

B. The Uniform Domain Name Dispute Resolution Policy

Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules")
as approved by the ICANN Board of Directors on 30 October 2009)

Administrative proceedings for the resolution of disputes under the Uniform Dispute Resolution Policy adopted by ICANN shall be governed by these Rules and also the Supplemental Rules of the Provider administering the proceedings, as posted on its web site. To the extent that the Supplemental Rules of any Provider conflict with these Rules, these Rules supersede.

1. Definitions

In these Rules:

Complainant means the party initiating a complaint concerning a domain-name registration.

ICANN refers to the Internet Corporation for Assigned Names and Numbers.

Mutual Jurisdiction means a court jurisdiction at the location of either (a) the principal office of the Registrar (provided the domain-name holder has submitted in its Registration Agreement to that jurisdiction for court adjudication of disputes concerning or arising from the use of the domain name) or (b) the domain-name holder's address as shown for the registration of the domain name in Registrar's Whois database at the time the complaint is submitted to the Provider.

Panel means an administrative panel appointed by a Provider to decide a complaint concerning a domain-name registration.

Panelist means an individual appointed by a Provider to be a member of a Panel.

Party means a Complainant or a Respondent.

Policy means the Uniform Domain Name Dispute Resolution Policy that is incorporated by reference and made a part of the Registration Agreement.

Provider means a dispute-resolution service provider approved by ICANN. A list of such Providers appears at <http://www.icann.org/en/dndr/udrp/approved-providers.htm>.

Registrar means the entity with which the Respondent has registered a domain name that is the subject of a complaint.

Registration Agreement means the agreement between a Registrar and a domain-name holder.

Respondent means the holder of a domain-name registration against which a complaint is initiated.

Reverse Domain Name Hijacking means using the Policy in bad faith to attempt to deprive a registered domain-name holder of a domain name.

Supplemental Rules means the rules adopted by the Provider administering a proceeding to supplement these Rules. Supplemental Rules shall not be inconsistent with the Policy or these Rules and shall cover such topics as fees, word and page limits and guidelines, file size and

format modalities, the means for communicating with the Provider and the Panel, and the form of cover sheets.

Written Notice means hardcopy notification by the Provider to the Respondent of the commencement of an administrative proceeding under the Policy which shall inform the respondent that a complaint has been filed against it, and which shall state that the Provider has electronically transmitted the complaint including any annexes to the Respondent by the means specified herein. Written notice does not include a hardcopy of the complaint itself or of any annexes.

2. Communications

(a) When forwarding a complaint, including any annexes, electronically to the Respondent, it shall be the Provider's responsibility to employ reasonably available means calculated to achieve actual notice to Respondent. Achieving actual notice, or employing the following measures to do so, shall discharge this responsibility:

(i) sending Written Notice of the complaint to all postal-mail and facsimile addresses (A) shown in the domain name's registration data in Registrar's Whois database for the registered domain-name holder, the technical contact, and the administrative contact and (B) supplied by Registrar to the Provider for the registration's billing contact; and

(ii) sending the complaint, including any annexes, in electronic form by e-mail to:

(A) the e-mail addresses for those technical, administrative, and billing contacts;

(B) `postmaster@<the contested domain name>`; and

(C) if the domain name (or "www." followed by the domain name) resolves to an active web page (other than a generic page the Provider concludes is maintained by a registrar or ISP for parking domain-names registered by multiple domain-name holders), any e-mail address shown or e-mail links on that web page; and

(iii) sending the complaint, including any annexes, to any e-mail address the Respondent has notified the Provider it prefers and, to the extent practicable, to all other e-mail addresses provided to the Provider by Complainant under Paragraph 3(b)(v).

(b) Except as provided in Paragraph 2(a), any written communication to Complainant or Respondent provided for under these Rules shall be made electronically via the Internet (a record of its transmission being available), or by any reasonably requested preferred means stated by the Complainant or Respondent, respectively (see Paragraphs 3(b)(iii) and 5(b)(iii)).

(c) Any communication to the Provider or the Panel shall be made by the means and in the manner (including, where applicable, the number of copies) stated in the Provider's Supplemental Rules.

(d) Communications shall be made in the language prescribed in Paragraph 11.

(e) Either Party may update its contact details by notifying the Provider and the Registrar.

(f) Except as otherwise provided in these Rules, or decided by a Panel, all communications

provided for under these Rules shall be deemed to have been made:

(i) if via the Internet, on the date that the communication was transmitted, provided that the date of transmission is verifiable; or, where applicable

(ii) if delivered by telecopy or facsimile transmission, on the date shown on the confirmation of transmission; or:

(iii) if by postal or courier service, on the date marked on the receipt.

(g) Except as otherwise provided in these Rules, all time periods calculated under these Rules to begin when a communication is made shall begin to run on the earliest date that the communication is deemed to have been made in accordance with Paragraph 2(f).

(h) Any communication by

(i) a Panel to any Party shall be copied to the Provider and to the other Party;

(ii) the Provider to any Party shall be copied to the other Party; and

(iii) a Party shall be copied to the other Party, the Panel and the Provider, as the case may be.

(i) It shall be the responsibility of the sender to retain records of the fact and circumstances of sending, which shall be available for inspection by affected parties and for reporting purposes. This includes the Provider in sending Written Notice to the Respondent by post and/or facsimile under Paragraph 2(a)(i).

(j) In the event a Party sending a communication receives notification of non-delivery of the communication, the Party shall promptly notify the Panel (or, if no Panel is yet appointed, the Provider) of the circumstances of the notification. Further proceedings concerning the communication and any response shall be as directed by the Panel (or the Provider).

3. The Complaint

(a) Any person or entity may initiate an administrative proceeding by submitting a complaint in accordance with the Policy and these Rules to any Provider approved by ICANN. (Due to capacity constraints or for other reasons, a Provider's ability to accept complaints may be suspended at times. In that event, the Provider shall refuse the submission. The person or entity may submit the complaint to another Provider.)

