

III. TRADEMARK LAW AND THE INTERNET

A. Challenging Registrations of Domain Names Under the Lanham Act

PANAVISION INTERNATIONAL, L.P. v. TOEPPEN 141 F.3d 1316 (9th Cir. 1998)

THOMPSON, Circuit Judge:

This case presents two novel issues. We are asked to apply existing rules of personal jurisdiction to conduct that occurred, in part, in "cyberspace." In addition, we are asked to interpret the Federal Trademark Dilution Act as it applies to the Internet.

Panavision accuses Dennis Toeppen of being a "cyber pirate" who steals valuable trademarks and establishes domain names on the Internet using these trademarks to sell the domain names to the rightful trademark owners.

The district court found that Toeppen was subject to personal jurisdiction in California. The district court then granted summary judgment in favor of Panavision, concluding that Toeppen's conduct violated the Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1125(c).

Toeppen appeals. He argues that the district court erred in exercising personal jurisdiction over him because any contact he had with California was insignificant, emanating solely from his registration of domain names on the Internet, which he did in Illinois. Toeppen further argues that the district court erred in granting summary judgment because his use of Panavision's trademarks on the Internet was not a commercial use and did not dilute those marks.

We affirm. The district court's exercise of jurisdiction comported with the requirements of due process. Toeppen did considerably more than register Panavision's trademarks as his domain names. He registered those names as part of a scheme to obtain money from Panavision. Pursuant to that scheme, he demanded \$13,000 from Panavision to release the domain names to it. His acts were aimed at Panavision in California, and caused it to suffer injury there.

We also conclude Panavision was entitled to summary judgment under the federal dilution statute. Toeppen made commercial use of Panavision's trademarks and his conduct diluted those marks.

I

BACKGROUND

Every web page has its own web site, which is its address, similar to a telephone number or street address. Every web site on the Internet has an identifier called a "domain name." The domain name often consists of a person's name or a company's name or trademark. For example, Pepsi has a web page with a domain name consisting of the company name, Pepsi, and .com, the "top level" domain designation.

Domain names with the .com designation must be registered with Network Solutions, Inc. ("NSI"). NSI registers names on a first-come, first-served basis for a \$100 registration fee. NSI does not make a determination about a registrant's right to use a domain name. However, NSI

does require an applicant to represent and warrant as an express condition of registering a domain name that (1) the applicant's statements are true and the applicant has the right to use the requested domain name; (2) the "use or registration of the domain name . . . does not interfere with or infringe the rights of any third party in any jurisdiction with respect to trademark, service mark, trade name, company name or any other intellectual property right"; and (3) the applicant is not seeking to use the domain name for any unlawful purpose, including unfair competition.

A domain name is the simplest way of locating a web site. If a computer user does not know a domain name, she can use an Internet "search engine." To do this, the user types in a key word search, and the search will locate all of the web sites containing the key word. Such key word searches can yield hundreds of web sites. To make it easier to find their web sites, individuals and companies prefer to have a recognizable domain name.

Panavision holds registered trademarks to the names "Panavision" and "Panaflex" in connection with motion picture camera equipment. In December 1995, Panavision attempted to register a web site with the domain name Panavision.com . It could not do that, however, because Toeppen had already established a web site using Panavision's trademark as his domain name. Toeppen's web page for this site displayed photographs of the City of Pana, Illinois.

On December 20, 1995, Panavision's counsel sent a letter from California to Toeppen in Illinois informing him that Panavision held a trademark in the name Panavision and telling him to stop using that trademark and the domain name Panavision.com . Toeppen responded by mail to Panavision in California, stating he had the right to use the name Panavision.com as his domain name.

Toeppen then offered to "settle the matter" if Panavision would pay him \$13,000 in exchange for the domain name. Additionally, Toeppen stated that if Panavision agreed to his offer, he would not "acquire any other Internet addresses which are alleged by Panavision Corporation to be its property." After Panavision refused Toeppen's demand, he registered Panavision's other trademark as the domain name Panaflex.com . Toeppen's web page for Panaflex.com displays the word "Hello."

Toeppen has registered domain names for various other companies including Delta Airlines, Neiman Marcus, Eddie Bauer, Lufthansa, and over 100 other marks. Toeppen has attempted to "sell" domain names for other trademarks such as intermatic.com to Intermatic, Inc. for \$10,000 and americanstandard.com to American Standard, Inc. for \$15,000.

Panavision alleged claims for dilution of its trademark under the Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1125(c). Panavision alleged that Toeppen was in the business of stealing trademarks, registering them as domain names on the Internet and then selling the domain names to the rightful trademark owners.

II

DISCUSSION

. . . . [The discussion of personal jurisdiction has been eliminated.]

B. Trademark Dilution Claims

The Federal Trademark Dilution Act provides:

The owner of a famous mark shall be entitled . . . to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark

15 U.S.C. § 1125(c).

In order to prove a violation of the Federal Trademark Dilution Act, a plaintiff must show that (1) the mark is famous; (2) the defendant is making a commercial use of the mark in commerce; (3) the defendant's use began after the mark became famous; and (4) the defendant's use of the mark dilutes the quality of the mark by diminishing the capacity of the mark to identify and distinguish goods and services. 15 U.S.C. § 1125(c).

Toeppen does not challenge the district court's determination that Panavision's trademark is famous, that his alleged use began after the mark became famous, or that the use was in commerce. Toeppen challenges the district court's determination that he made "commercial use" of the mark and that this use caused "dilution" in the quality of the mark.

1. Commercial Use

Toeppen argues that his use of Panavision's trademarks simply as his domain names cannot constitute a commercial use under the Act. Case law supports this argument. *Academy of Motion Picture Arts & Sciences v. Network Solutions, Inc.*, 989 F. Supp. 1276 (C.D. Cal. 1997) (the mere registration of a domain name does not constitute a commercial use).

Developing this argument, Toeppen contends that a domain name is simply an address used to locate a web page. He asserts that entering a domain name on a computer allows a user to access a web page, but a domain name is not associated with information on a web page. If a user were to type Panavision.com as a domain name, the computer screen would display Toeppen's web page with aerial views of Pana, Illinois. The screen would not provide any information about "Panavision," other than a "location window" which displays the domain name. Toeppen argues that a user who types in Panavision.com, but who sees no reference to the plaintiff Panavision on Toeppen's web page, is not likely to conclude the web page is related in any way to the plaintiff, Panavision.

Toeppen's argument misstates his use of the Panavision mark. His use is not as benign as he suggests. Toeppen's "business" is to register trademarks as domain names and then sell them to the rightful trademark owners. He "acts as a 'spoiler,' preventing Panavision and others from doing business on the Internet under their trademarked names unless they pay his fee." This is a commercial use.

As the district court found, Toeppen traded on the value of Panavision's marks. So long as he held the Internet registrations, he curtailed Panavision's exploitation of the value of its trademarks on the Internet, a value which Toeppen then used when he attempted to sell the Panavision.com domain name to Panavision.

Toeppen's reliance on *Holiday Inns, Inc. v. 800 Reservation, Inc.*, 86 F.3d 619 (6th Cir. 1996), *cert. denied*, 117 S. Ct. 770 (1997), is misplaced. In *Holiday Inns*, the Sixth Circuit held that a company's use of the most commonly *misdialed* number for Holiday Inns' 1-800

reservation number was not trademark infringement.

Holiday Inns is distinguishable. There, the defendant did not use Holiday Inns' trademark. Rather, the defendant selected the most commonly misdialed telephone number for Holiday Inns and attempted to capitalize on consumer confusion.

A telephone number, moreover, is distinguishable from a domain name because a domain name is associated with a word or phrase. A domain name is similar to a "vanity number" that identifies its source. Using Holiday Inns as an example, when a customer dials the vanity number "1-800-Holiday," she expects to contact Holiday Inns because the number is associated with that company's trademark. A user would have the same expectation typing the domain name HolidayInns.com . The user would expect to retrieve Holiday Inns' web page.

Toeppen made a commercial use of Panavision's trademarks. It does not matter that he did not attach the marks to a product. Toeppen's commercial use was his attempt to sell the trademarks themselves. Under the Federal Trademark Dilution Act this was sufficient commercial use.

2. Dilution

"Dilution" is defined as "the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake or deception." 15 U.S.C. § 1127.

Trademark dilution on the Internet was a matter of Congressional concern. Senator Patrick Leahy (D-Vt.) stated:

It is my hope that this anti-dilution statute can help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others.

141 Cong. Rec. § 19312-01 (daily ed. Dec. 29, 1995) (statement of Sen. Leahy).

To find dilution, a court need not rely on the traditional definitions such as "blurring" and "tarnishment."¹ Indeed, in concluding that Toeppen's use of Panavision's trademarks diluted the marks, the district court noted that Toeppen's conduct varied from the two standard dilution theories of blurring and tarnishment. The court found that Toeppen's conduct diminished "the capacity of the Panavision marks to identify and distinguish Panavision's goods and services on the Internet."

