the domain name WALMARTPUERTORICOSUCKS.COM in the name of Respondent Walsucks.

I. Complainant did not authorize Mr. Harvey to register the domain names WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM, WALMARTUKSUCKS.COM, WALMARTPUERTORICO.COM, and WALMARTPUERTORICOSUCKS.COM for himself or on behalf of Respondents. Complainant objects to all five domain name registrations because each domain name is likely to be confused with Complainant's distinctive WAL-MART trademark.

J. Complainant's rights in its WAL-MART mark are expansive and predate Mr. Harvey's registration of the domain names WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM, WALMARTUKSUCKS.COM, WALMARTPUERTORICO.COM, and WALMARTPUERTORICOSUCKS.COM.

K. In the United States, Complainant owns, among other trademarks, ...

L. Among the marks Complainant owns and uses in Canada is ...

M. Complainant's WAL-MART mark is famous. The WAL-MART mark is famous in part, because the mark has been in continuous use since at least 1962. The mark is also famous because Complainant is the world's number one retailer with stores in the United States, Canada, Puerto Rico, Mexico, Brazil, Argentina, China, United Kingdom, Korea, Indonesia and Germany.... The WAL-MART mark is likewise famous, because Complainant makes extensive use of the mark. Complainant uses its WAL-MART mark on its discount retail stores, grocery stores, membership warehouse clubs, pharmacies, deep discount warehouse outlets, in advertising throughout the world, on its websites, its scholarship programs, telethons for children's hospitals, industrial development grants, environmental programs and a variety of community support programs.... Finally, the WAL-MART mark is famous, because Complainant engages in extensive advertising of its services and merchandise, and uses the WAL-MART mark in this regard. The Internet is a significant advertising vehicle for Complainant. Complainant has websites located at, among other Internet addresses, <http://www.walmart.com>, <http://www.wal-mart.com>, and <http://www.walmartstores.com>. These websites are an important part of Complainant's corporate online identity and brand.

N. The domain names WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM, WALMARTUKSUCKS.COM, WALMARTPUERTORICO.COM, and WALMARTPUERTORICOSUCKS.COM are identical or confusingly similar to Complainant's WAL-MART trademark. First, there is clear similarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. The first word in each domain name is either 'WALMART' or 'WAL-MART.' 'WAL-MART' is identical to Complainant's mark, while 'WALMART' is identical to Complainant's mark but without the hyphen. Mr. Harvey took Complainant's principal trademark and tacked on other words to form the domain names WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM, WALMARTUKSUCKS.COM, WALMARTPUERTORICO.COM, and WALMARTPUERTORICOSUCKS.COM.

O. In light of the significant fame associate with the WAL-MART mark, consumers are likely to believe that any domain name incorporating the Wal-Mart name (or WalMart) is associated with Complainant. The domain names at issue are likely to confuse customers and cause them to believe mistakenly that these domain names are associated with Wal-Mart stores and specifically, the Wal-Mart family of stores in Canada, Puerto Rico and the United Kingdom. This is particularly troublesome, since Mr. Harvey clearly intend to use these domain names to disparage Complainant and Complainant's WAL-MART mark....

...

Neither Respondents nor Mr. Harvey have any rights or legitimate interests in respect of the domain names WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM, WALMARTUKSUCKS.COM, WALMARTPUERTORICO.COM, and WALMARTPUERTORICOSUCKS.COM.

First, neither Respondents nor Mr. Harvey are currently using any of the domain names with any legitimate, ongoing business. Indeed, their only visible activity has been to threaten Complainant with litigation and then seek out and register as many 'Wal-Mart' domain names as possible. Mr. Harvey, acting in the name of the various Respondents, seems to enjoy forcing Complainant to expend resources to protect its principal trademark. Complainant suspects that Mr. Harvey is peeved because Complainant choose to initiate a Complaint for Domain Name Dispute Resolution instead of paying him a large sum of money for the WALMARTCANADA.COM domain name.

Second, to the best of Complainant's knowledge, neither Respondents nor Mr. Harvey hold rights to any trademark consisting in whole or in part of the terms 'WAL-MART' or 'WALMART.' There is no evidence that Respondents or Mr. Harvey have made actual use of, or demonstrable preparations to use the domain names WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM, WALMARTUKSUCKS.COM, WALMARTPUERTORICO.COM, and WALMARTPUERTORICOSUCKS.COM with a bona fide offering of any goods and services.

Third, while Mr. Harvey claims that he has 'plans' to use the domain names, those plans are suspect. Again, Mr. Harvey registered these domain names in the wake of the Administrative Panel's decision ordering Register.com to transfer of the WALMARTCANADA.COM domain name to Complainant. It appears that his 'plan' is to harass Complainant for enforcing its legitimate trademark rights. He is trying to register various 'Wal-Mart' domain names in a deliberate effort to interfere with Complainant's legitimate business activities.

Even Mr. Harvey's stated plan to organize 'freedom of expression forums for complaints against Wal-Mart' is suspect. Mr. Harvey suggests that when websites are developed around the domain names WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM, WALMARTUKSUCKS.COM, WALMARTPUERTORICO.COM, and WALMARTPUERTORICOSUCKS.COM, those sites will operate and enjoy the same legal protection as 'walmartsucks.com,' a U.S.-based website. Complainant notes that Respondents are all Canadian entities, and Mr. Harvey, the administrative contact, appears to be a Canadian citizen. Neither Respondents nor Mr. Harvey can claim protection under U.S. law for a Canadian website that disparages Complainant. Freedom of expression under Canadian law certainly does not translate into a license to libel Complainant by writing, for example, that 'Wal-Mart [has] something against Puerto Rico.' ... Complainant asserts that Mr. Harvey's so-called plan to develop freedom of expression forums is nothing more than a clever ploy to make Complainant dance to his tune.

...

Complainant believes that Mr. Harvey registered and used the domain names WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM, WALMARTUKSUCKS.COM, WALMARTPUERTORICO.COM, and WALMARTPUERTORICOSUCKS.COM in bad faith. Again, these domain names are not being used with any ongoing, legitimate business. To the contrary, circumstances indicate that Respondents, through Mr. Harvey, registered the domain names primarily to disrupt Complainant's business.

Complainant relies on ICANN Domain Name Dispute Resolution Procedures Paragraph 4(b)(iii), to wit:

'the following circumstances . . . shall be evidence of the registration and use of the domain name in bad faith:

(iii) You have registered the domain name primarily for disrupting the business of a competitor.'

Here, Mr. Harvey registered five 'Wal-Mart' domain names within days of receiving notice of the Administrative Panel's decision in the case of Wal-Mart Stores, Inc. v. Walmarket Canada, Case No. D2000-0150. The timing of these registrations alone is evidence of bad faith.

Further evidence of bad faith is shown by the number of 'Wal-Mart' domain names Respondents registered. Respondents have registered five (5) domain names that include the name 'Wal-Mart' or some variation thereof. This number does not include WALMARTCANADA.COM, which the Administrative Panel ordered transferred to Complainant. It is apparent that Respondents are considering every available 'Wal-Mart' domain name variant for registration without regard to Complainant's trademark rights. Mr. Harvey registered the domain names WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM,

WALMARTUKSUCKS.COM, WALMARTPUERTORICO.COM, and WALMARTPUERTORICOSUCKS.COM with knowledge that Complainant held rights in and to its WALMART mark. He had actual notice of Complainant's trademark rights in the United States and Canada as well as in many other countries. He also had actual notice of Complainant's substantial business activities worldwide.

Finally, Respondents' registration and use of these domain names is a bad faith effort to harass Complainant and interfere with Complainant's business as shown by the fact that Mr. Harvey deliberately selected domain names that disparage Complainant." (Complaint, sec. V).

Complainant supplementally states:

"Complainant respectfully disputes Respondents' suggestion that because the attached websites are 'freedom of expression' forums, the domain names at issue are immune to challenge. First, a domain name may be registered and used in bad faith even when the attached website is used to express opinion. See DFO, Inc. v. Williams, Case No. D2000-0181. Second, under both U.S. and Canadian law, speech is not entitled to absolute protection under all circumstances. Speech is only protected against governmental interference. Where the speech does not involve an activity or institution controlled by the government, there may not be any special protection.

This Complaint is brought under the Internet Corporation for Assigned Names and Numbers (ICANN) Uniform Domain-Name Dispute-Resolution Policy. Respondents agreed to submit to and participate in this type of mandatory administrative proceeding when they registered each domain name through Tucows.com, a private corporation. ICANN is, likewise, a non-profit, private corporation, not a governmental entity. This domain name dispute procedure is not a governmental process or activity, and WIPO is not a governmental institution; therefore, the Complaint does not represent governmental interference with claimed protected speech.

Respondents' free speech argument is a convenient and transparent dodge. It does not even make sense with respect to three of the domain names: WAL-MARTCANADASUCKS.COM, WALMARTPUERTORICOSUCKS.COM, and WALMARTPUERTORICO.COM. There are no websites attached to these domain names. Respondents offer no evidence to support a claim that they have made legitimate use of any of these three domain names.

Likewise, while there are websites associated with the remaining two domain names, WALMARTCANADASUCKS.COM and WALMARTUKSUCKS.COM, Respondents did not create those sites until after Wal-Mart initiated this complaint. This is a post hoc attempt to make the domain names untouchable.

Finally, Respondents do not actually express any opinions about Wal-Mart on either the WALMARTCANADASUCKS.COM or WALMARTUKSUCKS.COM websites. As of the date of this Reply, the WALMARTCANADASUCKS.COM website contains only one substantive file: Mr. Harvey's photograph and biography. The WALMARTUKSUCKS.COM website has the same photograph and biography but no critical commentary about Wal-Mart. Respondents seek stories about Wal-Mart using terms like 'spill your guts,' but notably, Mr. Harvey has not posted his own views on either site.

Respondents registered these domain names to annoy and harass Complainant for pursuing a complaint against Mr. Harvey's prior registration of the domain name WALMARTCANADA.COM. Mr. Harvey cannot accept that Wal-Mart does not have to pay him substantial amounts for that particular domain name. Mr. Harvey is intent on hounding Wal-Mart until the company opens its purse and pays him off.