(b) The complaint including any annexes shall be submitted in electronic form and shall:

(i) Request that the complaint be submitted for decision in accordance with the Policy and these Rules;

(ii) Provide the name, postal and e-mail addresses, and the telephone and telefax numbers of the Complainant and of any representative authorized to act for the Complainant in the administrative proceeding;

(iii) Specify a preferred method for communications directed to the Complainant in the administrative proceeding (including person to be contacted, medium, and address information) for each of (A) electronic-only material and (B) material including hard copy (where applicable);

(iv) Designate whether Complainant elects to have the dispute decided by a single-member or a three-member Panel and, in the event Complainant elects a three-member Panel, provide the names and contact details of three candidates to serve as one of the Panelists (these candidates may be drawn from any ICANN-approved Provider's list of panelists);

(v) Provide the name of the Respondent (domain-name holder) and all information (including any postal and e-mail addresses and telephone and telefax numbers) known to Complainant regarding how to contact Respondent or any representative of Respondent, including contact information based on pre-complaint dealings, in sufficient detail to allow the Provider to send the complaint as described in Paragraph 2(a);

(vi) Specify the domain name(s) that is/are the subject of the complaint;

(vii) Identify the Registrar(s) with whom the domain name(s) is/are registered at the time the complaint is filed;

(viii) Specify the trademark(s) or service mark(s) on which the complaint is based and, for each mark, describe the goods or services, if any, with which the mark is used (Complainant may also separately describe other goods and services with which it intends, at the time the complaint is submitted, to use the mark in the future.);

(ix) Describe, in accordance with the Policy, the grounds on which the complaint is made including, in particular,

(1) the manner in which the domain name(s) is/are identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and

(2) why the Respondent (domain-name holder) should be considered as having no rights or legitimate interests in respect of the domain name(s) that is/are the subject of the complaint; and

(3) why the domain name(s) should be considered as having been registered and being used in bad faith

(The description should, for elements (2) and (3), discuss any aspects of Paragraphs 4(b) and 4(c) of the Policy that are applicable. The description shall comply with any word or page limit set forth in the Provider's Supplemental Rules.);

(x) Specify, in accordance with the Policy, the remedies sought;

(xi) Identify any other legal proceedings that have been commenced or terminated in connection with or relating to any of the domain name(s) that are the subject of the complaint;

(xii) State that a copy of the complaint, including any annexes, together with the cover sheet as prescribed by the Provider's Supplemental Rules, has been sent or transmitted to the Respondent (domain-name holder), in accordance with Paragraph 2(b);

(xiii) State that Complainant will submit, with respect to any challenges to a decision in the administrative proceeding canceling or transferring the domain name, to the jurisdiction of the courts in at least one specified Mutual Jurisdiction;

(xiv) Conclude with the following statement followed by the signature (in any electronic format) of the Complainant or its authorized representative:

"Complainant agrees that its claims and remedies concerning the registration of the domain name, the dispute, or the dispute's resolution shall be solely against the domain-name holder and waives all such claims and remedies against (a) the dispute-resolution provider and panelists, except in the case of deliberate wrongdoing, (b) the registrar, (c) the registry administrator, and (d) the Internet Corporation for Assigned Names and Numbers, as well as their directors, officers, employees, and agents."

"Complainant certifies that the information contained in this Complaint is to the best of Complainant's knowledge complete and accurate, that this Complaint is not being presented for any improper purpose, such as to harass, and that the assertions in this Complaint are warranted under these Rules and under applicable law, as it now exists or as it may be extended by a good-faith and reasonable argument."; and

(xv) Annex any documentary or other evidence, including a copy of the Policy applicable to the domain name(s) in dispute and any trademark or service mark registration upon which the complaint relies, together with a schedule indexing such evidence.

(c) The complaint may relate to more than one domain name, provided that the domain names are registered by the same domain-name holder.

4. Notification of Complaint

(a) The Provider shall review the complaint for administrative compliance with the Policy and these Rules and, if in compliance, shall forward the complaint, including any annexes, electronically to the Respondent and shall send Written Notice of the complaint (together with the explanatory cover sheet prescribed by the Provider's Supplemental Rules) to the Respondent, in the manner prescribed by Paragraph 2(a), within three (3) calendar days following receipt of the fees to be paid by the Complainant in accordance with Paragraph 19.

(b) If the Provider finds the complaint to be administratively deficient, it shall promptly notify the Complainant and the Respondent of the nature of the deficiencies identified. The Complainant shall have five (5) calendar days within which to correct any such deficiencies, after which the administrative proceeding will be deemed withdrawn without prejudice to submission of a different complaint by Complainant.

(c) The date of commencement of the administrative proceeding shall be the date on which the Provider completes its responsibilities under Paragraph 2(a) in connection with sending the complaint to the Respondent.

(d) The Provider shall immediately notify the Complainant, the Respondent, the concerned Registrar(s), and ICANN of the date of commencement of the administrative proceeding.

5. The Response

(a) Within twenty (20) days of the date of commencement of the administrative proceeding the Respondent shall submit a response to the Provider.

(b) The response, including any annexes, shall be submitted in electronic form and shall:

(i) Respond specifically to the statements and allegations contained in the complaint and include any and all bases for the Respondent (domain-name holder) to retain registration and use of the disputed domain name (This portion of the response shall comply with any word or page limit set forth in the Provider's Supplemental Rules.);

(ii) Provide the name, postal and e-mail addresses, and the telephone and telefax numbers of the Respondent (domain-name holder) and of any representative authorized to act for the Respondent in the administrative proceeding;

(iii) Specify a preferred method for communications directed to the Respondent in the administrative proceeding (including person to be contacted, medium, and address information) for each of (A) electronic-only material and (B) material including hard copy (where applicable);

(iv) If Complainant has elected a single-member panel in the complaint (see Paragraph 3(b)(iv)), state whether Respondent elects instead to have the dispute decided by a three-member panel;

(v) If either Complainant or Respondent elects a three-member Panel, provide the names and contact details of three candidates to serve as one of the Panelists (these candidates may be drawn from any ICANN-approved Provider's list of panelists);

(vi) Identify any other legal proceedings that have been commenced or terminated in connection with or relating to any of the domain name(s) that are the subject of the complaint;

(vii) State that a copy of the response including any annexes has been sent or transmitted to the Complainant, in accordance with Paragraph 2(b); and

(viii) Conclude with the following statement followed by the signature (in any electronic format) of the Respondent or its authorized representative:

"Respondent certifies that the information contained in this Response is to the best of Respondent's knowledge complete and accurate, that this Response is not being presented for any improper purpose, such as to harass, and that the assertions in this Response are warranted under these Rules and under applicable law, as it now exists or as it may be extended by a good-faith and reasonable argument."; and

(ix) Annex any documentary or other evidence upon which the Respondent relies, together with a schedule indexing such documents.