Toeppen argues he is not diluting the capacity of the Panavision marks to identify goods or services. He contends that even though Panavision cannot use Panavision.com and Panaflex.com as its domain name addresses, it can still promote its goods and services on the Internet simply by using some other "address" and then creating its own web page using its trademarks.

¹ Blurring occurs when a defendant uses a plaintiff's trademark to identify the defendant's goods or services, creating the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff's product. Tarnishment occurs when a famous mark is improperly associated with an inferior or offensive product or service.

We reject Toeppen's premise that a domain name is nothing more than an address. A significant purpose of a domain name is to identify the entity that owns the web site. "A customer who is unsure about a company's domain name will often guess that the domain name is also the company's name." "[A] domain name mirroring a corporate name may be a valuable corporate asset, as it facilitates communication with a customer base."

Using a company's name or trademark as a domain name is also the easiest way to locate that company's web site. Use of a "search engine" can turn up hundreds of web sites, and there is nothing equivalent to a phone book or directory assistance for the Internet.

Moreover, potential customers of Panavision will be discouraged if they cannot find its web page by typing in "Panavision.com," but instead are forced to wade through hundreds of web sites. This dilutes the value of Panavision's trademark. "Prospective users of plaintiff's services who mistakenly access defendant's web site may fail to continue to search for plaintiff's own home page, due to anger, frustration or the belief that plaintiff's home page does not exist." Toeppen's use of Panavision.com also puts Panavision's name and reputation at his mercy.

We conclude that Toeppen's registration of Panavision's trademarks as his domain names on the Internet diluted those marks within the meaning of the Federal Trademark Dilution Act.

Selected Provisions of the Lanham Act (Federal Trademark Act)

15 U.S.C. §1114 (Section 32 of the Lanham Act)

§1114. Remedies; infringement; innocent infringement by printers and publishers

(1) Any person who shall, without the consent of the registrant--

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action by the registrant for the remedies hereinafter provided.

15 U.S.C. §1125(a) (Section 43(a) of the Lanham Act)

§1125. False designations of origin and false descriptions forbidden

(a) Civil action

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof,

or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

The Federal Trademark Dilution Act of 1995 as amended (current version including the changes made by the Federal Trademark Dilution Revision Act of 2006)

15 U.S.C. §1125(c) (Section 43(c) of the Lanham Act)

(c) Dilution by blurring; dilution by tarnishment

(1) Injunctive relief

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

(2) Definitions

(A) For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

(i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.

(ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.

(iii) The extent of actual recognition of the mark.

(iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

(B) For purposes of paragraph (1), "dilution by blurring" is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

(i) The degree of similarity between the mark or trade name and the famous mark.

(ii) The degree of inherent or acquired distinctiveness of the famous mark.

(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive

use of the mark.

(iv) The degree of recognition of the famous mark.

(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

(vi) Any actual association between the mark or trade name and the famous mark.

(C) For purposes of paragraph (1), “dilution by tarnishment” is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

(3) Exclusions

The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person’s own goods or services, including use in connection with—

(i) advertising or promotion that permits consumers to compare goods or services; or

(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.

(4) Burden of proof

In a civil action for trade dress dilution under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that—

(A) the claimed trade dress, taken as a whole, is not functional and is famous; and

(B) if the claimed trade dress includes any mark or marks registered on the principal register, the unregistered matter, taken as a whole, is famous separate and apart from any fame of such registered marks.

(5) Additional remedies

In an action brought under this subsection, the owner of the famous mark shall be entitled to injunctive relief as set forth in section 1116 of this title. The owner of the famous mark shall also be entitled to the remedies set forth in sections 1117 (a) and 1118 of this title, subject to the discretion of the court and the principles of equity if—

(A) the mark or trade name that is likely to cause dilution by blurring or dilution by tarnishment was first used in commerce by the person against whom the injunction is sought after October 6, 2006; and

(B) in a claim arising under this subsection—

(i) by reason of dilution by blurring, the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark; or

(ii) by reason of dilution by tarnishment, the person against whom the injunction is sought willfully intended to harm the reputation of the famous mark.

(6) Ownership of valid registration a complete bar to action

The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register under this chapter shall be a complete bar to an

action against that person, with respect to that mark, that—

(A)

- (i) is brought by another person under the common law or a statute of a State; and
- (ii) seeks to prevent dilution by blurring or dilution by tarnishment; or

(B) asserts any claim of actual or likely damage or harm to the distinctiveness or reputation of a mark, label, or form of advertisement.

(7) Savings clause

Nothing in this subsection shall be construed to impair, modify, or supersede the applicability of the patent laws of the United States.

The Anticybersquatting Consumer Protection Act of 1999

15 U.S.C. §1125(d) (Section 43(d) of the Lanham Act)

(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, United States Code, or section 220506 of title 36, United States Code.

(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 section 43 [subsec. (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)

(A) The owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if--

(i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c); and

(ii) the court finds that the owner--

(I) is not able to obtain in personam jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or (II) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1) by--

(aa) sending a notice of the alleged violation and intent to proceed under this paragraph to the registrant of the domain name at the postal and e-mail address provided by the registrant to the registrar; and

(bb) publishing notice of the action as the court may direct promptly after filing the action.

(B) The actions under subparagraph (A)(ii) shall constitute service of process.

(C) In an in rem action under this paragraph, a domain name shall be deemed to have its situs in the judicial district in which--

(i) the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located; or

(ii) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.

(D)

(i) The remedies in an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark. Upon receipt of written notification of a filed, stamped copy of a complaint filed by the owner of a mark in a United States district court under this paragraph, the domain name registrar, domain name registry, or other domain name authority shall--

(I) expeditiously deposit with the court documents sufficient to establish the court's control and authority regarding the disposition of the registration and use of the domain name to the court; and

(II) not transfer, suspend, or otherwise modify the domain name during the pendency of the action, except upon order of the court.

(ii) The domain name registrar or registry or other domain name authority shall not be liable for injunctive or monetary relief under this paragraph except in the case of bad faith or reckless disregard, which includes a willful failure to comply with any such court order.

(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.

PLANNED PARENTHOOD FEDERATION OF AMERICA, INC. v. BUCCI

42 U.S.P.Q.2D 1430 (S.D.N.Y. 1997), *aff'd*, 152 F.3d 920 (2d Cir. 1998)

Kimba M. Wood, United States District Judge

Plaintiff Planned Parenthood Federation of America, Inc. has moved to preliminarily enjoin defendant Richard Bucci from using the domain name "plannedparenthood.com," and from identifying his web site under the name "www.plannedparenthood.com." The Court now issues the preliminary injunction sought by Planned Parenthood.

I. Undisputed Facts

The parties do not dispute the following facts. Plaintiff Planned Parenthood is a non-profit,

reproductive health care organization that has used its present name since 1942. Plaintiff registered the stylized service mark "Planned Parenthood" on the Principal Register of the United States Patent and Trademark Office on June 28, 1955, and registered the block service mark "Planned Parenthood" on September 9, 1975. Plaintiff's 146 separately incorporated affiliates, in 48 states and the District of Columbia, are licensed to use the mark "Planned Parenthood." Plaintiff expends a considerable sum of money in promoting and advertising its services. The mark "Planned Parenthood" is strong and incontestable.

Plaintiff operates a web site at "www.ppfa.org," using the domain name "ppfa.org." Plaintiff's home page offers Internet users resources regarding sexual and reproductive health, contraception and family planning, pregnancy, sexually transmitted diseases, and abortion, as well as providing links to other relevant web sites. In addition, plaintiff's home page offers Internet users suggestions on how to get involved with plaintiff's mission and solicits contributions.

Defendant Bucci is the host of "Catholic Radio," a daily radio program broadcast on the WVOA radio station in Syracuse, New York. Bucci is an active participant in the anti-abortion movement. Bucci operates web sites at "www.catholicradio.com" and at "lambsofchrist.com." On August 28, 1996, Bucci registered the domain name "plannedparenthood.com" with Network Solutions, Inc. ("NSI"). After registering the domain name, Bucci set up a web site and home page on the Internet at the address "www.plannedparenthood.com."

Internet users who type in the address "www.plannedparenthood.com," or who use a search engine to find web sites containing the term "planned parenthood," can reach Bucci's web site and home page. Once a user accesses Bucci's home page, she sees on the computer screen the words "Welcome to the PLANNED PARENTHOOD HOME PAGE!" These words appear on the screen first, because the text of a home page downloads from top to bottom. Once the whole home page has loaded, the user sees a scanned image of the cover of a book entitled *The Cost of Abortion*, by Lawrence Roberge ("Roberge"), under which appear several links: "Foreword," "Afterword," "About the Author," "Book Review," and "Biography."

After clicking on a link, the user accesses text related to that link. By clicking on "Foreword" or "Afterword," the Internet user simply accesses the foreword or afterword of the book *The Cost of Abortion*. That text eventually reveals that *The Cost of Abortion* is an anti-abortion book. The text entitled "About the Author" contains the curriculum vitae of author Roberge. It also notes that "Mr. Roberge is available for interview and speaking engagements," and provides his telephone number. The "Book Review" link brings the Internet user to a selection of quotations by various people endorsing *The Cost of Abortion*. "Biography" offers more information about Roberge's background.