What follows is the verbatim text of an email message Mr. Harvey sent to Wal-Mart, Wal-Mart Canada and its counsel on June 3, 2000:

[see Factual Record, *supra*]

By this message, Mr. Harvey demands compensation for his 'pivotal role in protecting Wal-Mart from future difficulties.' This phrasing is a clever subterfuge. Mr. Harvey wants Wal-Mart to pay him for thinking up (and presumably registering) domain names that include, in whole or in part, the famous WAL-MART mark. Wal-Mart must hire him as a paid consultant, or he will continue his cybersquatting activities. Ironically, while Mr. Harvey's Response argues that Wal-Mart should not be allowed to register or own any more SUCKS.COM sites, his email promises to show the company, for a fee, 'several other essential and blatantly-fundamental Wal-Mart dot-com, dot-net and dot-org names available for purchase that Wal-Mart does not own.'

Mr. Harvey does hope to benefit financially from these domain name registrations. He could not persuade Wal-Mart to pay \$5,000,000.00 for the WALMARTCANADA.COM domain name, so he set out to find a way to force Wal-Mart to pay him for other domain names. In Mr. Harvey's case, 'freedom of expression forum' is simply a convenient name for ordinary cybersquatting.

Complainant is not trying to shut down Respondents' sites as a way to censor all forums of dissent against Wal-Mart Stores. Complainant filed this complaint because the timing and events surrounding Respondents' registration of five domain names based on the WAL-MART mark support a finding of cybersquatting. Complainant actually regrets having to call any attention to Mr. Harvey, because he is using this domain name dispute to stir up publicity for himself and his books. Again, the only

substantive content on the www.walmartcandasucks.com and www.walmartuksucks.com websites is Mr. Harvey's picture and biography. The objective of this Complaint is wholly above board and consistent with ICANN policies." (Complainant's Supplemental Reply)

Complainant requests that the Panel ask the Registrar to transfer the domain names "walmartcandasucks.com", "walmartcandasucks.com", "walmartuksucks.com", "walmartpuertorico.com" and "walmartpuertoricosucks.com" from Respondent to it. (Complaint, para. 13)

B. Respondent

Respondent states:

"As with WALMARTCANADASUCKS.COM, WALMARTCANADASUCKS.COM, WALMARTUKSUCKS.COM and WALMARTPUERTORICOSUCKS.COM, the use of the SUCKS.COM suffix attached to a company name has become a standard formula for Internet sites protesting the business practices of a company. For instance, the use of WALMARTCANADASUCKS.COM would, in no way, be confused as a site run by Wal-Mart.

In a recent, precedent-setting case, 'Judge Leonie Brinkema of the U.S. District Court of the Eastern District of Virginia ruled that Russell Johnson of Westwood, Calif., did not violate trademark law or the provisions of the U.S. Anti-Cybersquatting Consumer Protection Act in registering lucentucks.com...' (see ..., The National Post, May 12, 2000, page C9) Judge Brinkema stated that 'the average consumer would not confuse lucentucks.com with a Web site sponsored by the plaintiff.' (see ..., The National Post, May 12, 2000, page C9)

In fact, Judge Brinkema noted that 'Registering a domain name in the form of [company name] sucks.com to provide a forum for critical commentary is not uncommon, and is part of an Internet phenomenon known as "cybergripping".' (see ..., The National Post, May 12, 2000, page C9)

The site WALMARTSUCKS.COM has been in operation since 1997 and is sanctioned under U.S. law. Although the Complainant suggests that the Respondent is not a U.S. citizen and thus is not afforded such protection, the Respondent suggests that the same protection would be extended under Canadian law should the matter be challenged in Canadian court.

Returning to the LUCENTSUCKS.COM case: Michael Geist, a University of Ottawa (in Canada) law professor who specializes in Internet law, said of Judge Brinkema's decision: 'The Case makes legal sense and should be welcomed on free speech grounds...' (see ..., The National Post, May 12, 2000, page C9). The same article in The National Post stated: 'Even though the ruling was made in a U.S. court, experts here (in Canada) suggest Judge Brinkema's decision could be a factor if the issue ever comes to court in Canada.'

As for WALMARTPUERTORICO.COM, The Respondent is working on a book relating to labour laws and tension between Wal-Mart and Wal-Mart staff at their stores in Puerto Rico. The WALMARTPUERTORICO.COM site will be used as a site to promote the forthcoming book, titled 'WalMart Puerto Rico'.

The Respondent is an internationally-renowned author of eleven books, some of which have been short-listed for national and international literary awards. The Respondent is also a journalist with features and editorials published in numerous newspapers, including: *Globe & Mail, National Post, Ottawa Citizen, Vancouver Sun, Toronto Star, Halifax Daily News*, and others. The Respondent has also written book reviews at the invitation of: *Globe & Mail, Ottawa Citizen, Books in Canada*, and *Telegraph Journal*.

The Respondent's short stories have won numerous awards and have been anthologized in Canada, Australia, England and the United States. His books have been published in several countries and have been translated into Japanese. He has held the position of Writer-in-Residence at the University of New Brunswick, which offers one of North America's most distinguished creative writing M.A. programs. (see ..., Respondent's CV).

Respondent has rights and legitimate interests in respect to the domain names WALMARTCANADASUCKS.COM, WALMARTCANADASUCKS.COM, WALMARTUKSUCKS.COM and WALMARTPUERTORICOSUCKS.COM due to the fact that the sites are currently up and running as freedom of expression forums of complaint against Wal-Mart.

The Respondent has a legitimate right to run these sites as he has a history of battling for freedom of expression. Also, he has a legitimate gripe against Wal-Mart, namely that they divested him of his WALMARTCANADA.COM domain name, which he owned. Therefore, he has legitimate dissatisfaction with Wal-Mart and thus should be afforded the right to express his dissatisfaction with Wal-Mart by using the SUCKS.COM sites to do so. These sites are also open to all individuals who wish to register a complaint against Wal-Mart in Canada, the UK or Puerto Rico. These are not money-making sites. There are no advertisements posted on the sites, so the Respondent does not benefit from running the sites in any way. The SUCKS.COM sites in question are freedom of expression forums.

Should the Arbitrator decide to transfer ownership of WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM,

WALMARTUKSUCKS.COM and WALMARTPUERTORICOSUCKS.COM, he or she would not only be taking away the rights of the Respondent to speak out against Wal-Mart on these sites but would also be erasing any use of the SUCKS.COMs by other disgruntled Wal-Mart customers or employees. Wal-Mart has already purchased every other version of the SUCKS.COMs relating to their name in an attempt to silence all dissatisfaction with the company. These include: WALMARTSUCKS.NET, WALMARTCANADASUCKS.NET, WALMARTCANADASUCKS.ORG, WALMARTUKSUCKS.NET, WALMARTUKSUCKS.ORG, [etc.] ... The list goes on and on and includes all versions of the above listed sites and all other countries where Wal-Mart operates stores or plans to operate stores. Wal-Mart also owns all hyphenated versions of the above cited names (IE: Wal-Mart also owns: WAL-MARTSUCKS.NET, WAL-MARTSUCKS.ORG, WAL-MARTCANADASUCKS.NET, WAL-MARTCANADASUCKS.ORG, [etc.] ...). In short, there are no other SUCKS.COM sites remaining (featuring the name of Wal-Mart's various companies, IE: Wal-Mart Canada is a different company from Wal-Mart UK) that Wal-Mart has not bought, other than the ones owned by the Respondent. This hoarding of SUCKS.COM domains by Wal-Mart is obviously the behavior of a domineering corporation that wishes to silence and oppress any expressions of dissatisfaction against it.

The transfer of the Respondent's domain names to Wal-Mart would be a major blow against freedom of expression in Canada, the UK and Puerto Rico.

The Respondent did not, in any way, seek to sell the domain names WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM, WALMARTUKSUCKS.COM, WALMARTPUERTORICOSUCKS.COM and WALMARTPUERTORICO.COM to the Complainant or to any other party. The Respondent has not attempted to benefit financially from the sites in question. The Respondent is using the sites as freedom of expression forums or--in the case of WALMARTPUERTORICO.COM-- to promote a forthcoming book of the same name. Therefore there is no evidence of the sites being registered in bad faith or of being used in bad faith.

The Respondent's use of the domain names in question does not interfere with the Complainant's ability to conduct business. The SUCKS.COM variations would, in no way, be misinterpreted as sites run by Wal-Mart. Regardless, a disclaimer has been posted on the home page of each site, stating that the Respondent's sites are not, in any way, affiliated with Wal-Mart.

Wal-Mart runs an Internet site at WAL-MART.COM, which services all of the U.S. and Puerto Rico. They also own WALMARTCANADA.COM, which is under development to service Canada.

Wal-Mart is merely seeking to shut down the Respondent's sites in order to save face by censoring all forums of dissent against Wal-Mart Stores. The SUCKS.COM sites have become the singular, official, lawful and authoritative sites for freedom of expression forums against a company." (Response)

Respondent supplementally states:

"Respondent respectfully submits that, as stated in his original Response, WALMARTCANADASUCKS.COM, WAL-MARTCANADASUCKS.COM, WALMARTUKSUCKS.COM and WALMARTPUERTORICOSUCKS.COM are all freedom of expression forums. WALMARTCANADASUCKS.COM and WALMARTUKSUCKS.COM are up and running with the sites being developed daily. Contrary to what the Complainant claims, WALMARTCANADASUCKS.COM was in operation prior to Wal-Mart filing their complaint. The Complainant seems to believe that a Web site simply springs to life on its own, fully developed with its entire contents in place and a million visitors lined up to snatch a peek at the site. Not so. Developing a Web site is a time-consuming venture. The Respondent has only so much time on his hands outside of his regular work. The sites in question are not businesses. They are not money-making ventures. They do not sell ('trade in') any product or service. They do not feature affiliate (money-making) links to other sites. They are freedom of expression forums. Like any other Internet site, WALMARTCANADASUCKS.COM will take time to develop. The Respondent plans an official launch of the site in August that will draw attention to the site and solicit stories from dissatisfied Wal-Mart customers. Listings for WALMARTCANADASUCKS.COM and WALMARTUKSUCKS.COM have been submitted to various search engines, but it takes up to 120 days for these listings to appear in the search engines.

The WAL-MARTCANADASUCKS.COM site (with the hyphen) is not developed because it will merely act as a link to WALMARTCANADASUCKS.COM, in the same way that WALMART.COM acts as a link to WAL-MART.COM. The two domain names link to the same site.

WALMARTPUERTORICOSUCKS.COM is not developed because, once again, the Respondent has only so much time on his hands. It will be developed in the coming months.

As for WALMARTPUERTORICO.COM, the reasons for the Respondent owning that domain name were stated in the Respondent's original Response.

Respondent does actually express his opinion about Wal-Mart on WALMARTCANADASUCKS.COM (and soon on the others). The Respondent's 'Wal-Mart Horror Story' has been posted. Again, time must be expended to create and fully establish the Web sites.