(c) If Complainant has elected to have the dispute decided by a single-member Panel and Respondent elects a three-member Panel, Respondent shall be required to pay one-half of the applicable fee for a three-member Panel as set forth in the Provider's Supplemental Rules. This payment shall be made together with the submission of the response to the Provider. In the event that the required payment is not made, the dispute shall be decided by a single-member Panel.

(d) At the request of the Respondent, the Provider may, in exceptional cases, extend the period of time for the filing of the response. The period may also be extended by written stipulation between the Parties, provided the stipulation is approved by the Provider.

(e) If a Respondent does not submit a response, in the absence of exceptional circumstances, the Panel shall decide the dispute based upon the complaint.

6. Appointment of the Panel and Timing of Decision

(a) Each Provider shall maintain and publish a publicly available list of panelists and their qualifications.

(b) If neither the Complainant nor the Respondent has elected a three-member Panel (Paragraphs 3(b)(iv) and 5(b)(iv)), the Provider shall appoint, within five (5) calendar days following receipt of the response by the Provider, or the lapse of the time period for the submission thereof, a single Panelist from its list of panelists. The fees for a single-member Panel shall be paid entirely by the Complainant.

(c) If either the Complainant or the Respondent elects to have the dispute decided by a three-member Panel, the Provider shall appoint three Panelists in accordance with the procedures identified in Paragraph 6(e). The fees for a three-member Panel shall be paid in their entirety by the Complainant, except where the election for a three-member Panel was made by the Respondent, in which case the applicable fees shall be shared equally between the Parties.

(d) Unless it has already elected a three-member Panel, the Complainant shall submit to the Provider, within five (5) calendar days of communication of a response in which the Respondent elects a three-member Panel, the names and contact details of three candidates to serve as one of the Panelists. These candidates may be drawn from any ICANN-approved Provider's list of panelists.

(e) In the event that either the Complainant or the Respondent elects a three-member Panel, the Provider shall endeavor to appoint one Panelist from the list of candidates provided by each of the Complainant and the Respondent. In the event the Provider is unable within five (5) calendar days to secure the appointment of a Panelist on its customary terms from either Party's list of candidates, the Provider shall make that appointment from its list of panelists. The third Panelist shall be appointed by the Provider from a list of five candidates submitted by the Provider to the Parties, the Provider's selection from among the five being made in a manner that reasonably balances the preferences of both Parties, as they may specify to the Provider within five (5) calendar days of the Provider's submission of the five-candidate list to the Parties.

(f) Once the entire Panel is appointed, the Provider shall notify the Parties of the Panelists appointed and the date by which, absent exceptional circumstances, the Panel shall forward its decision on the complaint to the Provider.

7. Impartiality and Independence

A Panelist shall be impartial and independent and shall have, before accepting appointment, disclosed to the Provider any circumstances giving rise to justifiable doubt as to the Panelist's impartiality or independence. If, at any stage during the administrative proceeding, new circumstances arise that could give rise to justifiable doubt as to the impartiality or independence of the Panelist, that Panelist shall promptly disclose such circumstances to the Provider. In such event, the Provider shall have the discretion to appoint a substitute Panelist.

8. Communication Between Parties and the Panel

No Party or anyone acting on its behalf may have any unilateral communication with the Panel. All communications between a Party and the Panel or the Provider shall be made to a case administrator appointed by the Provider in the manner prescribed in the Provider's Supplemental Rules.

9. Transmission of the File to the Panel

The Provider shall forward the file to the Panel as soon as the Panelist is appointed in the case of a Panel consisting of a single member, or as soon as the last Panelist is appointed in the case of a three-member Panel.

10. General Powers of the Panel

(a) The Panel shall conduct the administrative proceeding in such manner as it considers appropriate in accordance with the Policy and these Rules.

(b) In all cases, the Panel shall ensure that the Parties are treated with equality and that each Party is given a fair opportunity to present its case.

(c) The Panel shall ensure that the administrative proceeding takes place with due expedition. It may, at the request of a Party or on its own motion, extend, in exceptional cases, a period of time fixed by these Rules or by the Panel.

(d) The Panel shall determine the admissibility, relevance, materiality and weight of the evidence.

(e) A Panel shall decide a request by a Party to consolidate multiple domain name disputes in accordance with the Policy and these Rules.

11. Language of Proceedings

(a) Unless otherwise agreed by the Parties, or specified otherwise in the Registration Agreement, the language of the administrative proceeding shall be the language of the Registration Agreement, subject to the authority of the Panel to determine otherwise, having regard to the circumstances of the administrative proceeding.

(b) The Panel may order that any documents submitted in languages other than the language of the administrative proceeding be accompanied by a translation in whole or in part into the language of the administrative proceeding.

12. Further Statements

In addition to the complaint and the response, the Panel may request, in its sole discretion, further statements or documents from either of the Parties.

13. In-Person Hearings

There shall be no in-person hearings (including hearings by teleconference, videoconference, and web conference), unless the Panel determines, in its sole discretion and as an exceptional matter, that such a hearing is necessary for deciding the complaint.

14. Default

(a) In the event that a Party, in the absence of exceptional circumstances, does not comply with any of the time periods established by these Rules or the Panel, the Panel shall proceed to a decision on the complaint.

(b) If a Party, in the absence of exceptional circumstances, does not comply with any provision of, or requirement under, these Rules or any request from the Panel, the Panel shall draw such inferences therefrom as it considers appropriate.

15. Panel Decisions

(a) A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable.

(b) In the absence of exceptional circumstances, the Panel shall forward its decision on the complaint to the Provider within fourteen (14) days of its appointment pursuant to Paragraph 6.

(c) In the case of a three-member Panel, the Panel's decision shall be made by a majority.