II. Disputed Facts

The parties dispute defendant's motive in choosing plaintiff's mark as his domain name. Plaintiff alleges that defendant used plaintiff's mark with the "specific intent to damage Planned Parenthood's reputation and to confuse unwitting users of the Internet." Discussing the difference between the domain name at issue here and defendant's other web sites, defendant's counsel states that "the WWWPLANNEDPARENTHOOD.COM [sic] website . . . enables Defendant's message to reach a broader audience." Defendant's counsel made the following statement to the

Court regarding defendant's use of plaintiff's mark to designate his web site:

My belief is that it was intended to reach people who would be sympathetic to the proabortion position It is an effort to get the . . . political and social message to people we might not have been otherwise able to reach. I think it's analogous to putting an advertisement in the New York Times rather than The National Review. You are more likely to get people who are sympathetic to the proabortion position, and that's who you want to reach. I believe that is exactly what Mr. Bucci did when he selected Planned Parenthood.

Defendant did not dispute that his counsel was correct in that statement. Defendant's counsel also admitted that Bucci was trying to reach Internet users who thought, in accessing his web site, that they would be getting information from plaintiff.

Defendant stated that his motive in using plaintiff's mark as his domain name was "to reach, primarily, Catholics that are disobedient to the natural law." In an affidavit submitted to the Court, defendant stated that he wanted his "anti-abortion message to reach as many people as possible, and particularly the people who do not think that abortion has an inimical effect on society." Defendant conceded that he was aware that by using plaintiff's mark to identify his web site, he was likely to draw in Internet users who are "pro-abortion." Defendant demonstrated full knowledge of plaintiff's name and activities, and admitted to an understanding that using plaintiff's mark as his domain name would attract "pro-abortion" Internet users to his web site because of their misapprehension as to the site's origin.¹ I therefore now make the factual finding that defendant's motive in choosing plaintiff's mark as his domain name was, at least in part, to attract to his home page Internet users who sought plaintiff's home page.

III. Analysis

A. Standard for Preliminary Injunction

In order to obtain a preliminary injunction, a movant must demonstrate "(a) irreparable harm and (b) either (1) likelihood of success on the merits or (2) sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly toward the party requesting the preliminary injunction." In cases brought under the Lanham Act, a showing of likelihood of confusion establishes both a likelihood of success on the merits and irreparable harm, once the plaintiff has established that it has a protectible mark. Because defendant concedes that plaintiff's mark is protectible, the inquiry before me is twofold: (1) whether the Lanham Act is applicable here, and (2) is there a likelihood of confusion?

B. Whether the Lanham Act is Applicable

Defendant argues that his use of plaintiff's mark cannot be reached under the Lanham Act because it is non-commercial speech. Planned Parenthood has brought suit under §§ 1114,

¹ In addition, after plaintiff contacted defendant about the use of its mark as a domain name, defendant made the following statement on his radio show, Catholic Radio: "Of course, we knew this would happen. We knew we would draw the fire of Planned Parenthood So we've got ourselves into a real fight. Hey listen, we're asking for it."

1125(a), and 1125(c) of the Lanham Act. Section 1114 of the Lanham Act forbids a party to "use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive." An injunction under § 1125(c) is proper to stop "commercial use in commerce of a mark or trade name" if that use causes dilution of a famous mark. Finally, with respect to § 1125(a), defendant may be liable if he has used the plaintiff's mark "in commerce" in a way that "is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person," § 1125(a)(1)(A). Section 1125(c)(4)(B) specifically exempts from the scope of all provisions of § 1125 the "noncommercial use of a mark."

Defendant argues that his activities are not subject to the Lanham Act because they are not "in commerce." I find this argument meritless. The "use in commerce" requirement of the Lanham Act is a jurisdictional predicate to any law passed by Congress. It is well settled that the scope of "in commerce" as a jurisdictional predicate of the Lanham Act is broad and has a sweeping reach. The activity involved in this action meets the "in commerce" standard for two reasons. First, defendant's actions affect plaintiff's ability to offer plaintiff's services, which, as health and information services offered in forty-eight states and over the Internet, are surely "in commerce." Thus, even assuming, arguendo, that defendant's activities are not in interstate commerce for Lanham Act purposes, the effect of those activities on plaintiff's interstate commerce activities would place defendant within the reach of the Lanham Act. Second, Internet users constitute a national, even international, audience, who must use interstate telephone lines to access defendant's web site on the Internet. The nature of the Internet indicates that establishing a typical home page on the Internet, for access to all users, would satisfy the Lanham Act's "in commerce" requirement. I now turn to the specific language of each provision of the Lanham Act under which plaintiff has brought suit.

1. Section 1114

Notwithstanding its jurisdictional "in commerce" requirement, Section 1114 contains no commercial activity requirement; rather, it prohibits any person from, without consent of the registrant of a mark, using the mark "in connection with the sale, offering for sale, distribution, or advertising of any good or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive." The question the Court must decide, then, is whether defendant's use of plaintiff's mark is properly viewed as in connection with the distribution or advertising of goods or services.

Defendant's use of plaintiff's mark satisfies the requirement of § 1114 in a variety of ways. First, defendant has stated that he chose to place materials about The Cost of Abortion on the "www.plannedparenthood.com" web site because he wanted to help Roberge "plug" his book. In addition, defendant agreed that he, by this activity, was helping the author sell his book. Although defendant receives no money from any sales of the book that result from its exposure on his home page, there is no personal profit requirement in § 1114. The materials on the home page, which are similar to a publisher's publicity kit, certainly relate to the advertisement and distribution of The Cost of Abortion.

Second, defendant's home page is merely one portion of his, and Catholic Radio's, broader effort to educate Catholics about the anti-abortion movement. With respect to that effort, defendant solicits funds and encourages supporters to join him in his protest activities. Much like plaintiff, defendant has a practical as well as a political motive. While plaintiff seeks to make available what it terms "reproductive services," including, inter alia, birth control and abortion services, defendant offers informational services for use in convincing people that certain activities, including the use of plaintiff's services, are morally wrong. In this way, defendant offers his own set of services, and his use of plaintiff's mark is in connection with the distribution of those services over the Internet.

In addition, defendant's use of plaintiff's mark is "in connection with the distribution of services" because it is likely to prevent some Internet users from reaching plaintiff's own Internet web site. Prospective users of plaintiff's services who mistakenly access defendant's web site may fail to continue to search for plaintiff's own home page, due to anger, frustration, or the belief that plaintiff's home page does not exist. One witness explained, "We didn't resume the search [for plaintiff's web site] after [finding defendant's web site] because . . . we were pretty much thrown off track." Therefore, defendant's action in appropriating plaintiff's mark has a connection to plaintiff's distribution of its services. For these reasons, § 1114 is applicable to defendant's use of plaintiff's mark.

2. Section 1125(c)

Section 1125(c), the Lanham Act's anti-dilution provision, provides that the owner of a famous mark is entitled to an injunction against another person's "commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark." Defendant argues that his use is not "commercial" within the meaning of § 1125(c). I hold, however, that defendant's use of plaintiff's mark is "commercial" for three reasons: (1) defendant is engaged in the promotion of a book, (2) defendant is, in essence, a non-profit political activist who solicits funds for his activities, and (3) defendant's actions are designed to, and do, harm plaintiff commercially.

First, as discussed above, defendant's home page is a showcase for The Cost of Abortion. This showcase is surely commercial in nature, despite the fact that defendant derives no monetary gain from these activities.

Second, defendant has testified that he solicits contributions on his "Catholic Radio" radio show and has solicited contributions on the air in connection with the instant lawsuit. Defendant's ownership of the domain name "plannedparenthood.com" is part and parcel of Catholic Radio's broader efforts in the anti-abortion movement. Specifically, defendant has told his radio listeners that "Catholic Radio owns the name 'Planned Parenthood.'" Courts have found that fund-raising activities may bring a defendant's actions within the scope of the Lanham Act. I find that defendant's use of plaintiff's mark is sufficiently tied to defendant's fund-raising efforts for the use to be deemed "commercial" within the meaning of § 1125(c).

Finally, defendant's use is commercial because of its effect on plaintiff's activities. Defendant has appropriated plaintiff's mark in order to reach an audience of Internet users who want to reach plaintiff's services and viewpoint, intercepting them and misleading them in an attempt to offer his own political message. Defendant's appropriation not only provides Internet users with

competing and directly opposing information, but also prevents those users from reaching plaintiff and its services and message. In that way, defendant's use is classically competitive: he has taken plaintiff's mark as his own in order to purvey his Internet services -- his web site -- to an audience intending to access plaintiff's services.

3. Section 1125(a)(1)(A)

In relevant part, § 1125(a)(1)(A) prohibits a person from using in commerce any term or false designation of origin which "is likely to cause confusion . . . as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person." Section 1125(a)(1) is also limited by § 1125(c)(4)(B), which states that "noncommercial use of a mark" is not actionable under the Lanham Act.