The Complainant acted quite briskly to submit the domain names in question to arbitration. They did so to make certain that the

Respondent did not have sufficient time to develop them. The Respondent asserts that Wal-Mart is attempting to divest him of his domain names to silence any form of dissent against them. They have bought up all other varieties of SUCKS.COMs featuring their names to silence those who wish to speak out in a recognized freedom of expression forum. Such public forums, capable of being accessed by everyone, are being heralded by free-speech activists, and were quick to be sanctioned by American laws.

Upon further investigation, it has been discovered that Wal-Mart also owns: WALMART-SUCKS.COM, WALMART-SUCKS.NET, WALMART-SUCKS.ORG, WAL-MART-SUCKS.COM, WAL-MART-SUCKS.NET and WAL-MART-SUCKS.ORG. This attempt to gobble up all SUCKS.COM domain names is obviously the behaviour of a corporation anxious to gain control of all recognizable electronic venues that might feature negative opinions of Wal-Mart.

The Respondent does not deny that he has a dispute with Wal-Mart about the domain name WALMARTCANADA.COM. This matter is made blatantly obvious by the legal action that has been brought against Wal-Mart Stores by the Respondent, for which a court date of October 17, 2000 has been set. This action is proceeding despite the fact that Ms. Saunders denies knowledge of the action in her original Complaint.

With regards to the e-mail message submitted by the Respondent to Wal-Mart on June 3, 2000, this message was in reference to the dispute over WALMARTCANADA.COM, and not in reference to the domain names presently under dispute. The Respondent suggested that a consulting fee would be appropriate to inform Wal-Mart of other available domain names as a means of settling the legal action brought against Wal-Mart over WALMARTCANADA.COM. The letter has no bearing on the issue presently at hand. These five domain names currently in dispute were never offered for sale nor are they for sale.

The Respondent does not own any other domain names including the Wal-Mart name nor does he have any interest in purchasing further Wal-Mart domain names. The Respondent merely wishes to operate his freedom of expression sites for himself and the people of Canada, Puerto Rico and the United Kingdom.

Furthermore, the Respondent contends that the tone of the Complainant's representative, Ms. Saunders, in both her Complaint and her Supplemental Reply, is filled with vitriol and bitterness. The Respondent proposes that this is due to the fact that Ms. Saunders is named as a defendant in the legal action brought against Wal-Mart and Mary Jane Saunders by the Respondent, in which the Respondent claims that Ms. Saunders (via e-mail message) attempted to coerce the Respondent into naming his price for WALMARTCANADA.COM when the Respondent was not interested in doing so. In her message to the Respondent, dated March 13, 2000, Ms. Saunders suggested that the Respondent propose his terms for sale of WALMARTCANADA.COM. She wrote: 'If you have a number, put it forth.' The Respondent did not put forth a number as he was not interested in selling the site. The Respondent claims that Ms. Saunders suggested he name his price in order to prejudice him in the eyes of the WIPO arbitrator.

The Respondent asserts that Ms. Saunders is in a conflict of interest situation and should remove herself from proceedings involving these disputed domain names. Her position of conflict is made obvious by the taunting and vindictive tone of her Supplemental Reply.

And, finally, the Respondent would like to draw the panelist's attention to a recent article published in *The National Post* (in Canada). The article was published on July 1, 2000 (page D8) and was written by Lesia Stangret, a lawyer specializing in Internet and electronic commerce law with Smith Lyons in Toronto.

The article concerned the SUCKS.COM suffix and how it relates to the Trade Marks Act. In the article, Ms. Stangret considers how trademark laws are being used to shut down critical web sites, namely SUCKS.COMs. Ms. Stangret states that to prove infringement, the company 'must show that your use of its mark likely confuses the public as to the origin of your site.' Ms. Stangret goes on to state: 'It (the company) must also prove that you are 'using' its mark as a 'trademark' within their meaning of the Trade Marks Act. Without any 'use' within the meaning of the Act, infringement or depreciation of goodwill claims fail. A mark is 'used' under the Act when it is used 'in association with' your own goods and services. But your site is not a commercial site, nor do you use the mark to advertise goods or services. If you only use the mark in comment or debate, you are likely not using it within the meaning of the Act.'" (Respondent's Response to Complainant's Supplemental Reply)

Respondent requests that the Panel decide that it should be permitted to retain the disputed domain names.

6. Discussion and Findings

The Uniform Domain Name Dispute Resolution Policy (the "Policy") adopted by the Internet Corporation for Assigned Names and Numbers (ICANN) on August 26, 1999 (with implementing documents approved on October 24, 1999), is addressed to resolving disputes concerning allegations of abusive domain name registration. This sole panelist has in an earlier decision discussed the background of the administrative panel procedure, and the legal characteristics of domain names, and refers to this earlier decision for such discussion [1](#). The Panel will confine itself to making determinations necessary to resolve this administrative proceeding.

It is essential to dispute resolution proceedings that fundamental due process requirements be met. Such requirements include that a respondent have notice of proceedings that may substantially affect its rights. The Policy, and the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), establish procedures intended to assure that respondents are given adequate notice of proceedings commenced against them, and a reasonable opportunity to respond (see, e.g., para. 2(a), Rules).

In this proceeding, Respondent has furnished a detailed Response to the Complaint in a timely manner. Respondent has also furnished a detailed Response to Complainant's Supplemental Reply. There is no issue as to whether Respondent received adequate notice of these proceedings.

Mr. Kenneth Harvey, with address in Newfoundland, Canada, is listed as the Administrative Contact for the registrants of record ("Walsucks" and "Walmart Puerto Rico") of the disputed domain names. There is substantial evidence on the record of this proceeding that Mr. Kenneth Harvey is the beneficial holder of the disputed domain names. Respondent has submitted no evidence that either "Walsucks" or "Walmart Puerto Rico" is an established legal entity. The Panel considers Mr. Kenneth Harvey to be the registrant-in-fact of the disputed domain names, and references to Respondent in this decision refer to Mr. Kenneth Harvey as the beneficial holder of the disputed domain names.

Paragraph 4(a) of the Policy sets forth three elements that must be established by a Complainant to merit a finding that a Respondent has engaged in abusive domain name registration, and to obtain relief. These elements are that:

- (i) Respondent's domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
- (ii) Respondent has no rights or legitimate interests in respect of the domain name; and
- (iii) Respondent's domain name has been registered and is being used in bad faith.

In an earlier administrative proceeding initiated by Complainant against Respondent, *Wal-Mart Stores, Inc. v. Walmart Canada*, Case No. D2000-0150, dated May 2, 2000, the panelist determined that Complainant has rights in the trademark "Wal-Mart" (see Factual Background, *supra*). This Panel adopts that determination, and finds that Complainant has rights in the trademark "Wal-Mart" within the meaning of paragraph 4(a) of the Policy.

In *Wal-Mart Stores, Inc. v. Walmart*, the panelist determined that the "Wal-Mart" trademark is well-recognized in the United States, Canada and other countries (*id.*). This Panel adopts that determination, and finds that the "Wal-Mart" mark is well-known in the sense of Article 6bis of the Paris Convention for the Protection of Industrial Property.

Respondent has registered the domain name "walmartpuertorico.com". This domain name is identical to Complainant's trademark, except that: (1) the domain name adds the generic top-level domain name ".com", (2) the domain name employs lower case letters and eliminates a hyphen, while the mark is generally used with an initial capital letter, a hyphen between "Wal" and "Mart", and with a capital "M" (i.e., "Wal-Mart"), and (3) the domain name adds "puertorico" to the mark.

The addition of the generic top-level domain (gTLD) name ".com" is without legal significance since use of a gTLD is required of domain name registrants, ".com" is one of only several such gTLDs, and ".com" does not serve to identify a specific enterprise as a source of goods or services ². Insofar as domain names are not case sensitive, differences in the upper and lower case format that are used in the domain name and the mark are differences without legal significance from the standpoint of comparing "walmartpuertorico.com" to "Wal-Mart" ³. The elimination of the hyphen between "Wal" and "Mart" does not significantly affect the visual impression made by the domain name as compared with the mark, and does not affect the pronunciation of the domain name as compared with the mark.

The addition of the name of a place to a trademark, such as the addition of "Puerto Rico" to "Wal-Mart", is a common method for indicating the location of a business enterprise identified by the trademark or service mark. The addition of a place name generally does not alter the underlying mark to which it is added. A consumer or user of the Internet viewing the address "www.walmartpuertorico.com" is likely to assume that Complainant is the sponsor of or associated with the website incorporating the disputed domain name, particularly in light of the fact that Complainant operates a number of retail stores in Puerto Rico (see Complaint, Annex I). The elimination of spaces between "walmart", "puerto" and "rico", and the use of lower case letters in "puertorico" is dictated by technical factors and customary practice among domain name registrants, and is without legal significance from the standpoint of comparing "walmartpuertorico.com" to "Wal-Mart". The Panel finds that "walmartpuertorico.com" is confusingly similar to "Walmart" ⁴.

Respondent has registered the domain names "walmartcanadasucks.com", "wal-martcanadasucks.com", "walmartuksucks.com" and "walmartpuertoricosucks.com". These domain names share common characteristics. In each case, Complainant's "Wal-Mart" trademark is followed with an indication of place (Canada, Canada, UK and Puerto Rico, respectively). In *Wal-Mart v. Walmart Canada*, it was determined that "walmartcanada.com" and "Wal-Mart" are confusingly similar. The Panel accepts this determination. The addition of a hyphen to form "wal-martcanada.com" does not affect this finding. This Panel has determined (above) that "walmartpuertorico.com" and "Wal-Mart" are confusingly similar. The Panel on the basis of

the reasoning used with respect to "walmartpuertorico.com" finds that "walmartuk" and "Wal-Mart" are confusingly similar, although "walmartuk" standing alone (with or without ".com") is not specifically at issue as a disputed domain name in this proceeding.

Respondent has appended the term "-sucks" to domain names that are, in the absence of that term, confusingly similar to Complainant's mark. The addition of the pejorative verb "sucks" is tantamount to creating the phrase "Wal-Mart Canada sucks" (and comparable phrases with Respondent's other "-sucks" formative domain names). The elimination of the spacing between the terms of the phrase is dictated by technical factors, and by the common practice of domain name registrants. The addition of a common or generic term following a trademark does not create a new or different mark in which Respondent has rights.