(d) The Panel's decision shall be in writing, provide the reasons on which it is based, indicate the date on which it was rendered and identify the name(s) of the Panelist(s).

(e) Panel decisions and dissenting opinions shall normally comply with the guidelines as to length set forth in the Provider's Supplemental Rules. Any dissenting opinion shall accompany the majority decision. If the Panel concludes that the dispute is not within the scope of Paragraph 4(a) of the Policy, it shall so state. If after considering the submissions the Panel finds that the complaint was brought in bad faith, for example in an attempt at Reverse Domain Name Hijacking or was brought primarily to harass the domain-name holder, the Panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding.

16. Communication of Decision to Parties

(a) Within three (3) calendar days after receiving the decision from the Panel, the Provider shall communicate the full text of the decision to each Party, the concerned Registrar(s), and ICANN. The concerned Registrar(s) shall immediately communicate to each Party, the Provider, and ICANN the date for the implementation of the decision in accordance with the Policy.

(b) Except if the Panel determines otherwise (see Paragraph 4(j) of the Policy), the Provider shall publish the full decision and the date of its implementation on a publicly accessible web site. In any event, the portion of any decision determining a complaint to have been brought in bad faith (see Paragraph 15(e) of these Rules) shall be published.

17. Settlement or Other Grounds for Termination

(a) If, before the Panel's decision, the Parties agree on a settlement, the Panel shall terminate the administrative proceeding.

(b) If, before the Panel's decision is made, it becomes unnecessary or impossible to continue

the administrative proceeding for any reason, the Panel shall terminate the administrative proceeding, unless a Party raises justifiable grounds for objection within a period of time to be determined by the Panel.

18. Effect of Court Proceedings

(a) In the event of any legal proceedings initiated prior to or during an administrative proceeding in respect of a domain-name dispute that is the subject of the complaint, the Panel shall have the discretion to decide whether to suspend or terminate the administrative proceeding, or to proceed to a decision.

(b) In the event that a Party initiates any legal proceedings during the pendency of an administrative proceeding in respect of a domain-name dispute that is the subject of the complaint, it shall promptly notify the Panel and the Provider. See Paragraph 8 above.

19. Fees

(a) The Complainant shall pay to the Provider an initial fixed fee, in accordance with the Provider's Supplemental Rules, within the time and in the amount required. A Respondent electing under Paragraph 5(b)(iv) to have the dispute decided by a three-member Panel, rather than the single-member Panel elected by the Complainant, shall pay the Provider one-half the fixed fee for a three-member Panel. See Paragraph 5(c). In all other cases, the Complainant shall bear all of the Provider's fees, except as prescribed under Paragraph 19(d). Upon appointment of the Panel, the Provider shall refund the appropriate portion, if any, of the initial fee to the Complainant, as specified in the Provider's Supplemental Rules.

(b) No action shall be taken by the Provider on a complaint until it has received from Complainant the initial fee in accordance with Paragraph 19(a).

(c) If the Provider has not received the fee within ten (10) calendar days of receiving the complaint, the complaint shall be deemed withdrawn and the administrative proceeding terminated.

(d) In exceptional circumstances, for example in the event an in-person hearing is held, the Provider shall request the Parties for the payment of additional fees, which shall be established in agreement with the Parties and the Panel.

20. Exclusion of Liability

Except in the case of deliberate wrongdoing, neither the Provider nor a Panelist shall be liable to a Party for any act or omission in connection with any administrative proceeding under these Rules.

21. Amendments

The version of these Rules in effect at the time of the submission of the complaint to the Provider shall apply to the administrative proceeding commenced thereby. These Rules may not be amended without the express written approval of ICANN.

Educational Testing Service v. aaa

World Intellectual Property Organization (WIPO) Arbitration and Mediation Center
ADMINISTRATIVE PANEL DECISION
Case No. D2010-0022

1. The Parties

The Complainant is Educational Testing Service of New Jersey, United States of America, represented by Lile H Denard of Dorsey & Whitney of United States of America.

The Respondent is aaa of Neimengguzizhiqu, China.

2. The Domain Name and Registrar

The disputed domain name toefleasy.com is registered with Xinnet Technology Corporation.

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on January 6, 2010. On January 7, 2010, the Center transmitted by email to Xinnet Technology Corporation a request for registrar verification in connection with the disputed domain name. On January 12, 2010, Xinnet Technology Corporation transmitted by email to the Center its verification response disclosing the registrant's name differed from the named Respondent in the Complaint. The Center sent an email communication to the Complainant on January 13, 2010, providing the registrant information disclosed by the Registrar, and inviting the Complainant to submit an amendment to the Complaint. The Complainant filed an amendment to the Complaint on January 14, 2010.

The Center verified that the Complaint together with the amendment to the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2(a) and 4(a), the Center formally notified the Respondent of the Complaint, and the proceedings commenced on January 19, 2010. In accordance with the Rules, paragraph 5(a), the due date for Response was February 8, 2010. The Respondent did not submit any Response. The Center notified the Respondent's default on February 9, 2010.

The Center appointed Douglas Clark as the sole panelist in this matter on February 19, 2010. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

The Complaint was submitted in English and included a request from the Complainant that English be the language of the proceedings, while the language of the registration agreement for the domain name is Chinese. On January 13, 2010, the Center notified both the Complainant and Respondent in English and Chinese that the Parties would be given the opportunity to submit

comments on Complainant's language request.

On January 14, 2010, the Complainant filed a request for English to be the language of the proceedings.

The Respondent did not submit any objection to the language request.

On January 19, 2010, the Center notified the Complainant and the Respondent in English and Chinese that:

“Given the provided submissions and circumstances of this case, the Center has decided to:

- 1) accept the Complaint as filed in English;
- 2) accept a Response in either Chinese or English;
- 3) appoint a Panel familiar with both languages mentioned above, if available.”

The Center also notified the Complainant and the Respondent that the discretion to decide the language of the proceedings lay with the Panel on appointment.

Decision on language of proceedings

The domain name registration agreement is in Chinese. According to Rules paragraph 11, “unless otherwise agreed by the Parties, or specified otherwise in the Registration Agreement, the language of the administrative proceedings shall be the language of the Registration Agreement”.