Here, as discussed above, defendant offers informational services relating to the anti-abortion and anti-birth control movement. In addition, defendant's solicitation of funds in relation to his anti-abortion efforts are commercial in nature. Therefore, because defendant's labelling of his web site with plaintiff's mark relates to the "origin, sponsorship, or approval" by plaintiff of defendant's web site, I find that § 1125(a)(1)(A) may govern defendant's actions in this case.

I therefore determine that § 1114, § 1125(c), and § 1125(a)(1)(a) of the Lanham Act are applicable here. I turn now to whether defendant's use of plaintiff's mark results in a likelihood of confusion.

C. The Likelihood of Confusion

1. The Polaroid Factors

The Second Circuit set out the factors a court must consider in determining the likelihood of consumer confusion in *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961). Those factors include: the strength of plaintiff's mark, the degree of similarity between the two marks, the competitive proximity of the products or services, the likelihood that the plaintiff will bridge the gap between the two markets, the existence of actual confusion, the defendant's good faith in adopting the mark, the quality of the defendant's product, and the sophistication of the purchasers.

a. The Strength of the Mark

The strength of plaintiff's mark is conceded by defendant, which is reasonable in light of plaintiff's trademark registration of the mark and plaintiff's continued use of the mark for over 50 years. The strength of plaintiff's mark weighs in favor of likelihood of confusion.

b. The Degree of Similarity Between the Marks

The two marks, "Planned Parenthood" and "plannedparenthood.com" are nearly identical; the only distinctions are the latter's lack of initial capitalization, the lack of a space between words, and the ".com" that is necessary to designate a domain name. The degree of similarity between defendant's domain name and the domain name owned by plaintiff's affiliate, Planned Parenthood of Houston, "plannedparenthood.org," is even stronger. Plaintiff was originally under the impression that according to Internet usage, it could operate using only a ".org" designation. Currently, however, NSI allows non-profit corporations, as well as for-profit businesses and

individuals, to use the ".com" designation. The ".com" designation is commonly used by businesses. The degree of similarity between the marks thus increases the likelihood of confusion among Internet users.

c. The Competitive Proximity of the Products or Services

The web sites of plaintiff and defendant are both located on the World Wide Web. Therefore, defendant's web site at "www.plannedparenthood.com" is close in proximity to plaintiff's own web site, "www.ppf.org." Both sites compete for the same audience -- namely, Internet users who are searching for a web site that uses plaintiff's mark as its address. The degree of competitive proximity, therefore, increases the likelihood of confusion among Internet users.

d. The Likelihood that Plaintiff Will Bridge the Gap Between the Markets

Because plaintiff's web site and defendant's web site are both on the Internet, the parties are vying for users in the same "market." Where the market for competing goods or services is the same, there is no need to consider whether plaintiff will bridge the gap between the markets. I therefore do not consider this factor in determining the likelihood of confusion.

e. The Existence of Actual Confusion

Plaintiff has produced testimony demonstrating that actual confusion has occurred among Internet users. The confusion has occurred both in a user who attempted to go directly to "www.plannedparenthood.com," thinking that it was likely to be plaintiff's web address, and in a user who used a search engine to find web sites containing, or designated by, plaintiff's mark.

This specific testimony exemplifies the likelihood of confusion due to the nature of domain names and home page addresses. First, because ".com" is a popular designation for Internet domain names, an Internet user is likely to assume that ".com" after a corporation's name will bring her to that corporation's home page, if one exists. Second, an Internet user cannot immediately determine the content of a home page maintained by the owner of a particular domain name or located at a specific address. Only after a user has seen or entered "plannedparenthood.com" can she access the web site; such access occurs after at least a temporary delay. In addition, there is a delay while the home page "loads" into the computer. Because the words on the top of the page load first, the user is first greeted solely with the "Welcome to the Planned Parenthood Home Page!" It is highly likely that an Internet user will still believe that she has found plaintiff's web site at that point.

Even when the picture of The Cost of Abortion finally does appear on the screen, the user is unlikely to know that she is not at plaintiff's home page. The book's ambiguous title "The Cost of Abortion," alone, cannot disabuse every Internet user of the notion that she has found plaintiff's home page. The Internet user must actually click on a link to read excerpts from the book, biographical information about the author, or book endorsements. Only in the course of reading those items can the user determine that she has not reached plaintiff's home page. This lengthy delay between attempting to access plaintiff's home page and learning that one has failed to do so increases the likelihood of consumer confusion.

f. The Defendant's Good Faith in Adopting the Mark

Defendant may have acted under the good faith assumption that his actions were protected by

the First Amendment. I need not conclude that defendant acted in bad faith to conclude that there is a likelihood of confusion, and I therefore make no such finding at this time.

g. The Quality of Defendant's Product

A comparison of the quality of plaintiff's and defendant's products -- their web sites -- is irrelevant; the Court cannot compare the two web sites in terms of superior or inferior quality. However, I note that the two products are vastly different and convey quite divergent messages. Any confusion resulting from defendant's use of plaintiff's mark as his domain name is likely to be destructive to the image that plaintiff, the senior user of the mark, has established.

h. The Sophistication of the Purchasers

Plaintiff argues that its primary purchasers are low income, relatively unsophisticated women. I note that those with access to the Internet may not be coextensive with the segment of the population to whom plaintiff normally offers its services; those with Internet access may be more sophisticated. However, testimony has shown that even sophisticated Internet users were confused by defendant's web site. Because the sophistication of the user is no guarantee, here, that the consumer will not be confused, I find that this factor is of limited value in determining whether the consumer is likely to be confused.

In sum, I find that the bulk of the Polaroid factors demonstrate that there is a significant likelihood of confusion that warrants the granting of a preliminary injunction.

D. Defendant's Additional Defenses

Defendant also argues that his use of plaintiff's mark is protected from injunction because (1) it is a parody, and (2) it is protected speech under the First Amendment. I consider these arguments in turn.

1. The Parody Exception

Defendant argues that his use of the "planned parenthood" mark is not likely to confuse because it is similar to a parody. A parody "depends on a lack of confusion to make its point," and "must convey two simultaneous -- and contradictory -- messages: that it is the original, but also that it is not the original and is instead a parody."

I am not persuaded by defendant's argument that the message of the home page provides an ironic and contrasting allusion to plaintiff, nor do I find convincing his argument that the banner heading of the home page is sarcastic. Because defendant's use of "planned parenthood" does not convey the simultaneous message that the home page and web site are those of plaintiff and those of defendant, defendant's argument that his use of the mark is a parody fails. Thus, the Polaroid factors must govern the issue of whether there is a likelihood of confusion. Here, I have found that the Polaroid factors demonstrate that there is a likelihood of confusion.

2. The First Amendment Exception

Defendant also argues that his use of the "planned parenthood" mark is protected by the First Amendment. As defendant argues, trademark infringement law does not curtail or prohibit the exercise of the First Amendment right to free speech. I note that plaintiff has not sought, in any way, to restrain defendant from speech that criticizes Planned Parenthood or its mission, or that

discusses defendant's beliefs regarding reproduction, family, and religion. The sole purpose of the Court's inquiry has been to determine whether the use of the "planned parenthood" mark as defendant's domain name and home page address constitutes an infringement of plaintiff's trademark. Defendant's use of another entity's mark is entitled to First Amendment protection when his use of that mark is part of a communicative message, not when it is used to identify the source of a product. By using the mark as a domain name and home page address and by welcoming Internet users to the home page with the message "Welcome to the Planned Parenthood Home Page!" defendant identifies the web site and home page as being the product, or forum, of plaintiff. I therefore determine that, because defendant's use of the term "planned parenthood" is not part of a communicative message, his infringement on plaintiff's mark is not protected by the First Amendment.

Because defendant's use of plaintiff's mark is subject to the Lanham Act, because the Polaroid factors demonstrate that there is a likelihood of confusion arising from defendant's use of plaintiff's mark, and because defendant has not raised a defense that protects his use of the mark, plaintiff has met its burden of demonstrating that a preliminary injunction against defendant's use of plaintiff's mark is warranted.

E. Whether A Disclaimer Will Cure the Confusion

Defendant argues that a disclaimer, rather than an injunction, is the appropriate remedy here. I disagree. Due to the nature of Internet use, defendant's appropriation of plaintiff's mark as a domain name and home page address cannot adequately be remedied by a disclaimer. Defendant's domain name and home page address are external labels that, on their face, cause confusion among Internet users and may cause Internet users who seek plaintiff's web site to expend time and energy accessing defendant's web site. Therefore, I determine that a disclaimer on defendant's home page would not be sufficient to dispel the confusion induced by his home page address and domain name.

For the foregoing reasons, I grant plaintiff's motion for a preliminary injunction.

Taylor Building Corporation of America v. Benfield 507 F. Supp. 2d 832 (S.D. Ohio 2007)

Susan J. Dlott, United States District Judge.

This lawsuit concerns whether Plaintiff corporation is entitled to damages from Defendant because of Defendant's creation of a website containing material that allegedly infringes upon Plaintiff's service mark. Defendant asserts that Plaintiff's claims are barred by the protections afforded to him by the First Amendment to the United States Constitution.