The Policy establishes the rules of decision governing this proceeding. The Policy was adopted largely on the basis of the recommendations contained in the Final Report of the WIPO Internet Domain Name Process [5](#). The rules of decision recommended in the Final Report reflected, *inter alia*, the experience of various national courts in addressing abusive domain name registration practices [6](#). Administrative panels appointed to resolve disputes under the Policy continue to refer to decisions of national courts as they aid in the interpretation of its rules. In this proceeding, Respondent, a resident of Canada, has relied, *inter alia*, on a U.S. federal court decision in his pleadings. Complainant is a U.S. entity and is the party directly affected by Respondent's actions. One of Respondent's disputed domain names specifically incorporates the name of a U.S. Commonwealth (Puerto Rico), a place where Complainant actively conducts business. Respondent's actions have included direct correspondence with Complainant in the United States. Neither party has referred in its pleadings to a specific decision of a Canadian court. Under these circumstances, the Panel considers it appropriate to consult U.S. federal court decisions to aid in the interpretation of the Policy [7](#).

The question whether a domain name and a trademark are confusingly similar involves the application of a multifaceted test exemplified in the decision of the U.S. Court of Appeals for the Ninth Circuit in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979). The *Sleekcraft* factors are directed to whether there is a "likelihood of confusion" between two marks. While developed in the context of comparing two trademarks, the *Sleekcraft* factors have more recently been employed by the federal courts to compare domain names to trademarks, and domain names to domain names. The *Sleekcraft* factors were, for example, employed by the federal district court in *Bally Total Fitness* discussed *infra*. The *Sleekcraft* factors were relied upon by the Court of Appeals for the Ninth Circuit in *Brookfield Communications v. West Coast Entertainment*, 174 F.3d 1036, 1053-61 (9th Cir. 1999).

In *Sleekcraft*, the Court of Appeals for the Ninth Circuit enumerated eight factors to be weighed on the question of likelihood of confusion. These are: (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines [8](#).

In the present case, two factors (weighed along with other *Sleekcraft* factors) compel a determination that Respondent's disputed domain names are confusingly similar to Complainant's mark – that is, that there is a likelihood of confusion on the part of Internet users. First, beyond doubt, Complainant's "Wal-Mart" trademark is a very strong mark, well known throughout the United States, Canada, and other parts of the world.

Second, and most compelling, is Respondent's intent in selecting the disputed domain names. As discussed below (in connection with whether Respondent establishes legitimate interests), Respondent registered the names in order to extract payment from Complainant by threatening to disrupt its business. The evidence of Respondent's pattern of conduct and bad faith is clear.

In *Brookfield Communications*, the Court of Appeals for the Ninth Circuit elaborated on the question of intent, stating:

We thus turn to intent. "The law has long been established that if an infringer 'adopts his designation with the intent of deriving benefit from the reputation of the trade-mark or trade name, its intent may be sufficient to justify the inference that there are confusing similarities.'" *Pacific Telesis v. International Telesis Comms.*, 994 F.2d 1364, 1369 (9th Cir. 1993) (quoting Restatement of Torts, § 729, Comment on Clause (b)f (1938)). An inference of confusion has similarly been deemed appropriate where a mark is adopted with the intent to deceive the public. See *Gallo*, 967 F.2d at 1293 (citing *Sleekcraft*, 599 F.2d at 354)....

This factor favors the plaintiff where the alleged infringer adopted his mark with knowledge, actual or constructive, that it was another's trademark. See *Official Airline Guides*, 6 F.3d at 1394 ("When an alleged infringer knowingly adopts a mark similar to another's, courts will presume an intent to deceive the public."); *Fleischmann Distilling*, 314 F.2d 149 at 157. In the Internet context, in particular, courts have appropriately recognized that the intentional registration of a domain name knowing that the second-level domain is another company's valuable trademark weighs in favor of likelihood of confusion. See, e.g., *Washington Speakers*, 1999 WL 51869, at *10. ... [footnote 20: Nor did West Coast register its domain name for the specific purpose of subsequently selling the domain name to the trademark owner. See, e.g., *Minnesota Mining*, 21 F. Supp. 2d at 1005; *Intermatic*, 947 F. Supp. at 1229 (involving the infamous cyber squatter Dennis Toeppen who registered domain names including "aircanada.com," "deltaairlines.com," "eddiebauer.com," and "neiman-marcus.com" and has been the subject of many lawsuits).] [9](#)

The Internet is made useful to a worldwide public through the operation of search engines. When an Internet user enters a word or combination of words into a search engine, the engine identifies websites of potential relevance by canvassing domain names, metatags and (potentially) other web page codes. By using Complainant's "Wal-Mart" mark in its domain name, Respondent makes it likely that Internet users entering "Wal-Mart" into a search engine will find its "walmartcanadasucks.com" and other "walmart"-formative websites. Respondent's domain names are sufficiently similar to Complainant's mark (reflecting the third *Sleekcraft* factor) that Internet search engine results will list Respondent's domain names and websites when searching Complainant's mark.

Internet users with search engine results listing Respondent's domains are likely to be puzzled or surprised by the coupling of Complainant's mark with the pejorative verb "sucks". Such users, including potential customers of Complainant, are not likely to conclude that Complainant is the sponsor of the identified websites. However, it is likely (given the relative ease by which websites can be entered) that such users will choose to visit the sites, if only to satisfy their curiosity. Respondent will have accomplished his objective of diverting potential customers of Complainant to his websites by the use of domain names that are similar to Complainant's trademark.

The Panel is satisfied that in the application of the multifactor *Sleekcraft* test, the disputed domain names are confusingly similar to Complainant's trademark in the sense of paragraph 4(a)(i) of the Policy. The Panel emphasizes that Respondent's bad faith in registering and using the names is a critical factor in this analysis. The evidence on the record of this proceeding makes clear that Respondent registered the names for bad faith commercial purposes – that is, to threaten Complainant's business and demand payment as a "domain name consultant" while publicly purporting to engage in "free speech" critique of Complainant.

Respondent argues that addition of the word "sucks" to the base names "walmartcanada", "wal-martcanada", "walmartuk" and "walmartpuertorico" causes such names to lose their confusing similarity with Complainant's "Wal-Mart" trademark. Respondent contends that because an Internet user or consumer viewing a "-sucks" formative domain name would assume that Complainant is not the sponsor of or associated with a website identified by such address, Respondent's "-sucks" formative marks cannot be confusingly similar to Complainant's mark.

In support of this argument, Respondent refers to *Lucent Technologies, Inc., v. LucentSucks.com*, 95 F. Supp. 2d 528 (E.D.Vir. 2000). It is first important to note that the observations made by Judge Brinkema in the *LucentSucks.com* opinion regarding the issue of confusing similarity are in the nature of dicta, since the court dismissed the action against defendant for lack of jurisdiction ¹⁰. Judge Brinkema's opinion in *LucentSucks.com*, and one decision on which she relies, *Bally Total Fitness v. Faber*, 29 F. Supp. 2d 1161 (C.D. Cal. 1998), each lend some support to Respondent's position. However, both cases are distinguishable.

In *Bally*, the court granted summary judgment in favor of a defendant that used the "Bally" trademark on a web page, appending the word "sucks", to create a "ballysucks" web page. In that case, "ballysucks.com" was *not* registered and was *not* used as a second-level domain name. The principal issue was whether the defendant could lawfully express itself on its web page using the trademark "Bally" in combination with the word "sucks". The court held that since the "ballysucks" web page was devoted to critical commentary regarding Bally, and the defendant did not have a commercial purpose in maintaining the site, the defendant had a valid free speech interest in using Bally's mark.

The court observed that even a "ballysucks.com" domain name *might* not constitute trademark infringement ("... even if Faber did use the mark as part of a larger domain name, such as 'ballysucks.com', this would not necessarily be a violation as a matter of law." 29 F. Supp., at 1165). It made this observation in the context of applying the *Sleekcraft* factors. In *Bally*, the court found the defendant's intent in establishing its "ballysucks" web page was to criticize the trademark holder, and this factor weighed heavily in favor of the defendant. In the present proceeding, Respondent's intent is different.

In *LucentSucks.com*, the court observed that "Defendant argues persuasively that the average consumer would not confuse lucentSucks.com with a web site sponsored by plaintiff" ¹¹. However, the court did not undertake any particularized analysis of the disputed domain name as compared with the plaintiff's trademark. Moreover, the court observed that: "A successful showing that lucentSucks.com is effective parody and/ or a cite [sic] for critical commentary would seriously undermine the requisite elements for the causes of action at issue in this case." ¹² No such showing had been made by the defendant in *LucentSucks.com*. The court was speaking in the abstract – and in dicta – about a future case in which the trademark issues would be fully litigated. Even so, the court indicated that the defendant's intent in registering and using the disputed domain name would be an important element in determining whether cybersquatting had occurred. The Panel does not consider *LucentSucks.com* to stand for the proposition that "-sucks" formative domain names are immune as a matter of law from scrutiny as being confusingly similar to trademarks to which they are appended. Each case must be considered on its merits.

The Panel is *not* making any determination regarding the registrants and users of other "-sucks" formative domain names (such as "walmartSucks.com"). The record of this proceeding evidences that Respondent did *not* register "walmartcanadasucks.com" and his other "-sucks" names in order to express opinions or to seek the expression of opinion of others. The record indicates that his intention was to extract money from Complainant. An application of the *Sleekcraft* factors in another context involving

Complainant's mark and the word "sucks" might produce a different result than that reached here. The Panel notes that use of a domain name confusingly similar to a mark may be justified by fair use or legitimate noncommercial use considerations, and that this may in other cases permit the use of "-sucks" formative names in free expression forums.

Complainant has met the burden of proving that Respondent is the registrant of domain names that are identical or confusingly similar to a trademark in which Complainant has rights, and it has thus established the first of the three elements necessary to a finding that Respondent has engaged in abusive domain name registration.

The second element of a claim of abusive domain registration is that the Respondent has no rights or legitimate interests in respect of the domain name (Policy, para. 4(a)(ii)). The Policy enumerates several ways in which a respondent may demonstrate rights or legitimate interests:

"Any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate your rights or legitimate interests to the domain name for purposes of Paragraph 4(a)(ii)

(i) before any notice to you of the dispute, your use of, or demonstrable preparations 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." (Policy, para. 4(c))

Respondent has disclaimed that his use of the disputed domain names has been undertaken in connection with a bona fide offer of goods or services before notice of the dispute (Response and Response to Complainant's Supplemental Reply). Respondent has not suggested that he or his enterprise has been commonly known by the disputed domain names. To establish his rights or legitimate interests in the disputed domain names, Respondent has relied on his alleged use of the names for legitimate non-commercial or fair use purposes.