In its Complaint and request for English to be the language of the proceedings, the Complainant relied upon two grounds to support the request:

1. The Respondent's ability to understand English; and
2. Expense and delay in requiring translation.

This Panel is often called upon to determine the language of proceedings in UDRP disputes involving domain names where the registration agreement is in a language other than English. Most of these cases are where the registration agreements are in Chinese.

The Panel would like to emphasize that the key issue in determining the language of proceedings is fairness to both parties. Bearing this in mind the Panel now considers the Complainant's grounds for requesting the proceedings proceed in English.

With regard to the first ground, the Complainant relied upon the following factors:

- a. The domain name consists of a famous mark, TOEFL, which denotes a test for English language testing proficiency;
- b. The registration denotes Respondent's knowledge of the TOEFL test;
- c. Respondent has offered English language products and services to assist persons preparing to take the TOEFL test;
- d. The Respondent registered the domain name in Roman characters as well as registering an email address `toeflidd@[email address]`;
- e. The domain name includes the English word “easy”.

The Complainant argued that as a result “the Respondent has demonstrated the ability to understand and effectively communicate in English”.

The Panel cannot agree with this conclusion. The Panel agrees that it is likely the Respondent can understand English. The evidence does not show that the Respondent can effectively communicate in English.

With regard to the second ground, the Complainant also relied on the case *L'Oreal v. Liao Quanyong*, WIPO Case No. D2007-1552 to argue that to require translation of the complaint would cause “substantial additional expense and delay”.

The Panel did not find this second ground convincing because the Complainant filed with its Complaint notarized reports in Chinese prepared on behalf of the Complainant. These reports showed the use made by the Respondent of the Complainant's materials on the website under the domain name. The reports were prepared at the request of a Chinese agent of the Complainant, who can communicate in Chinese. The Complainant clearly had the ability to file the Complaint in Chinese, if necessary, without incurring “substantial expense and delay”.

More importantly, the Complainant, despite requesting the proceedings proceed in English, did not provide a translation into English of the Chinese language evidence.

The Panel would encourage parties to consider fully what will be fair to both parties when making their request as to language of proceedings. There is no bar to requesting bilingual proceedings. This can be done in a similar form to the determination made by the Centre set out above. This Panel has conducted such bilingual proceedings.

Indeed, when a party is relying on evidence in a language other than that of the complaint without providing a translation (as was done by the Complainant in this case), it is this Panel's view that it is generally fair practice to send communications as if it was a bilingual proceeding (so called dual-language). Otherwise, it is well within a panel's rights to request a translation of the evidence into the language of the Complaint or for the panel to ignore the evidence that is not translated into the language of the Complaint.

In this case, the Panel has decided to proceed in line with the Center's initial determination of the language of proceedings and accept the Complaint as filed in English (and because the Panel can read them without requiring translation of the exhibits). The Panel would have accepted a Response filed in Chinese. While this would have incurred some expense on the part of the Complainant it is fairer to the Respondent to allow it to respond in the language of the registration agreement if it so wishes. As the only pleading is in English and the Panel is satisfied it is likely in the circumstances of this case that the Respondent can understand English, the Panel will issue a decision in English.

4. Factual Background

The Complainant is a not for profit corporation organized and existing under the Education Law of the State of New York which has been providing education and language testing services since 1947. The Complainant has used, registered and applied for numerous trademarks for, inter alia, information manuals dealing with education testing and administering tests dealing with

languages in the United States of America and worldwide, including, the Mainland of the People's Republic of China. It obtained its first United States Trademark Registration for TOEFL in 1978 and in the Mainland of the People's Republic of China in 1994. The disputed domain name toefleasy.com was registered on October 31, 2008.

5. Parties' Contentions

A. Complainant

The Complainant contends that the domain name toefleasy.com is confusingly similar to its trademark TOEFL and its domain name toefl.com.

The Complainant contends that the Respondent has no rights or legitimate interests in respect of the domain name.

Finally, the Complainant contends that the domain name was registered and is being used in bad faith.

The Complainant's has made many arguments to support its case. The Panel has considered all of these, but only summarizes the main arguments below.

Identical or Confusingly Similar

The disputed domain name toefleasy.com is confusingly similar to the Complainant's well-known mark TOEFL and its domain name toefl.com. The mere addition of the generic term “easy” does not remove the similarity.

Rights or Legitimate Interests

The Respondent cannot demonstrate that it has any rights or legitimate interests in the domain name and that prior panels have put a light burden on complainants to prove a negative (Croatia Airlines dd v. Modern Empire Internet Ltd, WIPO Case No. D2003-0455).

The Respondent has not made any bona fide use of the domain name nor is it known by the domain name. The use of the domain name in fact breaches the Respondent's Registration Agreement which requires the use of the domain name not breach others' rights.

Registered and Used in Bad Faith

The Complainant asserts that the Respondent has registered and used the mark in bad faith on the basis that the use of the domain name is to capitalize on the Complainant's goodwill.

The Respondent must have known of the Complainant and its rights in the TOEFL mark before registering the domain name and while the domain name is not currently in use could not intend to make any use that would infringe the Complainant's rights. The Complainant also adduced notarized evidence from China that the Respondent was making available the Complainant's test materials on the website under the domain name toefleasy.com until September 2009.

B. Respondent

The Respondent did not reply to the Complainant's contentions.

6. Discussion and Findings

There being no Response, paragraphs 5(e) and 14(a) of the Rules direct the Panel, in the absence of exceptional circumstances, to decide the dispute on the basis of the Complaint.

Under paragraph 4(a) of the Policy, the Complainant must prove the following three elements in order to make out a successful case:

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

A. Identical or Confusingly Similar

The Complainant has registered trademark rights in the TOEFL mark in the United States of America and China. The Respondent has registered the disputed domain name <toefleasy.com>, which merely adds the generic word “easy” to the Complainant's mark.

The Panel is satisfied from the evidence filed that the TOEFL mark is distinctive of the Complainant's business. The addition of the word “easy” does not in anyway detract from the similarity of the TOEFL mark or domain name to “toefleasy”. Rather in the Panel's view it clearly indicates that the website under the domain name is designed to help make “Toefl” tests easy.