Plaintiff Taylor Building Corporation of America ("Taylor") is in the business of residential construction. In the course of its business, Taylor occasionally constructs model homes for demonstrative purposes. In addition to allowing potential customers to enter and view the model homes, Taylor also uses photographs of its model homes in its brochures and on its website.

Defendant Eric Benfield registered the internet domain name "www.TaylorHomes-

Ripoff.com." The website, which Benfield refers to as a "gripe site,"* contained a prominent header stating: "Taylor Homes Ripoffs. Badly Fingering Your Dreams. Taylor sold us a quality home and gave us garbage!" The website included one photograph of a Taylor model home, located in Florence, Kentucky, and several photographs of a home located in Clermont County, Ohio, that Taylor was constructing for Eric Benfield's parents, Mary and Marvin Benfield. Below the website's header and the first two photographs was the following statement: "Now let me show you a few details of their 'fine workmanship.'" Below were numerous photos taken by Marvin Benfield of certain aspects of the Clermont County home. Among the photos were the following statements: "The 'brick' pictures, shown here, show the final insult to our sensibilities, and left no hope getting the building we were promised before we signed with Taylor Homes"; and "All materials and workmanship are within standard building tolerances," explained the building supervisor."

Taylor claims that Benfield designed the website and domain name for the purpose of creating actual confusion between Taylor's website and Benfield's website. Benfield asserts in his motion for summary judgment that the Sixth Circuit has determined that internet "gripe sites" such as the one he created--which are non-commercial and which implement plainly derogatory terms in the domain name--do not violate the Lanham Act. The Court agrees.

Section 43(a) of the Lanham Act provides:

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C.A. § 1125. To prevail under a cause of action brought under Section 43(a), a plaintiff must prove five elements: (1) that it possesses a mark; (2) that the opposing party used the mark; (3) that the opposing party's use of the mark occurred "in commerce"; (4) that the opposing party used the mark "in connection with the sale, offering for sale, distribution, or advertising" of goods or services; and (5) that the opposing party used the mark in a manner likely to confuse customers. *Lamparello v. Falwell*, 420 F.3d 309, 313 (4th Cir. 2005).

Taylor claims that Benfield's website is an instrumentality of commerce and is therefore subject to the Lanham Act.

Taylor's assertion, that Benfield's website is an instrumentality of commerce for the purposes

* Note: Websites with domain names consisting of a critical term such as "ripoff" or "sucks" attached to the name of a business and website content that criticizes the business referred to in the domain name are known as "gripe sites" and the act of registering and using such a critical domain name is referred to as "cybergripping."

of a Lanham Act claim, [is not] sufficient to demonstrate a triable issue as to its Lanham Act claim. Taylor relies largely on an unreported 1997 case decided by the Southern District of New York for its finding that "establishing a typical home page on the Internet, for access to all users, would satisfy the Lanham Act's 'in commerce' requirement." *Planned Parenthood Fed'n of Am. v. Bucci*, 1997 U.S. Dist. LEXIS 3338 (S.D.N.Y. 1997). However, the Sixth Circuit has addressed *Planned Parenthood* and did not adopt its conclusion. To the contrary, the Sixth Circuit concluded that a cybergripping site with a domain name that included the phrase "sucks.com" and which had no commercial purpose but rather provided running editorial on a conflict between the website creator and the plaintiff corporation did not create any possibility of confusion and did not violate the Lanham Act. *Taubman Co. v. Webfeats*, 319 F.3d 770 (6th Cir. 2003).

In *Taubman*, the Sixth Circuit concluded that the domain name "taubmansucks.com" was purely an exhibition of Free Speech, and the Lanham Act was not invoked, even though economic damage might have been an intended effect of the defendant's expression.** The Fourth Circuit has come to a similar conclusion upon review of a matter with numerous common elements. In *Lamparello v. Falwell*, the Fourth Circuit concluded that www.falwell.com, a website created by the plaintiff that criticized the views of Reverend Jerry Falwell, was not infringing upon www.falwell.com, the website of Jerry Falwell Ministries. 420 F.3d 309 (4th Cir. 2005). Lamparello never sold any goods or services on his website but used the site "to respond to what he believed were 'untruths about gay people.'" The court found there was no likelihood of confusion between the gripe site and Falwell's site, noting that "[a]fter even a quick glance at the content of the [allegedly infringing website] . . . , no one seeking Reverend Falwell's guidance would be misled by the domain name . . . into believing Reverend Falwell authorized the content of that website. No one would believe that Reverend Falwell sponsored a site criticizing himself, his positions, and his interpretations of the Bible."

Benfield clearly hoped to drive customers away from Taylor by posting his complaints about the home builder. Thus, it is arguable that he intended to cause Taylor economic harm. However, in keeping with the logic of *Taubman* and *Lamparello*, the Court concludes that, even if Benfield's use of the website was commercial, his website was a forum for criticizing the builder. Accordingly, there is no likelihood of confusion and, thus, no Lanham Act violation.

** Note: In *Taubman*, 319 F.3d at 778, the court stated: "We find that Mishkoff's use of Taubman's mark in the domain name "taubmansucks.com" is purely an exhibition of Free Speech, and the Lanham Act is not invoked. And although economic damage might be an intended effect of Mishkoff's expression, the First Amendment protects critical commentary when there is no confusion as to source, even when it involves the criticism of a business. Such use is not subject to scrutiny under the Lanham Act. In fact, Taubman concedes that Mishkoff is "free to shout 'Taubman Sucks!' from the rooftops. . . ." Brief for Respondent, at 58. Essentially, this is what he has done in his domain name. The rooftops of our past have evolved into the internet domain names of our present. We find that the domain name is a type of public expression, no different in scope than a billboard or a pulpit, and Mishkoff has a First Amendment right to express his opinion about Taubman, and as long as his speech is not commercially misleading, the Lanham Act cannot be summoned to prevent it."

Because Taylor has failed to demonstrate that a genuine issue of material fact exists with respect to the predicate elements of a claim under Section 43(a) of the Lanham Act, the Court need not inquire into whether it can demonstrate the remaining elements of a claim of trade dress infringement. Summary judgment in Benfield's favor is thus proper on Taylor's third claim for relief.

PEOPLE FOR THE ETHICAL TREATMENT OF ANIMALS v. DOUGHNEY
263 F.3d 359 (4th Cir. 2001)

GREGORY, Circuit Judge:

People for the Ethical Treatment of Animals ("PETA") sued Michael Doughney ("Doughney") after he registered 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, unfair competition under 15 U.S.C. § 1125(a), 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. 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."

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 "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. 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. Consequently, Doughney moved the website to *www.mtd.com/tasty* 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."

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." 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 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.

II.

A. *Trademark Infringement/Unfair Competition*

The unauthorized use of a trademark infringes the trademark holder's rights if it is likely to confuse an "ordinary consumer" as to the source or sponsorship of the goods. Doughney does not dispute that the *peta.org* domain name engenders a likelihood of confusion between his web site and PETA. Doughney claims, though, that the inquiry should not end with his domain name. Rather, he urges the Court to consider his website in conjunction with the domain name because, together, they purportedly parody PETA and, thus, do not cause a likelihood of confusion.

A "parody" is defined as a "simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark's owner." A parody must "convey two simultaneous -- and contradictory -- messages: that it is the original, but also that it is *not* the original and is instead a parody." To the extent that an alleged parody

conveys only the first message, "it is not only a poor parody but also vulnerable under trademark law, since the customer will be confused." While a parody necessarily must engender some initial confusion, an effective parody will diminish the risk of consumer confusion "by conveying [only] just enough of the original design to allow the consumer to appreciate the point of parody."

Looking at Doughney's domain name alone, there is no suggestion of a parody. The domain name *peta.org* simply copies PETA's Mark, conveying the message that it is related to PETA. The domain name does not convey the second, contradictory message needed to establish a parody -- a message that the domain name is not related to PETA, but that it is a parody of PETA.

Doughney claims that this second message can be found in the content of his website. Indeed, the website's content makes it clear that it is not related to PETA. However, this second message is not conveyed *simultaneously* with the first message, as required to be considered a parody. The domain name conveys the first message; the second message is conveyed only when the viewer reads the content of the website. As the district court explained, "an internet user would not realize that they were not on an official PETA web site until after they had used PETA's Mark to access the web page'www.peta.org.'" Thus, the messages are not conveyed simultaneously and do not constitute a parody. The district court properly rejected Doughney's parody defense and found that Doughney's use of the *peta.org* domain name engenders a likelihood of confusion. Accordingly, Doughney failed to raise a genuine issue of material fact regarding PETA's infringement and unfair competition claims.

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). 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, the Federal Rules "allow liberal amendment of pleadings throughout the progress of a case." Here, PETA's summary judgment briefs 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[.]" *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 ("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, 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*. 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. 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 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 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 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.

Doughney 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.

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." Doughney knowingly provided false information to NSI upon registering the domain 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.

For the foregoing reasons, the judgment of the district court is affirmed.