Complainant and Respondent are in disagreement as to whether the "www.walmartcanadasucks.com" website posted content before the initiation of this proceeding. Paragraph 4(c)(iii) of the Policy requires that a Respondent be "making" legitimate use of a disputed name to come within its express terms. Respondent registered the disputed domain names almost immediately following a decision against him in *Wal-Mart v. Walmarket Canada*, and Complainant initiated this proceeding shortly following his registration of the names. The Panel accepts that domain name registrants cannot always be expected to make immediate legitimate use of names since preparation is needed to launch websites. Some period reasonable under the particular circumstances must therefore be allowed between the time of registration of a domain name and the commencement of its legitimate use. Evidence of preparation to make legitimate use, appropriate to the context, should be accepted as giving rise to legitimate interests (for a reasonable period). The Panel agrees with Respondent that if trademark holders could force the transfer of confusingly similar "freedom of expression" names immediately upon their registration, this might chill legitimate protest or criticism activities on the Internet. The Panel does not therefore regard as determinative whether Respondent had posted expressive content prior to Complainant's initiation of this proceeding, and need not attempt to resolve the factual dispute as to precisely when Respondent posted content.

Neither does the Panel regard as determinative whether Respondent had posted some sufficient quantum of "free expression" prior to Complainant's initiation of this action. For purposes of deciding this proceeding, the Panel need not explore the content of Respondent's website, nor the relevance of the quantum of expression on his website. The Panel does not question the right of Internet users to post expressive content, while recognizing that there are certain accepted constraints on expression established by laws against libel and related causes of action.

Respondent initiated his dealings with Complainant by offering to sell it a domain name in which it had rights. His e-mail of February 3, 2000, prior to Complainant's initiation of the proceeding in *Wal-Mart v. Walmarket Canada* stated:

"This is to let you know that www.WalMartCanada.com, http:\\www.WalMartCanada.com is up for auction at GreatDomains.com. I am the owner. Perhaps certain executives within your company might be interested in purchasing it. Thanks for passing this along to the appropriate individuals. Kindest regards, Kenneth J. Harvey." D2000-0150, at sec. 4.

Coincident with initiation of the proceeding in *Wal-Mart v. Walmarket Canada*, Respondent sent the following message to Complainant:

"As a gesture of good will, I would like to point out that 'Wal-MartCanada.net' and 'Wal-MartCanada.org' remain unregistered. I suggest you inform Wal-Mart so that they might register those specific domain names before they are snatched up by roaming marauders." (E-mail from Kenneth Harvey to Mary J. Saunders, March 10, 2000, Complaint, Annex C)

On May 2, 2000, the panelist decided *Wal-Mart v. Walmarket Canada* against Respondent.

Between May 13 and 17, 2000, Respondent registered the disputed domain names.

On June 3, 2000, subsequent to the May 31, 2000, initiation of this proceeding, Respondent sent the following message to Complainant:

"Some time ago, before the original dispute over 'walmartcanada.com' was filed with WIPO by Mary Jane Saunders, I informed Ms. Saunders that other variations of Wal-Mart Canada domain names were available. I informed her that 'Wal-MartCanada.net' and 'Wal-MartCanada.org' were available for purchase and that she should inform executives at Wal-Mart so that they might purchase them. I refrained from buying them. Some time later, these names were-- indeed-- purchased by Wal-Mart. I passed on this information to Ms. Saunders in my capacity as a domain name consultant.

Therefore, I would like to receive compensation for this consultation.

Also, through my purchase of 'walmartcanada.com' and 'walmartcanadasucks.com' and other names that I presently hold, I have intentionally highlighted the fact that Wal-Mart does not hold rights to basic Internet domain names that other large corporations have purchased (in their names) years ago. This was made blatantly obvious by my prompting Wal-Mart to purchase every conceivable combination of name on their domain name buying spree from May 12th to May 16th. Again, I wish to be compensated for this pivotal role I played in protecting Wal-Mart from future difficulties.

For your information, as of this morning, there are several other essential and blatantly-fundamental Wal-Mart dot-com, dot-net and dot-org names available for purchase that Wal-Mart does not own. I am not interested in buying them, as I am growing tired of this dispute and would like to bring it to an end. For an additional domain name consulting fee, I would gladly inform Wal-Mart of the important names left hanging for others to purchase at their will.

If you wish to discuss this via telephone, my number is: 709-528-1996. I look forward to hearing from you.

Sincerely,

Kenneth J. Harvey"

(Complainant's Supplemental Reply)

Respondent has in his own words characterized himself as a "domain name consultant" who is acting in Complainant's interests, and who is seeking compensation for "the pivotal role [he has] played in protecting Wal-Mart from future difficulties". In his own words, he registered "walmartcanadasucks.com" and "other names that [he] presently holds" to "intentionally highlight[ed] the fact that Wal-Mart does not hold rights to basic Internet domain names that other large corporations have purchased (in their names) years ago". Subsequent to the initiation of this proceeding – and subsequent to his claimed development of the "walmartcanadasucks.com" website – he has demanded payment for "consulting services" from Complainant.

By his own words, Respondent established the "walmartcanadasucks.com" website for a commercial purpose: to demonstrate to Complainant that it was not adequately protecting its trademark interests. He registered the other names he holds – note that all of the disputed domain names were registered prior to transmittal of his June 3 message – in his self-defined role as domain name consultant. He has sought compensation from Complainant for his activities.

Respondent's claim to a "freedom of expression" interest in establishing the "walmartcanadasucks.com" and "walmartuksucks.com" websites is contradicted by his own words. A demand for payment from the potential and actual subject of critical sites is fundamentally inconsistent with the right of free expression. It is as if a newspaper were to approach the potential subject of an adverse investigative report to propose that for an appropriate fee the report could be avoided. This would not be characterized as "free speech" activity. It would rather be characterized as "extortion".

Respondent has evidenced that his intention in establishing multiple versions of similar websites is commercial – as a element of his domain name consultancy services. The Panel determines that Respondent's intention for registering "walmartcanadasucks.com", "wal-martcanadasucks.com", "walmartuksucks.com", "walmartpuertorico.com" and "walmartpuertoricosucks.com" is commercial, and not within the scope of fair use or legitimate noncommercial use permitted by paragraph 4(c)(iii) of the Policy.

Respondent has registered and used the disputed domain names for a commercial purpose that is not within the boundaries of fair use. He has failed to establish rights or legitimate interests in the disputed domain names. Complainant has thus established the second element necessary to prevail on a claim of abusive domain name registration.

The Policy indicates that certain circumstances may, "in particular but without limitation", be evidence of bad faith (Policy, para. 4(b)). Among these circumstances are (1) that the domain name has been registered or acquired by a respondent "primarily for

the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of [respondent's] documented out-of-pocket costs directly related to the domain name" (*Id.*, para. 4(b)(i)); (2) that a respondent has "registered the domain name primarily for the purpose of disrupting the business of a competitor" (*id.*, para. 4(b)(iii)) and (3) that a respondent "by using the domain name, ... [has] intentionally attempted to attract, for commercial gain, Internet users to [its] web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of [respondent's] web site or location of a product or service on [its] web site or location" (*id.*, para. 4(b)(iv)).

Respondent registered the disputed domain names, and demanded consulting fees from Complainant as compensation for his actions. Implicit in such demand is that Respondent would forego using the disputed domain names, or would transfer them to Complainant, if his consulting demands were met. Complainant would not reasonably be expected to pay a consultant to disparage its mark. The Panel determines that Respondent registered the disputed domain names for the purpose of selling or otherwise transferring rights in them to the Complainant for consideration in excess of his out-of-pocket costs directly related to the names. This constitutes bad faith within the meaning of paragraph 4(b)(i) of the Policy.

Respondent has threatened to disrupt Complainant's business if his consulting demands are not met. Respondent is not a competitor of Complainant. However, the list of bad faith factors in paragraph 4(b) of the Policy is illustrative, not exclusive. The Panel determines that Respondent's threats to disrupt Complainant's business constitute bad faith within the meaning of paragraph 4(a)(iii) of the Policy.

Respondent is intentionally using certain of the disputed domain names to attract Internet users to his websites. These domain names have been determined to be confusingly similar to Complainant's mark. Respondent acted for commercial gain, i.e., to extract consulting fees from Complainant by threatening to disrupt its business. The Panel determines that this activity constitutes bad faith within the meaning of paragraph 4(b)(iv) of the Policy.

Complainant has established the third and final element necessary for a finding that the Respondent has engaged in abusive domain name registration.

The Panel will therefore request the registrar to transfer the domain names "wal-martcanadasucks.com", "wal-martcanadasucks.com", "walmartuksucks.com", "walmartpuertorico.com" and "walmartpuertoricosucks.com" to the Complainant.

The Panel stresses that this decision does not address legitimate freedom of expression sites established by parties critical of trademark holders. The Panel is aware that there are numerous websites identified by "-sucks" formative domain names, including "walmartsucks.com". The Panel anticipates that Respondent (and others) may choose to characterize this decision as seeking to stifle freedom of expression on the Internet by ordering the transfer of "-sucks" formative names. Certain trademark holders might choose to characterize this decision as supporting action against "-sucks" formative domain names in other contexts. The Panel intends this decision to serve neither of these aims. This decision is directed to a blatant case of abuse of the domain name registration process -- no more, no less.

7. Decision

Based on its finding that the Respondents, Walsucks and Walmarket Puerto Rico, have engaged in abusive registration of the domain names "wal-martcanadasucks.com", "wal-martcanadasucks.com", "walmartuksucks.com", "walmartpuertorico.com" and "walmartpuertoricosucks.com" within the meaning of paragraph 4(a) of the Policy, the Panel orders that the domain names "wal-martcanadasucks.com", "wal-martcanadasucks.com", "walmartuksucks.com", "walmartpuertorico.com" and "walmartpuertoricosucks.com" be transferred to the Complainant, Wal-Mart Stores, Inc.