The Panel finds that the disputed domain name is confusingly similar to the Complainant's registered mark TOEFL.

Accordingly, the Complainant has satisfied the first element under paragraph 4(a) of the Policy.

B. Rights or Legitimate Interests

The disputed domain name was registered in 2008, approximately 30 years after the Complainant obtained its first registration of the TOEFL trademark in the United States of America, and 13 years after the Complainant obtained its first TOEFL trademark in China. The Respondent is not known by the disputed domain name and has never been authorized by the Complainant to use the registered marks.

The Respondent has not provided evidence of the type specified in paragraph 4(c) of the Policy giving rise to rights or legitimate interests in the domain name.

The Panel is satisfied from the evidence filed that the use made by the Respondent of the domain name is not bona fide, and cannot give rise to rights or legitimate interests on the part of the Respondent under paragraph 4(a) of the Policy.

Accordingly, the Complainant has satisfied the second element under paragraph 4(a) of the Policy.

C. Registered and Used in Bad Faith

Paragraph 4(b) of the Policy provides a non-exhaustive list of four circumstances which, if

found by the Panel to be present, alone or in combination, shall be evidence of the registration and use of the domain name in bad faith.

The Complainant effectively (although without citing it) relies principally on the provisions of paragraph 4(b)(iv) of the Policy:

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

a. Registration in bad faith

The evidence filed by the Complainant clearly demonstrates that at the time of the Respondent's registration of the disputed domain name in 2008, the Complainant had already established a global reputation in the TOEFL marks including in China. The subsequent use made by the Respondent of the domain name to make the Complainant's test materials available on the website is also clear evidence of bad faith.

The Panel accordingly has no hesitation in finding that the registration was in bad faith.

b. Use in bad faith

The Complainant provided clear evidence to demonstrate the Respondent's use of the disputed domain name in bad faith up to September 2009. The Complainant's test materials were available up to that date on the Respondent's website without the authorization of the Complainant. The website also made reference to TOEFL by reference to its Chinese trademark, making it clear that the Respondent was well aware of the Complainant.

This is sufficient for this Panel to find that the domain name has been used in bad faith.

Because the domain name at the time of filing the Complaint was not being used, the Complainant argued that the mere passive holding of the domain name toefleasy.com was also use in bad faith. To this Panel the fact the domain name was being used in bad faith at a time relatively close to the filing of the Complaint is sufficient evidence of use in bad faith and it is not, therefore, necessary to consider the question of passive holding in this case.

Accordingly, the Complainant has satisfied the third element under paragraph 4(a) of the Policy.

7. Decision

For all the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the domain name toefleasy.com be transferred to the Complainant.

Douglas Clark

Sole Panelist

Dated: February 22, 2010

**Munchkin, Inc. v. Whois Privacy Protection Service, Inc. and Mamas and Munchkins,
LLC**

WIPO Arbitration and Mediation Center
ADMINISTRATIVE PANEL DECISION
Case No. D2010-0014

1. The Parties

Complainant is Munchkin, Inc. of North Hills, California, United States of America, represented by the law firm Panitch Schwarze Belisario & Nadel, LLP, United States of America.

Respondent is Whois Privacy Protection Service, Inc. and Mamas and Munchkins, LLC of Bellevue, Washington, United States of America, and Lake Forest, Illinois, United States of America, respectively represented internally.

2. The Domain Name and Registrar

The disputed domain name mamasandmunchkins.com is registered with eNom.

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on January 5, 2010. On January 6, 2010, the Center transmitted by email to eNom. a request for registrar verification in connection with the disputed domain name. On January 6, 2010, eNom transmitted by email to the Center its verification response confirming that Respondent is listed as the registrant and providing the contact details. The Center verified that the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy, the Rules for Uniform Domain Name Dispute Resolution Policy, and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy.

In accordance with the Rules, paragraphs 2(a) and 4(a), the Center formally notified Respondent of the Complaint, and the proceedings commenced on January 11, 2010. In accordance with the Rules, paragraph 5(a), the due date for Response was January 31, 2010, and the Response was filed with the Center on that date.

The Center appointed Richard G. Lyon as the sole panelist in this matter on February 8, 2010. The Panel finds that it has jurisdiction over this administrative proceeding. The Panel has submitted his Statement of Acceptance and Declaration of Impartiality and Independence.

On February 9, 2010, Complainant contacted the Center, requesting that the proceedings be suspended while the parties explored settlement. The Center referred the matter to the Panel, who suspending the proceedings through March 16, 2010. Neither party advised the Center of a settlement by that date, so this Panel shall proceed to a decision.

Immediately after expiry of the suspension period the Center received a request from Complainant to extend the suspension period to pursue settlement. No specific time period was requested, and Complainant gave no indication whether Respondent consented to Complainant's request.

As has been frequently noted in UDRP decisions, an administrative proceeding under the Policy is not civil litigation. The Policy and the Rules are intended for prompt resolution of a limited class of disputes. Both emphasize dispatch in proceeding to a decision, and indefinite suspensions are rarely if ever permitted. Even requests for discrete extensions that might be routine in a lawsuit are disfavored. All too often such requests for extensions of time limits prescribed by the Rules are little more than thinly disguised stalling. The Panel expresses no opinion on whether that is the case here, but notes that he deems a further extension to be inconsistent with the expedition called for by the Policy and the Rules.

4. Factual Background

Complainant makes and sells products for babies, children, and their parents. Many of these products are patented. Complainant hold several trademarks registered with the United States Patent and Trademark Office for MUNCHKIN. Of those referenced in the Complaint the first was registered in 1997 based upon a claimed first use in commerce in 1994. Complainant's principal website is munchkin.com.

Respondent registered the disputed domain name in November 2005 and uses it to sell baby and women's products under the categories Maternity, Mamas Bags, Munchkin Wear, Munchkin Gear, BPA free Bottles and Sippy Cups, Safety, and Sale. All products appear to be made by well-known third party manufacturers such as Elle, babysparewear, and Trumpette. None of the products offered on Respondent's site was made by Complainant. Products are pictured and described, with each manufacturer's name identified. Each page is identified prominently with the name MAMAS & MUNCHKINS in the upper left hand corner. This website is well developed and professionally presented, and includes perhaps a dozen pages of products. The Wayback Machine at archive.org indicates similar use since January 2006, shortly after Respondent's registration of the disputed domain name.