WEATHER UNDERGROUND, INC. v. NCS, INC.
2011 U.S. Dist. LEXIS 129528 (E.D. Mich. 2011)

OPINION DENYING MOTIONS FOR PARTIAL SUMMARY JUDGMENT

I. INTRODUCTION AND FACTUAL BACKGROUND

Plaintiff, Weather Underground, Inc. ("Weather Underground"), filed suit on October 26, 2009, against Defendants, alleging violations of federal and state law, including a claim that Defendants engaged in cybersquatting in violation of the Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d). Plaintiff, a commercial weather service, indexes information provided to it by multiple weather stations. Plaintiff owns approximately 125 web addresses or domain names, including "Weather Underground," "Wund," "Wunderground," "Weather Sticker," "Wundersearch," "Wundermarp," and "Wunderradio." The majority integrate its trademarks and service marks.

According to Plaintiff, Defendants' business model capitalizes on Internet users' errors in typing the web addresses to businesses whose websites they intend to visit, a practice known as "typo squatting." Weather Underground alleges that Defendants infringed its trademarks by registering domain names with various misspellings of Plaintiff's web properties, weatherunderground.com, and wund.com in order to redirect Plaintiff's customers to competitors and third-party advertisers.

On August 28, 2008, Plaintiff filed a Complaint with the National Arbitration Forum to recover forty-one domain names registered by NCS. The Uniform Domain Dispute Resolution Policy ("UDRP") prohibits the registration of domain names with bad faith intent to profit that are identical or confusingly similar to either common law or registered trademarks.

On October 13, 2008, the arbitrator found that NCS "is intentionally using the disputed domain names for commercial gain through a likelihood of confusion with [Plaintiff's] mark," and therefore the use "of the disputed domain names is also evidence of registration and use in bad faith." McCotter ordered NCS to transfer all 41 domain names, which constituted typographical errors of Plaintiff's registered and common law trademarks to Plaintiff.*

II. STANDARD OF REVIEW

Federal Rule of Civil Procedure 56(a) authorizes a court to grant summary judgment if "the movant shows there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law."

III. ANALYSIS

Both motions before the Court turn on whether Plaintiff can or cannot, as a matter of law, show Defendants' bad faith intent to profit as required under the Anticybersquatting Consumer Protection Act. Congress enacted the ACPA "to prohibit 'cybersquatting,' which occurs when a person other than the trademark holder registers the domain name of a well known trademark

* Note: "Thereafter, Plaintiff became aware of other infringing domains."

and then attempts to profit from this by either ransoming the domain name back to the trademark holder or by using the domain name to divert business from the trademark holder to the domain name holder." A defendant engages in typosquatting when it "register[s] domain names that are intentional misspellings of distinctive or famous names." *Shields v. Zuccarini*, 254 F.3d 476, 483 (3d Cir. 2001); see also *Green v. Fornario*, 486 F.3d 100, 103 n. 5 (3d Cir. 2007) (describing typosquatting as a "subgenera of cybersquatting" that "involves registering a domain name that is but a letter or two off from a distinctive mark").**

To succeed on a claim under the ACPA, the trademark holder must establish five elements: (1) it has a valid trademark entitled to protection; (2) its mark is distinctive or famous; (3) the defendant's domain name is identical or confusingly similar to, or in the case of famous marks, dilutive of, the owner's mark; and (4) the defendant used, registered, or trafficked in the domain name (5) with a bad faith intent to profit. Only two elements are discussed below--confusing similarity and bad faith intent to profit.

A. Confusing Similarity

The partes disagree on how the issue of confusing similarity of the 288 typographical variations and word swaps of Plaintiff's trademarks must be pursued. Plaintiff asks the Court to defer examination of the specific variations to an assessment of statutory damages. The Court declines Plaintiff's invitation. Defendants are correct that the issue of confusing similarity is an element of the claim. Therefore, the Court must rule on each of the challenged domain names before entering a judgment of liability. Only after such a ruling do damages become relevant. Accordingly, Plaintiff has not met its burden to show it is entitled to judgment on its cybersquatting claims.

B. Bad Faith Intent

The parties' briefs focus primarily on the last factor of a trademark holder's claim--bad faith intent to profit. The statute sets out a list of nine nonexclusive factors that "a court may consider" in determining whether the "bad faith intent to profit" standard is satisfied. 15 U.S.C. § 1125(d)(1)(B)(i). The factors provided in the ACPA are "given to courts as a guide, not as a substitute for careful thinking" about the ultimate issue in a cybersquatting claim--"whether the conduct at issue is motivated by a bad faith intent to profit." *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806, 811 (6th Cir. 2004).

In assessing the factors, the Court is mindful of the harm the ACPA seeks to prevent. Congress designed the ACPA to "target a narrow class of cybersquatters consisting of those who have the bad faith intent to profit, and not to tread on the rights of those with any other motives." In *Lucas Nursery and Landscaping*, 359 F.3d at 810, the court elaborated:

The Senate Report accompanying the Anticybersquatting Consumer Protection Act bolsters our understanding that a "bad faith intent to profit" is the essence of the wrong that the Act seeks to combat. That report defines cybersquatters as those who:

** Note: "Typosquatters use qwerty typos, letter swaps, and sticky keys to generate traffic on high traffic trademark-protected domain names. These errors can be predicted through the use of error data, which show domain names that have not been registered, yet receive traffic."

(1) "register well-known brand names as Internet domain names in order to extract payment from the rightful owners of the marks"; (2) "register well-known marks as domain names and warehouse those marks with the hope of selling them to the highest bidder"; (3) **"register well-known marks to prey on consumer confusion by misusing the domain name to divert customers from the mark owner's site to the cybersquatter's own site"**; (4) "target distinctive marks to defraud consumers, including to engage in counterfeiting activities."

With this harm in mind, the Court considers the arguments.

1. Level of intent

The parties' positions that they are entitled to partial summary judgment turn on whether Plaintiff can show a genuine dispute as to Defendants' bad faith. Plaintiff argues that the Court may apply a willful blindness standard to the bad faith requirement. Plaintiff builds its argument on the absence of the term "subjective intent" in the statute. In contrast, Defendants argue that bad faith intent requires that Defendants knew of and targeted Plaintiff's good will. The standard is neither willful blindness nor negligence--it is a specific intent standard.

Weather Underground's argument has no support in case law; no court has applied a willful blindness standard to a cybersquatting case. Moreover, the factors included in the statute undermine Plaintiff's position. For example, factor V, requires consideration of "the person's **intent to divert** customers". 15 U.S.C. § 1125(d)(1)(B)(1)(V). Factor VI likewise includes an assessment of the person's offer to sell a domain name it never used or had **"an intent to use"** in conjunction with the sale of goods and services. 15 U.S.C. § 1125(d)(1)(B)(1)(VI). Factor VII analyzes the registration or acquisition of multiple domain names despite **"know[ing]"** they are confusingly similar. 15 U.S.C. § 1125(d)(1)(B)(1)(VIII). The language in the statute undermines Plaintiff's position that willful blindness is all that it must show. Accordingly, the Court considers the statutory factors evidencing intent.

2. Evidence of Good Faith

The first four statutory factors "militate against a finding of bad faith by providing some reasonable basis for why a defendant might have registered the domain name of another mark holder." Here, it is undisputed that Defendants have no trademark or other intellectual property rights in the wunderground.com domain name. The domain names registered by Defendants are not consistent with Defendants' names; nor is there any history of legitimate use of the domain name in connection with offering Defendants' services (see factors I-III). Moreover, the use here is strictly commercial (see factor IV).

Nevertheless, Defendants' witnesses have testified that they did not know about Plaintiff before Plaintiff filed a UDRP action against NCS. This testimony, although favorable to Defendants, fails to establish the absence of bad faith as a matter of law. A trademark holder does not need an admission from the accused infringer to prevail; a denial merely presents a credibility issue. Circumstantial evidence of an intent to profit satisfies the statute. In this case, Defendants have no evidence supporting a good faith rationale for registering the domain names. Accordingly, the Court directs its attention to the facts suggesting bad faith intent to profit.

3. Evidence of Bad Faith

Although Plaintiffs offer some evidence that Defendants' sites have an inquiry option that they use to solicit the sale of their sites, the statute does not prohibit this conduct. There is no evidence presented that Defendants offered to transfer or sell the disputed sites to Plaintiff or its competitors. Because the websites contained a link that allowed web users to "inquire about this domain," and Defendants included a disclaimer on some of the inquiry forms, which reads, "The existence of this form does not constitute an offer to sell this domain," Plaintiff concludes that the disclaimer is a ruse to avoid liability. Plaintiff is free to argue its interpretation to the jury.

The strongest evidence of bad faith presented to the Court at this juncture in the proceedings is Defendants' acquisition of multiple domain names which may be duplicative of the marks of others. According to Weather Underground, Defendants registered 288 variations of its trademark. In addition, Plaintiff maintains that Defendants did not limit registration to Plaintiff's mark, they registered variations of other third-party trademarks, received threat letters for trademark infringement, and have been involved in arbitrations and lawsuits on allegations of cybersquatting. The sheer number of sites creates an inference the Defendants acted with a bad faith intent to profit. Nevertheless, the number cannot be assessed in a vacuum. Other evidence plays into the analysis.