Frederick M. Abbott
Sole Panelist

Dated: July 20, 2000

Footnotes:

1. See Educational Testing Service v. TOEFL, Case No. D2000-0044, decided March 16, 2000.
2. See Sporty's Farm v. Sportsman's Market, 202 F.3d 489, 498, (2d Cir. 2000), *citing* Brookfield Communications v. West Coast Entertainment, 174 F.3d 1036 (9th Cir. 1999). For purposes of its decision, the Panel need not address whether ".com" may be capable of acquiring secondary meaning in another context.
3. See Brookfield Communications, *id.*, 174 F.3d 1036, 1055 (9th Cir. 1999).
4. This is consistent with the panelist's determination in Wal-Mart v. Walmarket Canada, D2000-0150, dated May 2, 2000, at sec. 6, that "walmartcanada.com" is confusingly similar to "Wal-Mart".
5. WIPO, The Management of Internet Names and Addresses: Intellectual Property Issues, Report of the WIPO Internet Domain Name Process, <http://wipo2.wipo.int>, Apr. 30, 1999, WIPO Pub. No. 439 (E).
6. *Id.*, para. 135.
7. Paragraph 15(a) of the Rules provides: "A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules *and any rules and principles of law that it deems applicable.*" [emphasis added]
8. See *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979), cited by the court in *Bally*, at 29 F. Supp. 2d, at 1163.
9. *Brookfield Communications v. West Coast Entertainment*, 174 F.3d 1036, 1059 (9th Cir. 1999).
10. Plaintiff Lucent Technologies had attempted to maintain *in rem* jurisdiction over the subject domain name "lucentsucks.com". The judge found that plaintiff had failed to adequately establish that it could not obtain *in personam* jurisdiction over the holder of the subject domain name, and dismissed the complaint on this ground. 95 F. Supp. 532-34. Having dismissed the complaint, the court's subsequent observations on its substantive merits did not decide the case or controversy, and as such these observations have limited value as precedent. The court itself said: "We need not rule on this argument [confusing similarity], because we have found other grounds for dismissal. Nevertheless, we note that defendant's position has some merit." (*Id.*, at 535)
11. 95 F.Supp. 2d, at 535
12. *Id.*, at 535-36. Note also that the court in *LucentSucks.com* overstates the holding of the district court in *Bally Total Fitness*, mistakenly indicating that the defendant in *Bally Total Fitness* had used Bally's mark in its domain name. This is not accurate. The defendant in *Bally Total Fitness* used Bally's mark on its web page, appending the word "sucks". See text above.

15 U.S.C. § 1125(d).

False designations of origin, false descriptions, and dilution forbidden

* * *

(d) Cyberpiracy prevention

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

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

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

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

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

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

(B)(i) In determining whether a person has a bad faith intent described under subparagraph (a), a court may consider factors such as, but not limited to

(I) the trademark or other intellectual property rights of the person, if any, in the domain name;

(II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;

(III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;

(IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;

(V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

(VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;

(VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;

(VIII) the person's registration or acquisition of multiple domain

names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of this section.

(ii) Bad faith intent described under subparagraph (A) 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 lawful.

(C) In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

(D) A person shall be liable for using a domain name under subparagraph (A) only if that person is the domain name registrant or that registrant's authorized licensee.

(E) As used in this paragraph, the term "traffics in" refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

(2) . . . in rem jurisdiction provisions omitted . . .

(3) The civil action established under paragraph (1) and the in rem action established under paragraph (2), and any remedy available under either such action, shall be in addition to any other civil action or remedy otherwise applicable.

(4) The in rem jurisdiction established under paragraph (2) shall be in addition to any other jurisdiction that otherwise exists, whether in rem or in personam.

[edited version]

Northland Insurance Companies, Plaintiff, v. Patrick Blaylock, Defendant.**Civil No. 00-308(DSD/JMM)****UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MINNESOTA***2000 U.S. Dist. LEXIS 14333***September 25, 2000, Decided**

David S. Doty, Judge, United States District Court.

ORDER

This matter is before the court on plaintiff's motion for a preliminary injunction or alternatively for default judgment for defendant's alleged failure to abide by the parties' stipulation, and defendant's motion for dismissal under Rule 12(b)(6) for failure to state a claim.

For the reasons stated herein, the court denies the motion to dismiss, denies the motion for default judgment, and denies the motion for a preliminary injunction.

BACKGROUND

While the details of the underlying insurance coverage dispute between plaintiff and defendant is of limited relevance to the present claims, a basic overview may facilitate an understanding of how the current matter arose.

Defendant Patrick Blaylock owned a [*2] yacht that he insured with plaintiff. In May 1998, defendant's yacht was damaged. Defendant subsequently filed an insurance claim seeking reimbursement for alleged losses of \$ 23,441.75.

A dispute over this claim escalated into litigation between the parties. Defendant sued plaintiff in conciliation court in California. Defendant prevailed, but his damage award was limited to the \$ 5,000 jurisdictional limit of the conciliation court. Defendant subsequently sought payment from plaintiff for the remaining \$ 17,341.75 of his original claim - an amount that he construes to have been "wrongfully denied" and reflective of "the unfair treatment he received at the hands of Northland Insurance Company." (Def.'s Supplemental Mem. Opp'n Prelim. Inj. at 1.)

Following the conclusion of the conciliation court case, and based upon what he perceived to be plaintiff's unfair business practices, defendant created two Internet web sites to house complaints and criticism of plaintiff's

business. The first, at issue in this dispute, bears the domain name "northlandinsurance.com" and was registered with Network Solutions, Inc. ("NSI") on or about August 29, 1999. Defendant also registered a second domain [*3] name "sailinglegacy.com" on or about September 3, 1999. Defendant admits that the first domain name was specifically selected "to make his site more easily found by web surfers" who may be interested in Northland Insurance Company. (Def.'s Mem. Supp. Mot. to Dismiss at 17.) Defendant contends, however, that the purpose of this site is to showcase to an Internet audience his own experiences with plaintiff, his commercial commentary and criticism of plaintiff's business practices, and to provide a forum for other "victims" of the plaintiff to air their complaints of mistreatment. n1

n1 Defendant explained in a letter to plaintiff dated September 20, 1999, "this site will be both strategically and hugely linked for the purpose of sharing our experiences at the hands of Northland Insurance. The Internet is not the national nighttime news but it is highly focused. I will not limit the linking to Yacht Insurance. We will solicit other victims of Northland Insurance, Co. to post their Northland experiences and documents. ... I plan on placing small cost-effective ads in sailing publications inviting boat owners to share my experiences. Communication can be powerful; Northland should try it sometime." (Sutherland Decl., Ex. O.)

[*4]

At this first web site, the Internet user sees line one which reads in small type font "Northland Insurance, Associates First Capitol, Yacht Insurance, Boat Insurance, Auto Insurance, Trucking Insurance, Business Insurance" and then below in larger and bolder font "Northland Insurance Companies ... Another Opinion! ...

If you feel you have been ABUSED at the hands of Northland Insurance please click the link above. You're not alone." (McGuire Decl., Ex. B.) The user is then directed to the second web site that describes in detail defendant's complaints about the plaintiff, an extensive history of his legal dispute, his correspondence with plaintiff, and provides other links including a link to defendant's attorney in this matter.

Plaintiff contends that the name "Northland Insurance" is a protected mark and defendant's use of it as his domain name violates trademark laws and the recently enacted federal Anticybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. β 1125(d) (Supp. 2000). Plaintiff instituted this action alleging trademark infringement, dilution, unfair business practices, and a claim under the ACPA. Plaintiff now moves for a preliminary injunction . . .

DISCUSSION

* * *

III. Plaintiff's Motion For Preliminary Injunction

The court considers four factors in determining whether to grant a motion for preliminary injunction:

1. Is there a substantial threat that the movant will suffer irreparable harm if relief is not granted;
2. Does the irreparable harm to movant outweigh any potential harm that granting a preliminary injunction may cause the nonmoving parties;
3. Is there a substantial probability that the movant will prevail on the merits; and
4. The public interest.

Dataphase Systems, Inc. v. C L Systems, Inc., 640 F.2d 109, 114 (8th Cir. 1981) (en banc). The court balances the four factors to determine whether injunctive relief is warranted. See *id.* at 113; *West Pub. Co. v. Mead Data Cent., Inc.*, 799 F.2d 1219, 1222 (8th Cir. 1986), cert. denied, 479 U.S. 1070, 93 L. Ed. 2d 1010, 107 S. Ct. 962 (1987). The movant bears the burden of proof concerning each of them. See *Gelco Corp. v. Coniston Partners*, 811 F.2d 414, 418 (8th Cir. 1987).

A. The Threat of Irreparable Harm

Plaintiff must first establish [*10] that irreparable harm will result without injunctive relief and that such harm will not be compensable by money damages. See *In re Travel Agency Com'n Antitrust Litig.*, 898 F. Supp. 685, 689 (D. Minn. 1995) ("An injunction cannot issue

based on imagined consequences of an alleged wrong. Instead, there must be a showing of imminent irreparable injury."). Possible or speculative harm is not enough. See *Graham Webb Int'l v. Helene Curtis, Inc.*, 17 F. Supp. 2d 919, 924 (D. Minn. 1998). The absence of such a showing alone is sufficient to deny a preliminary injunction. See *Gelco*, 811 F.2d at 420; *Roberts v. Van Buren Pub. Schs.*, 731 F.2d 523, 526 (8th Cir. 1984). The court concludes that the record at this preliminary stage is devoid of any evidence or demonstration of irreparable harm.

Plaintiff asserts it will suffer irreparable harm if a preliminary injunction is not granted because Internet users are likely to presume that the domain name, "northlandinsurance.com," belongs to plaintiff and upon visiting that site become frustrated and fail to continue on to plaintiff's actual web site, "northlandins.com". Plaintiff [*11] thus far has not made a sufficient showing of this perceived harm, and the court finds this presumption of irreparable harm unpersuasive.

Plaintiff also argues that it does not need to establish irreparable harm because where there is a trademark infringement, the law presumes that irreparable harm exists. In *Mutual of Omaha Ins. Co. v. Novak*, the Eighth Circuit noted in a footnote that:

in trademark infringement, it is not necessary for plaintiff to prove actual damage or injury to obtain injunctive relief.... Injury is presumed once a likelihood of confusion has been established.... All that the complaining party must do to establish its right to an injunction is to prove the likelihood of confusion.

836 F.2d 397, 403 n.11 (8th Cir. 1988). See also *General Mills Inc. v. Kellogg Co.*, 824 F.2d 622, 625 (8th Cir. 1987) ("Since a trademark represents intangible assets such as reputation and goodwill, a showing of irreparable injury can be satisfied if it appears that [plaintiff] can demonstrate a likelihood of consumer confusion.").

Therefore, the critical determination at this preliminary stage is whether, in the absence of proof [*12] of actual harm, plaintiff has demonstrated a showing of likelihood of confusion. As detailed below, plaintiff at best has shown that a factual question exists concerning the likelihood that Internet users will be confused by the competing Internet domain names involved in this case and at worst has failed to establish any likelihood of confusion as a result of defendant's alleged infringement.