Complainant sent Respondent cease-and-desist letters in July and October 2009 but received no reply.

5. Parties' Contentions

A. Complainant

The Panel summarizes Complainant's contentions as follows:

1. Complainant holds rights in its MUNCHKIN marks by reason of their registration with the USPTO. The disputed domain name “fully incorporates” that mark. Respondent's registration of the disputed domain name conflicts with its representations made in the registration agreement, in particular its undertaking under paragraph 2 of the Policy.¹ Because Respondent sells similar

¹ “2. Your Representations. By applying to register a domain name, or by asking us to maintain or renew a domain name registration, you hereby represent and warrant to us that (a) the statements that you made in your Registration Agreement are complete and accurate; (b) to your knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party; (c) you are not registering the domain name for an unlawful purpose;

products as Complainant, confusion is likely.

2. Complainant has never licensed Respondent to use its marks, Respondent holds no trademark rights to MUNCHKIN, and Respondent is not a reseller of Complainant's goods. Respondent's use of a domain name incorporating Complainant's mark for sale of competing goods is not bona fide or legitimate under paragraph 4(a)(ii) of the Policy.

3. Respondent had "constructive notice" of Complainant's MUNCHKIN marks when it registered the disputed domain name. Registration of a domain name that incorporates the mark of a competitor and using it to compete with the mark owner constitutes registration and use in bad faith. "Respondent's incorporation of Complainant's mark in its domain name, coupled with the fact that Complainant has prior valid and subsisting rights in the MUNCHKIN trademark is a sufficient basis for establishing bad faith."

B. Respondent

Respondent's contentions are short and to the point, so the Panel will quote them in full rather than summarize:

"...the name MUNCHKINS itself is a plural and means children (as in the Munchkins from the Wizard of Oz movie fame). I am a working mother of 5 small children running a very small online business out of my home. I certainly do not feel like a threat to this multi million dollar organization. I am familiar with the Munchkin line but I do not believe that the legal name of my business (Mamas and Munchkins, LLC) nor my website (www.mamasandmunchkins.com) infringes on their business. At no time has anyone EVER mistaken me for them by contacting [sic] me to ask if I carry their products. I was not aware that a nickname for children (AKA Munchkins) could be a trademark violation. When the company was legally filed my lawyer checked for trademark violations at that time and saw no conflict with the word Munchkins. I will respect your decision at the WIPO and I look forward to hearing from you. I have no problem changing landing page or metatag words that are inadvertently listed as munchkin versus munchkins but I would prefer to keep the corporation name and website name that I've worked hard for years to build customer loyalty to so that I can continue to support my large family."

6. Discussion and Findings

The Policy's requirements are conjunctive; Complainant's failure to carry its burden of proof under any of the provisions of paragraph 4(a) results in a denial of the Complaint. As on the Complaint and its supporting exhibits there is no proof of registration or use in bad faith, the Complaint must be denied.

In order to establish registration in bad faith, in this Panel's view, Complainant must demonstrate by competent evidence that Respondent actually knew of Complainant's mark and selected the disputed domain name to take advantage of the renown that mark has achieved.

and (d) you will not knowingly use the domain name in violation of any applicable laws or regulations. It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights."

Complainant takes little (if any) account of these requirements; its sole pleaded basis for its charges of Respondent's lack of legitimate interest and bad faith are its “prior valid and subsisting” trademark rights in MUNCHKIN are incorporated in the disputed domain name and its statement that Respondent has used the disputed domain name to “direct consumers to its website” and “misleadingly divert consumers away from the complainant's business”. As stated by many panels on previous occasions, with very limited exceptions the American trademark law doctrine of constructive notice does not apply in Policy proceedings. Nothing in the record in this case supports departing from that Consensus View. Complainant's mark is not well-known in the trademark sense, and (as Respondent points out) it is a term derived from a popular movie from the 1940s that is often used as an affectionate moniker for children.² Though Respondent acknowledges knowing of the mark, the record indicates no attempt, direct or subtle, at targeting.³ Complainant alleges none, only the sale of third party competing products. There is no showing (and no allegation) of copying the look and feel or any feature of Complainant's website, and no showing of any confusion or any similarity. As in *Sophia's Heritage Collection, Inc. v. Beverly Danusis*, WIPO Case No. D2009-1752, “at no time did Respondent appear to seek to exploit the goodwill attaching to Complainant's mark. This is not an instance where seeking a free ride on Complainant's mark is the only reasonable explanation for selecting the disputed domain name.” It is just as likely that Respondent included MUNCHKIN in its corporate name and web address because of the movie from which the term originated as from imitation of Complainant.

While not necessary to the Panel's decision, it is worth noting that Respondent's five-year use of the disputed domain name for an active business (as opposed to a placeholder page or collection of hyperlinks) and Respondent's business name – “Mamas & Munchkins” - very likely bring Respondent within the safe harbors of paragraphs 4(c)(i) and (ii) of the Policy, defeating any prima facie showing by Complainant under paragraph 4(a)(ii).⁴ The facts set forth in the preceding sentence were accessible to Complainant prior to submitting its Complaint.

Given the fact that the Complaint on its face reveals serious inadequacies that demonstrate no

² Munchkin is more than slang; it has become a standard English word. See, e.g., *American Heritage Dictionary of the English Language*, 4th Ed.: munchkin is defined as “1. A very small person. 2. [Informal] A child.”

³ Complaint asserts that Respondent's use of MUNCHKIN in its metatags evidences targeting. How use in these particular circumstances of a word in Respondent's corporate and online name in a metatag becomes per se bad faith is unexplained.