The evidence, even when viewed cumulatively, does not support an award of summary judgment for either side. It merely demonstrate to the Court the existence of a genuine dispute as to the issue of bad faith intent. For the reasons stated above, both motions are DENIED.

AMERICA ONLINE, INC. v. AOL.ORG
259 F. Supp. 2d 449 (E.D. Va. 2003)

MEMORANDUM OPINION

The matter came before the Court on plaintiff's motion to amend the Judgment Order entered on November 15, 2002 in favor of plaintiff in this *in rem* action under the Anticybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. § 1125 (d)(2). That Judgment Order directed the domain name registrar, OnlineNIC, Inc., which is headquartered in China, to transfer the domain name aol.org to plaintiff within 20 days of receipt of the order. Despite receipt of that Order, OnlineNIC has declined to transfer the domain name; instead, OnlineNIC, presumably at the registrant's request, has transferred the domain name to another foreign registrar, Netpia.com, Inc. ("Netpia"), which is located in South Korea. Therefore, plaintiff now requests that the Judgment Order be amended to direct Public Interest Registry ("PIR"), the ".org" domain name

registry,¹ as well as OnlineNIC, Netpia, and any other registrar that may become involved, to transfer the domain name aol.org to plaintiff.

At the properly-noticed hearing on this motion only plaintiff appeared. Neither the current registrant, nor any registrar, past or present, appeared. Indeed, none of these entities has appeared or filed any pleadings in this action. In the circumstances, the motion to amend the Judgment Order is now ripe for disposition.

As the Judgment Order notes, the domain name aol.org was registered by Korea DNS, a South Korean entity, on September 3, 2001, and subsequently transferred first to an individual, Sujin Jeon, and thereafter to an individual listed as simply as "Will E." On July 30, 2002, plaintiff, the holder of registered United States trademarks for AOL and AOL.COM, filed this ACPA action. In August, 2002, after receiving notice and a copy of the complaint, OnlineNIC sent plaintiff an email agreeing, consistent with the ACPA, not to "transfer, suspend, or otherwise modify the domain name during the pendency of the action, except upon order of the court." 15 U.S.C. § 1125(d)(2)(D)(I)(ii). But OnlineNIC did not deposit with the Court a registrar's certificate acknowledging the Court's authority over the domain name pursuant to this *in rem* action, as required by 15 U.S.C. § 1125(d)(2)(D)(i)(I).

As the Judgment Order makes clear, this action properly proceeded *in rem* under the ACPA. First, jurisdiction was proper in this district, as VeriSign, the ".org" domain name registry prior to PIR, is located in this district. *See* 15 U.S.C. § 1125(d)(2)(A) (providing jurisdiction of an *in rem* suit in the judicial district where "the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located.") And, as PIR, the current ".org" registry, is also located in this district, jurisdiction remains proper under the ACPA. Second, an *in rem* action is proper as plaintiff is unable to assert personal jurisdiction over the current registrant, Will E. *See* § 1125(d)(2)(A)(ii)(I); *see also GlobalSantaFe v. globalsantafe.com*, 250 F. Supp. 2d 610 (E.D. Va. February 5, 2003). In this regard, Will E. apparently resides in South Korea and there is no evidence that he has any contacts with the United States or Virginia. Further, the two web sites that have operated under the aol.org domain name provide no basis for jurisdiction. One web site, entitled "All Our Life," was a purely passive site, consisting of little more than the title and an "under construction" notice. And, it is clear that such passive web sites do not support jurisdiction in a forum state merely because they may be accessed from the state. The current web site, entitled "X-Y World," provides information related to Internet and computer usage in the Korean language, and does not appear to be targeted at, or used by, residents of Virginia or the United States. Finally, plaintiff perfected service as required under the ACPA by sending notice to the postal and email addresses found in the registration information and by publishing notice of the action in a local

¹ As of January 1, 2003, PIR replaced VeriSign, Inc. as the official, exclusive registry for all ".org" domain names. In the November 15, 2002 Judgment Order, jurisdiction here was based on VeriSign's location within this district, in Herndon Virginia. *See America Online, Inc. v. aol.org*, Civil Action No. 02-1116-A (E.D. Va. November 15, 2002) (Judgment Order); 15 U.S.C. § 1125(d)(2)(A). Jurisdiction remains appropriate here, as PIR, the new ".org" registry, is likewise located within this district, with its principal place of business in Reston, Virginia.

Korean newspaper. *See* § 1125(d)(2) (A)(ii)(II)(aa)& (bb). In sum, as the Judgment Order reflects, this action meets the ACPA's jurisdictional requirements.

As also detailed in the Judgment Order, plaintiff has convincingly established all the elements of trademark infringement under 15 U.S.C. §§ 1114 & 1125(a). To establish a trademark infringement or unfair competition claim plaintiff must show "(1) that it possesses a mark; (2) that the defendant used the mark; (3) that the defendant's use of the mark occurred 'in commerce'; (4) that the defendant used the mark 'in connection with the sale, offering for sale, distribution, or advertising' of goods or services, and (5) that the defendant used the mark in a manner likely to confuse consumers." *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 364 (4th Cir. 2001). In this regard, plaintiff owns the marks AOL and AOL.COM and has used them continuously since 1989. It is also clear that the registrants have used the infringing domain name in commerce in connection with the sale of goods or services by linking the name to a Korean language web site with further links to pages that promote various Internet and computer-related services. Finally, this use of the aol.org domain name is likely to confuse consumers, as it is identical in relevant part to plaintiff's registered AOL mark and confusingly similar to plaintiff's AOL.COM mark. Indeed, the registrants' only apparent purpose in registering the aol.org domain name, which has no legitimate connection to the registrants or the Korean language web site, was to divert Internet traffic intended for plaintiff to their own site. Thus, the registrants' registration and use of the aol.org domain name constitutes trademark infringement or unfair competition, and plaintiff is entitled to relief on pursuant to §1125(d)(2)(A)(i).

Following entry of the Judgment Order on November 15, 2002, a copy was promptly sent by the Clerk of the Court to OnlineNIC at its listed San Francisco address. Additionally, on November 22, 2002, plaintiff sent a copy of the Judgment Order to OnlineNIC by email and facsimile transmission, and requested that OnlineNIC transfer the domain name to plaintiff. On November 25, 2002, OnlineNIC responded to plaintiff by email and agreed to transfer the domain name to plaintiff pursuant to the Judgment Order. In response, plaintiff set up an online account to receive the transferred domain name and provided OnlineNIC with the information necessary to facilitate the transfer. Yet, in the end OnlineNIC declined to transfer the domain name to AOL. Instead, it authorized the transfer of aol.org to a new registrar, NetPia, a South Korean company, in violation of both the Judgment Order and 15 U.S.C. § 1125(d)(2)(D)(i)(II) (stating that a registrar with notice of an ACPA action must "not transfer ... or otherwise modify the domain name during the pendency of the action, except upon order of the court"). Although NetPia now serves as the registrar for the domain name aol.org, the registrant of that name, "Will E.," remains unchanged.

According to the record, plaintiff has contacted both OnlineNIC and Netpia, as well as PIR, the ".org" registry, in an effort to have the domain name transferred. It appears that Netpia has also refused to transfer the domain name to plaintiff in accordance with the Judgment Order. It also appears from plaintiff's affidavit that PIR, by contrast, has agreed to transfer aol.org to plaintiff if presented with a specific court order to do so.

This case well illustrates the difficulties frequently encountered by trademark owners who prevail in *in rem* ACPA cases and then seek to enforce court domain name transfer orders against foreign registrars and registrants. Here, it appears the domain name at issue has been

shuttled through three foreign registrants and two foreign registrars in succession, rather like a children's game of "keep away." Moreover, the current registrant and sole listed contact for the domain name, the mysterious "Will E.," is likely fictitious. And, the latest transfer of the domain name from OnlineNIC to Netpia is yet another step in this "keep away" game, plainly intended to delay further or frustrate enforcement of the Judgment Order. Indeed, it appears that this latest change of registrars may have been motivated by a desire on the part of the registrant, or those controlling a fictitious registrant, to place another obstacle in the path of enforcing the Judgment Order by ensuring that the domain name in issue is in the hands of a registrar with no contacts with this country. OnlineNIC, the previous registrar, although headquartered in China, also maintains an office and employees in San Francisco, California, and plaintiff might have sought to enforce the Judgment Order through a federal court in that city. By contrast, Netpia, the current registrar, apparently has no American footprint, which invites the inference that this was the reason for the change of registrars.

Thus, the motion at bar presents the question, discussed but not decided in *GlobalSantaFe*, namely whether federal courts in ACPA *in rem* cases may order a domain name registry to transfer an infringing domain name from the infringer to the trademark holder where, as here, the registrar has refused or failed to do so after notice of an appropriate order. A brief review of *GlobalSantaFe* is appropriate.