The court therefore concludes that plaintiff will not be irreparably injured absent a preliminary injunction. While this holding alone is sufficient to deny the injunctive relief sought, the court will also discuss the

remaining Dataphase factors. See *Baker Elec. Coop, Inc. v. Chaske*, 28 F.3d 1466, 1472 (8th Cir. 1994) ("No single factor in itself is dispositive ... however, a party moving for preliminary injunction is required to show the threat of irreparable harm." (internal quotation and citation omitted); *Gelco*, 811 F.2d at 420 ("Once a court determines that the movant has failed to show irreparable harm absent an injunction, the inquiry is finished and the denial of the injunctive request is warranted.").

B. The Balance of Harm Between the Parties [*13]

The second Dataphase requirement is that the harm to plaintiff in the absence of a preliminary injunction outweighs the potential harm that granting a preliminary injunction may cause to defendant. *Dataphase*, 640 F.2d at 114. The essential inquiry in weighing the equities is whether the balance tips decidedly toward the movant. See *General Mills*, 824 F.2d at 624.

Plaintiff has failed to make a specific showing of the damages it will incur if a preliminary injunction is not granted. Plaintiff makes broad statements of the irreparable harm it will suffer due to the possibility that consumers will confuse the differing web sites, but plaintiff has not proffered any evidence of a decrease in Internet traffic or sales of its products, or evidence of customer confusion as to the existence of defendant's Internet site. By contrast, the court is concerned that a preliminary injunction would inflict substantial harm on the defendant since the potential curtailment of his First Amendment rights itself constitutes an irreparable injury. See *Elrod v. Burns*, 427 U.S. 347, 373, 49 L. Ed. 2d 547, 96 S. Ct. 2673 (1976) ("The loss of First Amendment [*14] freedoms, for even minimal periods of time, unquestionably constitutes irreparable injury."). Therefore, the court concludes that the balance of harms weighs against the preliminary injunction.

C. The Likelihood of Success on the Merits

Under the third Dataphase requirement, plaintiff must establish a substantial probability of success on the merits. *Dataphase*, 620 F.2d at 114. Plaintiff raises multiple claims, none of which, at this preliminary stage, appear likely to succeed on the merits.

* * *

4. The Anticybersquatting Consumer Protection Act

Congress passed the Anticybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. § 1125(d)(1)(A) (Supp. 2000) to protect "consumers and American businesses, to promote the growth of online commerce, and to provide clarity in the law for trademark owners by

prohibiting the bad-faith and abusive registration of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks--a practice commonly referred to as 'cybersquatting'." *Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 495 (2d Cir. 2000) (quoting S. Rep. No. 106-140, at 4 (1999)).

To succeed on an ACPA claim a plaintiff must show that: (1) plaintiff's mark is distinctive or famous; (2) defendant's domain name is "identical or confusingly similar" to [*34] plaintiff's mark; and (3) defendant used, registered, or trafficked in the domain name with a bad faith intent to profit from the sale of the domain name. 15 U.S.C. § 1125(d)(1)(A). See also *Sporty's Farm*, 202 F.3d at 496-98 (describing elements of an ACPA claim); *Harrord's Limited v. Sixty Internet Domain Names*, 2000 WL 1175103, *1, F. Supp.2d (E.D. Va. Aug. 15, 2000) ("The ACPA reflects Congress' intent to address the cybersquatting problem, not the innocent or good-faith registration of domain names that may infringe existing trademarks. ... Bad faith intent to profit is a necessary element...") (citing H.R. Conf. Rep. No. 106-464, (1999) ("The bill is carefully and narrowly tailored ... to extend only to cases where the plaintiff can demonstrate ... bad faith intent to profit ... Thus, the bill does not extend to ... someone who ... registers a domain name containing the mark for any reason other than with the bad faith intent to profit ...")). The ACPA protects both registered and common law trademarks. See *Spear, Leeds and Kellogg v. Rosado*, 2000 WL 310355, *1 (S.D.N.Y. Mar. 27, 2000). [*35]

While the first two elements are satisfied here, the last element, bad faith intent to profit, is not. Defendant does not appear to fit the "classic" cybersquatter profile, i.e. a person who registers multiple domain names and attempts to sell them for the highest price obtainable. See *Panvision Intern. L.P. v. Troeppen*, 945 F. Supp. 1296, 1299 (C.D. Cal. 1996). Plaintiff, however, argues that an inference can be made that defendant's intent is to use this Internet domain name as leverage to extract a sum of money that will help compensate him for his perceived losses from the underlying insurance settlement. While this argument has some merit, at this preliminary stage of the litigation, this court cannot conclude that plaintiff is likely to prevail on the merits of an ACPA claim because the record does not sufficiently reflect a bad faith intent to profit.

The ACPA provides nine nonexclusive factors to assist a court in assessing whether the defendant had the requisite bad faith intent. 15 U.S.C. § 1125(d)(1)(A) n8; *Broadbridge Media L.L.C. v. Hypercd.com*, 106 F. Supp. 2d 505, 512 (S.D.N.Y. 2000) (noting that the "bad [*36] faith" list is not exclusive, and that the court may consider other factors relevant to finding bad faith intent

to profit). While the first three factors support a finding of bad faith intent (defendant possessed no intellectual property rights in this domain name when he registered it, it is not defendant's legal name nor does it otherwise identify defendant, and defendant had not engaged in prior use of the domain name in connection with prior offering of goods or services), the court finds that the fourth factor, noncommercial use, strongly weighs in defendant's favor since there is no direct evidence of commercial use. Plaintiff argues that defendant has used this domain name for commercial purposes in that he ultimately seeks to sell it to plaintiff. The record, however, does not indicate any attempt to sell this domain name on defendant's part. Defendant has never expressly offered to sell the domain site to plaintiff and has never used the web site for anything other than commentary. The next two factors (intent to divert for commercial gain or to tarnish, and any offers to sell) weigh against a finding of bad faith because, while defendant admits he intends to attract Internet [*37] users interested in plaintiff's business, the record does not reflect that he does so for commercial purposes or to tarnish, and the record does not reflect that defendant sought financial gain through an offer to sell this domain name. The next factor (provision of material misleading information) is inconclusive because, while defendant did falsely indicate that he represented a nonexistent entity named "North Land Insurance Company," defendant points out that this was not material since the actual contact information (i.e. registrant's address) was correct and defendant subsequently corrected the initially false information. The eighth factor (the registration of multiple domain names) does not apply to defendant here and thus does not support a finding of bad faith. In this regard, defendant does not fit the classic cybersquatter profile because there is no evidence that he has registered other variants of plaintiff's name or previously has registered other marks as domain names. Finally, plaintiff's trademark was distinctive and famous at the time defendant registered the domain name in 1999 for purposes of meeting the ninth factor.

n8 These nine factors are summarized as follows: (I) the trademark or other intellectual property rights of the person, if any, in the

domain name; (II) the extent to which the domain name consists of the legal name of the person or a name that is commonly used to identify that person; (III) the person's prior use, if any, of the domain name in connection with the offering of any goods or services; (IV) the person's bona fide noncommercial or fair use of the mark; (V) the person's intent to divert consumers from the mark owner's online location to a site that could harm the goodwill represented by the mark, either for commercial gain or to tarnish or disparage the mark by creating a likelihood of confusion as to source, sponsorship, or endorsement; (VI) the person's offer to sell or assign the mark for financial gain, or the person's prior conduct indicating a pattern of such conduct; (VII) the person's provision of material and misleading or false contact information when applying to register the domain name; (VIII) the person's registration or acquisition of multiple domain names that are identical or confusingly similar to marks of others; (IX) the extent to which the mark is or is not distinctive and famous. See *15 U.S.C. § 1125* (d)(1)(B)(i)(I) - (IX).

[*38]

Based upon these factors, the court concludes that the record does not establish that the defendant possessed the requisite bad faith intent to profit sufficient to establish the likelihood of success of plaintiff's claim under the ACPA warranting the issuance of injunctive relief. See *15 U.S.C. § 1125(d)(1)(A)* (Supp. 2000). While the evidence indicates that defendant has perhaps exhibited bad intent in setting up this web site to criticize plaintiff's business practices, his "intent to profit," is not sufficiently discernable at this stage and presents an issue that seems best resolved by the trier of fact.

In summary, since the court cannot conclude that plaintiff is likely to succeed on the merits of any of its claims at this preliminary stage, a preliminary injunction is not warranted.

[edited version]

PEOPLE FOR THE ETHICAL TREATMENT OF ANIMALS, Plaintiff-Appellee, v. MICHAEL T. DOUGHNEY, an individual, Defendant-Appellant. DIANE CABELL; MILTON MUELLER, Amici Curiae. PEOPLE FOR THE ETHICAL TREATMENT OF ANIMALS, Plaintiff-Appellant, v. MICHAEL T. DOUGHNEY, an individual, Defendant-Appellee.

**UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT
2001 U.S. App. LEXIS 19028
August 23, 2001, Decided**

GREGORY, Circuit Judge:

People for the Ethical Treatment of Animals ("PETA") sued Michael Doughney ("Doughney") after he registered [*2] the domain name *peta.org* and created a website called "People Eating Tasty Animals." PETA alleged claims of service mark infringement under 15 U.S.C. § 1114 and Virginia common law, unfair competition under 15 U.S.C. § 1125(a) and Virginia common law, and service mark dilution and cybersquatting under 15 U.S.C. § 1123(c). Doughney appeals the district court's decision granting PETA's motion for summary judgment and PETA cross-appeals the district court's denial of its motion for attorney's fees and costs. Finding no error, we affirm.

I.

PETA is an animal rights organization with more than 600,000 members worldwide. PETA "is dedicated to promoting and heightening public awareness of animal protection issues and it opposes the exploitation of animals for food, clothing, entertainment and vivisection." Appellee/Cross-Appellant PETA's Brief at 7.

Doughney is a former internet executive who has registered many domain names since 1995. For example, Doughney registered domain names such as *dubyadot.com*, *dubyadot.net*, *deathbush.com*, *RandallTerry.org* (Not Randall Terry for Congress), *bwtel.com* (BaltimoreWashington Telephone Company), *pmrc.org* ("People's Manic Repressive Church"), and *ex-cult.org* (Ex-Cult Archive). At the time the district court issued its summary judgment ruling, Doughney owned 50-60 domain names.

Doughney registered the domain name *peta.org* in 1995 with Network Solutions, Inc. ("NSI"). When registering the domain name, Doughney represented to NSI that the registration did "not interfere with or infringe upon the rights of any third party," and that a "nonprofit educational organization" called "People Eating Tasty Animals" was registering the domain name. Doughney made these representations to NSI despite knowing that no corporation, partnership, organization or entity of any kind existed or traded under that name. Moreover, Doughney was familiar with PETA and its beliefs and had been for at least 15 years before registering the domain name.