The *GlobalSantaFe* plaintiff, like the instant plaintiff, was confronted with the problem of a recalcitrant foreign registrar not subject to the jurisdiction of any American court. But unlike the plaintiff here, the *GlobalSantaFe* plaintiff sought only to have the registry cancel the infringing domain name, pending the possible future transfer of the domain name by the foreign registrar. More specifically, the *GlobalSantaFe* plaintiff requested an order that directed the registry to disable the domain name pending a future transfer, thereby rendering the domain name inoperative without deleting the infringing registrant's registration information.

In considering whether the form of cancellation requested was an appropriate remedy under the ACPA, the *GlobalSantaFe* opinion discussed at some length three possible means to carry out a cancellation remedy, namely (i) an order directing the registrar to cancel the domain name by issuing a request to the registry according to the usual procedures, (ii) an order directing the registry to disable the domain name by placing it on hold status and rendering it inactive, and (iii) an order directing the registry to act unilaterally to delete the domain name registration without the registrar's cooperation. Based on this discussion, the *GlobalSantaFe* opinion concluded that all three approaches "may be appropriate" means to cancel a domain name. Yet, it was not necessary there to decide ultimately whether the third approach -- directing the registry to delete the domain name registration -- was appropriate, as the plaintiff stopped short of requesting such relief.

Plaintiff here requests an order that reaches beyond the relief granted in *GlobalSantaFe* in two respects. First, the order requested here would direct the registry to transfer the domain name rather than merely cancelling it. Second, the order requested here would direct the registry to act unilaterally to transfer the domain name, an action which, unlike the disabling remedy in *GlobalSantaFe*, appears to be beyond the scope of the registry's contractually-defined procedures for domain name registration, cancellation, and transfer. Nonetheless, the

appropriateness of the relief requested here is readily apparent following *GlobalSantaFe* and requires only a modest extension of the holding in that case.

As noted in *GlobalSantaFe*, the ACPA explicitly provides for both transfer and cancellation of domain names as remedies for ACPA violations. 15 U.S.C. § 1125(d)(2)(D)(i). And, nothing in that statute limits the transfer and cancellation remedies to orders directed only at the domain name registrar; the ACPA neither requires nor implies that cancellation and transfer orders be directed solely at registrars and not registries. Furthermore, the ACPA provides for jurisdiction in the district in which the registrar *or* the registry is located and designates the location of the registrar *or* the registry as the *situs* of a domain name subject to an *in rem* action. *See* 15 U.S.C. §§ 1125(d)(2)(A)& (d)(2)(C)(i). These jurisdictional provisions weigh strongly against any notion that the transfer and cancellation remedies authorized by the ACPA in § 1125(d)(2)(D)(i) are somehow limited to orders directed at registrars, but not registries. Congress deliberately and sensibly provided for jurisdiction where the registry is located so there would be no doubt that courts had the power to direct the registry to carry out the authorized ACPA remedies of transfer and cancellation. Thus, the statutory remedies granted under the ACPA for *in rem* actions are properly enforced by a court order directing the registry, if necessary, to transfer an infringing domain name to the trademark owner.

Moreover, as also noted in *GlobalSantaFe*, the private contractual agreements between a registry, its registrars, and ICANN, the registry's authorizing organization, cannot limit the relief authorized by the ACPA. To be sure, under the governing contracts, the transfer or cancellation of a domain name normally requires the approval or initiative of the current domain name registrar. Even so, it is not clear that a registry that transferred a domain name in response to a court order to do so would be acting in violation of these private contracts.² More significantly, even assuming *arguendo* that an order directing a registry to transfer a domain name *would* require a registry to breach its contractual agreements with ICANN or the registrar, such private agreements "cannot serve to limit the trademark rights and remedies granted to [plaintiff] by federal law under the Lanham Act and the ACPA." In other words, in this instance, "the interest in vindicating congressionally provided trademark rights trumps contract."

Finally, there does not appear to be any relevant practical difference between an order directing the registry to cancel a domain name and one directing the registry to transfer it. Nor do there appear to be any technical obstacles presented by ordering transfer instead of cancellation. In either case, the registry's ability to delete or change the registration information stems from its physical control of the Registry Database which contains all the domain name registrations in the top-level domain for which the registry is responsible. Domain name transfer by the registry is only marginally more complicated than domain name cancellation in that it

² As noted in *GlobalSantaFe*, such a transfer by a registry, *pursuant to a court order*, would not appear to constitute the registry's "acting as a registrar" in violation of the registry's authorizing contract with ICANN. Moreover, in situations where, as here, the registrar refuses to transfer a domain name pursuant to a valid court order, the registrar is likely itself in breach of the registrar-registry agreement and thus may not be entitled to assert a breach of the contract against the registry. It is, therefore, far from clear that a registry would be violating its private contractual obligations in responding to a court order to transfer a domain name.

requires cooperation by the acquiring registrar and the acquiring registrant to supply the appropriate information to be entered into the Registry Database. Yet, this cooperation should typically be no obstacle as the trademark owner is the acquiring registrant and it can choose the acquiring registrar and supply the pertinent information for entry in the Registry Database.

In sum, an order directing PIR, the ".org" registry, to act unilaterally, without the registrar, to transfer the aol.org domain name to plaintiff by altering the information in the ".org" Registry Database maintained and controlled by PIR is an appropriate and available remedy under the ACPA where, as here, the registrar is uncooperative and declines to comply with a proper ACPA transfer order. Nonetheless, because the registrant and the current and prior registrars are foreign, and because their ability to use or administer the aol.org domain name will be affected by an order directing PIR to transfer aol.org to plaintiff, it is appropriate to consider whether the interests of international comity militate against applying this available remedy here.

First, it should be noted that, unlike in *GlobalSantaFe*, there is no evidence in this record that either OnlineNIC or Netpia face a conflicting order from a foreign court directing them not to transfer the domain name to plaintiff, nor is there evidence of an ongoing, concurrent suit in foreign courts with regard to the aol.org domain name. Thus, there is no need to consider here whether it would be appropriate to defer to the jurisdiction and order of a foreign court.

Second, it is now settled that, even though the registrant and the registrar are foreign, the location of the ".org" registry in this district establishes the *situs* of the aol.org domain name here in Virginia and thus provides jurisdiction for an *in rem* action against the domain name itself in this district. See 15 U.S.C. § 1125(d)(2)(A) (providing for an *in rem* civil action against a domain name "in the judicial district where the ... domain name registry ... is located"); *CNN LP v. CNNNews.com*, 162 F. Supp. 2d 484, 489-92 (E.D. Va. 2001) (holding that the location of the registry within this district is sufficient to establish jurisdiction for an *in rem* action under the ACPA, and that this jurisdiction meets Due Process requirements), *aff'd in relevant part, vacated in part* by 66 U.S.P.Q.2D 1057 (4th Cir. 2003) (holding that "the district court properly exercised *in rem* jurisdiction over the domain name").

Third, an order directing PIR to transfer the domain name registration by altering the information contained in the Registry Database within its control is not an extraterritorial application of the Lanham Act. To be sure, the practical effect of the transfer order will be that the foreign registrant is no longer able to use the aol.org domain name to direct traffic toward his web site, whether in the United States, South Korea, or elsewhere. Yet, this is not an "extraterritorial application" of the Lanham Act or the ACPA, because PIR, the ".org" registry, is located in this district, and the transfer order would not "specifically enjoin any activity outside the United States; instead, [the order] would be limited to ordering [the registry] in this [district] to transfer ownership of [the] domain name." In other words, an order directing a United States registry to transfer an infringing domain name to the trademark owner only compels a domestic entity to do something within this country; it does not require any foreign entity to do anything outside of this country. Thus the transfer order directed at the PIR registry is not an illegitimate extraterritorial application of the Lanham Act.

Also baseless is any claim that such a transfer order is unfair to infringing foreign registrants. Significantly, the foreign registrants in this case, like all registrants, had a choice of top-level

domains in which to register a domain name. By choosing to register a domain name in the popular ".org" top-level domain, these foreign registrants deliberately chose to use a top-level domain controlled by a United States registry. They chose, in effect, to play Internet ball in American cyberspace. Had they wished to avoid an American ACPA suit and transfer order and American jurisdiction altogether, they might have chosen to register the infringing domain name in top-level domains with solely foreign registries and registrars, such as ".kr". By the same token, registrants choosing the ".org" top-level domain must know, or reasonably should have known, that the controlling registry for that domain is a United States entity located in Virginia and that, under the ACPA, a federal court in Virginia would ultimately have jurisdiction over any name registered in the ".org" top-level domain.

In sum, the transfer order requested by plaintiff is clearly an authorized and available remedy under the ACPA. Furthermore, concerns of international comity do not counsel against issuing an order directing PIR to transfer the aol.org domain name to plaintiff as a remedy for the infringement of plaintiff's registered trademarks.³ To conclude otherwise would render the Lanham Act ineffective in an important commercial context, a result at odds with the Act's terms and purpose.

An appropriate order amending the November 15, 2002 Judgment Order has issued.

³ Comity concerns might dictate that a foreign registrar be given an initial opportunity to transfer the domain name in response to a court order through the normal registrar-registry procedures before a court directs the registry to transfer the domain name. In this case, however, that avenue has plainly failed.