After registering the *peta.org* domain name, Doughney used it to create a website purportedly on behalf of "People Eating Tasty Animals." Doughney claims he created the website as a parody of PETA. A viewer accessing the website would see the title [*4] "People Eating Tasty Animals" in large, bold type. Under the title, the viewer would see a statement that the website was a "resource for those who enjoy eating meat, wearing fur and leather, hunting, and the fruits of scientific research." The website contained links to various meat, fur, leather, hunting, animal research, and other organizations, all of which held views generally antithetical to PETA's views. Another statement on the website asked the viewer whether he/she was "Feeling lost? Offended? Perhaps you should, like, exit immediately." The phrase "exit immediately" contained a hyperlink to PETA's official website.

Doughney's website appeared at "*www.peta.org*" for only six months in 1995-96. In 1996, PETA asked Doughney to voluntarily transfer

the peta.org domain name to PETA because PETA owned the "PETA" mark ("the Mark"), which it registered in 1992. See U.S. Trademark Registration No. 1705,510. When Doughney refused to transfer the domain name to PETA, PETA complained to NSI, whose rules then required it to place the domain name on "hold" pending resolution of Doughney's dispute with PETA. n1 Consequently, Doughney moved the website to www.mtd.com/tasty [*5] and added a disclaimer stating that "People Eating Tasty Animals is in no way connected with, or endorsed by, People for the Ethical Treatment of Animals."

n1 When Doughney registered peta.org, he agreed to abide by NSI's Dispute Resolution Policy, which specified that a domain name using a third party's registered trademark was subject to placement on "hold" status.

In response to Doughney's domain name dispute with PETA, The Chronicle of Philanthropy quoted Doughney as stating that, "if they [PETA] want one of my domains, they should make me an offer." Non-Profit Groups Upset by Unauthorized Use of Their Names on the Internet, THE CHRONICLE OF PHILANTHROPY, Nov. 14, 1996. Doughney does not dispute making this statement. Additionally, Doughney posted the following message on his website on May 12, 1996:

"PeTa" has no legal grounds whatsoever to make even the slightest demands of me regarding this domain name registration. If they disagree, they can sue me. And if they don't, well, perhaps [*6] they can behave like the polite ladies and gentlemen that they evidently aren't and negotiate a settlement with me. ... Otherwise, "PeTa" can wait until the significance and value of a domain name drops to nearly nothing, which is inevitable as each new web search engine comes on-line, because that's how long it's going to take for this dispute to play out.

PETA sued Doughney in 1999, asserting claims for service mark infringement, unfair competition, dilution and cybersquatting. PETA did not seek damages, but sought only to enjoin Doughney's use of the "PETA" Mark and an order requiring

Doughney to transfer the peta.org domain name to PETA.

Doughney responded to the suit by arguing that the website was a constitutionally-protected parody of PETA. Nonetheless, the district court granted PETA's motion for summary judgment on June 12, 2000. *People for the Ethical Treatment of Animals, Inc. v. Doughney*, 113 F. Supp. 2d 915 (E.D. Va. 2000). The district court rejected Doughney's parody defense, explaining that only after arriving at the "PETA.ORG" web site could the web site browser determine that this was not a web site owned, controlled or sponsored [*7] by PETA. Therefore, the two images: (1) the famous PETA name and (2) the "People Eating Tasty Animals" website was not a parody because [they were not] simultaneous.

Id. at 921.

B. Anticybersquatting Consumer Protection Act

The district court found Doughney liable under the Anticybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. § 1125(d)(1)(A). [*17] To establish an ACPA violation, PETA was required to (1) prove that Doughney had a bad faith intent to profit from using the peta.org domain name, and (2) that the peta.org domain name is identical or confusingly similar to, or dilutive of, the distinctive and famous PETA Mark. 15 U.S.C. § 1125(d)(1)(A).

Doughney makes several arguments relating to the district court's ACPA holding: (1) that PETA did not plead an ACPA claim, but raised it for the first time in its motion for summary judgment; (2) that the ACPA, which became effective in 1999, cannot be applied retroactively to events that occurred in 1995 and 1996; (3) that Doughney did not seek to financially profit from his use of PETA's Mark; and (4) that Doughney acted in good faith.

None of Doughney's arguments are availing. First, PETA raised its ACPA claim for the first time in its summary judgment briefs. Doughney objected, noting that PETA failed to plead the claim in its complaint and failed to seek leave to amend to do so. Doughney also vigorously defended against the claim. PETA acknowledged below that it did not plead the claim, but "respectfully requested" in

its summary judgment reply [*18] brief "that the district Court apply the [the ACPA] to the case at bar[.]" Nothing in the record suggests that the district court entered an order amending PETA's complaint to include an ACPA claim. However, the district court appears to have ruled on PETA's informal motion, listing the ACPA in its summary judgment order as one of the claims on which PETA seeks summary judgment and rendering judgment as to that claim.

The Federal Rules "allow liberal amendment of pleadings throughout the progress of a case." *Elmore v. Corcoran*, 913 F.2d 170, 172 (4th Cir. 1990) (citing *Brandon v. Holt*, 469 U.S. 464, 471, 83 L. Ed. 2d 878, 105 S. Ct. 873 (1985) (petitioners allowed to amend pleadings before Supreme Court)). A party's failure to amend will not affect a final judgment if the issues resolved were "tried by express or implied consent of the parties." *Id.* (citing Fed. R. Civ. P. 15(b)). Even without a formal amendment, "a district court may amend the pleadings merely by entering findings on the unpleaded issues." *Id.* (quoting *Galindo v. Stody Co.*, 793 F.2d 1502, 1513 n. 8 (9th Cir. 1986)).

Here, PETA's summary judgment briefs [*19] essentially moved the district court for leave to amend its complaint to include an ACPA claim, and the district court appears to have granted that motion via its summary judgment ruling. While the record would have been clearer had PETA formally filed such a motion and the district court formally entered such an order, they did so in substance if not in form. Thus, we reject Doughney's first contention.

Doughney's second argument -- that the ACPA may not be applied retroactively -- also is unavailing. The ACPA expressly states that it "shall apply to all domain names registered before, on, or after the date of the enactment of this Act[.]" Pub. L. No. 106-113, § 3010, 113 Stat. 1536. See also *Sporty's Farm L.L.C. v. Sportsman's Market, Inc.*, 202 F.3d 489, 496 (2d Cir. 2000) (same). Moreover, while the ACPA precludes the imposition of damages in cases in which domain names were registered, trafficked, or used before its enactment, Pub. L. No. 106-113, § 3010, 113 Stat. 1536 ("damages under subsection (a) or (d) of section 35 of the Trademark Act of 1946 (15 U.S.C. 1117), ... shall not be available with respect to the registration, [*20] trafficking, or use of a domain name that occurs before the date of the enactment of this Act"), it does not preclude the

imposition of equitable remedies. See also *Virtual Networks, Inc. v. Volkswagen of America, Inc.*, 238 F.3d 264, 268 (4th Cir. 2001). Here, the district court did not award PETA damages (nor did PETA request damages), but ordered Doughney to relinquish the domain name, transfer its registration to PETA, and limit his use of domain names to those that do not use PETA's Mark. *Doughney*, 113 F. Supp. 2d at 922. Thus, the district court properly applied the ACPA to this case.

Doughney's third argument -- that he did not seek to financially profit from registering a domain name using PETA's Mark -- also offers him no relief. It is undisputed that Doughney made statements to the press and on his website recommending that PETA attempt to "settle" with him and "make him an offer." The undisputed evidence belies Doughney's argument.

Doughney's fourth argument -- that he did not act in bad faith -- also is unavailing. Under 15 U.S.C. § 1125(d)(1)(B)(i), a court may consider several factors to determine whether a [*21] defendant acted in bad faith, including

- (I) the trademark or other intellectual property rights of the person, if any, in the domain name;
- (II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;
- (III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
- (IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;
- (V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;
- (VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used,

or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior [*22] conduct indicating a pattern of such conduct;

(VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;

(VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of this section. 15 U.S.C. § 1125(d)(1)(B)(i).

In addition to listing these nine factors, the ACPA contains a safe harbor provision stating 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 [*23] that the use of the domain name was fair use or otherwise lawful." 15 U.S.C. § 1225(d)(1)(B)(ii).

The district court reviewed the factors listed in the statute and properly concluded that Doughney (I) had no intellectual property right in peta.org; (II) peta.org is not Doughney's name or a name otherwise used to identify Doughney; (III) Doughney had no prior use of peta.org in connection with the bona fide offering of any goods or services; (IV) Doughney used the PETA Mark in a commercial manner; (V) Doughney "clearly intended to confuse, mislead and divert internet users into accessing his web site which contained information antithetical and therefore harmful to

the goodwill represented by the PETA Mark"; (VI) Doughney made statements on his web site and in the press recommending that PETA attempt to "settle" with him and "make him an offer"; (VII) Doughney made false statements when registering the domain name; and (VIII) Doughney registered other domain names that are identical or similar to the marks or names of other famous people and organizations. *People for the Ethical Treatment of Animals*, 113 F. Supp. 2d at 920.

Doughney [*24] claims that the district court's later ruling denying PETA's motion for attorney fees triggers application of the ACPA's safe harbor provision. In that ruling, the district court stated that Doughney registered the domain name because he thought that he had a legitimate First Amendment right to express himself this way. The Court must consider Doughney's state of mind at the time he took the actions in question. Doughney thought he was within his First Amendment rights to create a parody of the plaintiff's organization.

People for the Ethical Treatment of Animals, Inc. v. Doughney, 2000 U.S. Dist. LEXIS 13421, *5, Civil Action No. 99-1336-A, Order at 4 (E.D. Va. Aug. 31, 2000). With its attorney's fee ruling, the district court did not find that Doughney "had reasonable grounds to believe" that his use of PETA's Mark was lawful. It held only that Doughney thought it to be lawful.

Moreover, a defendant "who acts even partially in bad faith in registering a domain name is not, as a matter of law, entitled to benefit from [the ACPA's] safe harbor provision." *Virtual Works, Inc.*, 238 F.3d at 270. Doughney knowingly provided false information to NSI upon registering the domain [*25] name, knew he was registering a domain name identical to PETA's Mark, and clearly intended to confuse Internet users into accessing his website, instead of PETA's official website. Considering the evidence of Doughney's bad faith, the safe harbor provision can provide him no relief.

AFFIRMED