⁴ Complainant's reference to paragraph 2 of the Policy merits only a footnote. None of the recent cases that have discussed this Policy provision has placed upon a domain name holder a continuing obligation to monitor trademark registries for the mere existence of marks that might be included in a domain name. As noted in the text, Complainant here seeks transfer based only upon existence of its mark and the fact that Respondent sells some of its competitors' products. Bad faith under the Policy requires more than that.

likelihood of success on the merits, Complainant's filing of the Complaint approaches Reverse Domain Name Hijacking. See *1 Model Management, LLC. v. L.A.S. Inc., Latifa Aadess, 1 Models LLC*, WIPO Case No. D2008-1173. The Panel in his discretion, however, elects not to make such a finding, in the hope that Complainant will now leave Respondent alone.

7. Decision

For all the foregoing reasons, the Complaint is denied.

Richard G. Lyon

Sole Panelist

Dated: March 25, 2010

DLUHOS v. STRASBERG 321 F.3d 365 (3d Cir. 2003)

ALDISERT, Circuit Judge.

This appeal requires us to decide whether a dispute resolution under the Internet Corporation for Assigned Names and Numbers' Uniform Domain Name Dispute Resolution Policy ("UDRP") is entitled to the extremely deferential standard of judicial review set forth in the Federal Arbitration Act ("FAA"). After Appellant Eric Dluhos registered the domain name www.leestrasberg.com invoking the name of the renowned acting coach, representatives of Lee Strasberg's widow, his acting institute and his estate instituted administrative proceedings culminating in a National Arbitration Forum dispute resolution that shifted the domain name from Dluhos to the Strasberg parties. Dluhos simultaneously sought relief in the district court, which applied the FAA standards to the NAF panel's order and dismissed the complaint. Dluhos appealed, and we now reverse.

I.

On June 25, 1999, pro se plaintiff Eric Dluhos entered into a domain-name registration agreement with NSI to register the domain name www.leestrasberg.com. The registration agreement required Dluhos to abide by NSI's dispute resolution policy, which incorporated the Internet Corporation for Assigned Names and Numbers' Uniform Domain Name Dispute Resolution Policy. The UDRP -- and thus Dluhos' agreement with NSI-- requires a domain-name registrant to submit to a "mandatory administrative proceeding" before an approved dispute resolution service provider to resolve a third party's complaint concerning the registration and use of a particular registered domain name. The National Arbitration Forum is one such approved provider.

Anna Strasberg -- the widow of Lee Strasberg -- owns and directs the Lee Strasberg Theatre Institute and serves as the executrix of the Estate of Lee Strasberg. As executrix, she is responsible for Estate-owned trademarks and service marks. CMG Worldwide, Inc. represents and manages Internet sites for the Estate, the Institute and Anna Strasberg. CMG maintains an official Web site for the Institute, the Estate and Anna Strasberg at www.strasberg.com.

Dluhos' registration of www.leestrasberg.com came to the attention of Mark Roesler, CMG's chief executive officer. In May 2000, Roesler sent four letters to Dluhos, informing him that his use of the domain name www.leestrasberg.com violated the Strasberg trademarks and that CMG would take action to have the domain name transferred, potentially through UDRP dispute resolution, if Dluhos would not rescind it.

Having heard nothing from Dluhos, CMG submitted a complaint to the National Arbitration Foundation on June 2, 2000. The complaint requested a UDRP dispute resolution proceeding and formally disputed Dluhos' right to use the domain name, alleging that the domain name was "identical or confusingly similar to" a trademark owned by the Estate; that Dluhos had "no rights or legitimate interests" in the name; and that he had registered and used the name "in bad faith." Dluhos had until June 26, 2000 to respond. Rather than participating in the dispute resolution process to which he had agreed when he registered the domain name with NSI a year earlier, Dluhos submitted a letter of limited appearance to the NAF to explain that he would not submit to dispute resolution. He added that he would instead file a complaint in federal court. On June 27, 2000, he filed a complaint with the district court.

Three days later on June 30, 2000, a one-member NAF panel issued an order suspending the NAF/UDRP proceeding in light of the pending federal lawsuit. See UDRP § 18 (giving panel "the discretion to decide whether to suspend or terminate the administrative proceeding, or to proceed to a decision" while a lawsuit is pending). Because Dluhos failed to serve properly either the Strasberg defendants or the CMG defendants, CMG formally requested in August 2000 that the NAF lift the suspension order and proceed with UDRP dispute resolution. NAF lifted the order when CMG served notice of its request on Dluhos and paid a \$150 fee to remove the suspension order.

On October 26, 2000, the NAF panel issued a decision against Dluhos -- without his participation -- and directed that the domain name www.leestrasberg.com be transferred to the Estate. See UDRP § 5(e) (mandating that the panel "decide the dispute based upon the complaint" if a registrant declines to participate in the UDRP proceedings).

Dluhos filed an amended complaint in the district court on October 31, 2000. He challenged the constitutionality of the dispute resolution process, and asked the district court to restore his right in the domain name www.leestrasberg.com. All defendants promptly filed motions to dismiss for failure to state a claim, and in an August 31, 2001 memorandum and order, the district court granted the defendants' motions. After dismissing all constitutional and § 1983 claims against the defendants for want of state action, the district court dismissed the various state law claims against all parties for failure to state a claim for which relief may be granted.

The court then proceeded to review the NAF's decision in favor of the Strasberg and CMG defendants under: 1) 9 U.S.C § 10(a)(2)-10(a)(3) of the Federal Arbitration Act, which authorizes a district court to vacate an arbitration decision if there is "evident partiality or corruption in the arbitrator[]," or if "the arbitrators were guilty of misconduct . . . in refusing to hear evidence pertinent and material to the controversy"; and 2) the judicially created "manifest disregard of the law" standard, which allows a district court to vacate an arbitration award that "evidences

manifest disregard of the law rather than an erroneous interpretation." The district court reviewed and upheld the NAF's decision under both deferential standards.

II.

We review a district court's denial of a motion to vacate a commercial arbitration award de novo.

III.

The Federal Arbitration Act explicitly permits the use of arbitration and specifically authorizes individuals in commercial transactions to contract for arbitration. Congress enacted the FAA in 1925 to offset the "hostility of American courts to the enforcement of arbitration agreements." As the FAA evinces the "liberal federal policy favoring arbitration," the legislation "compels judicial enforcement of a wide range of written arbitration agreements."

If a dispute-resolution mechanism constitutes arbitration under the FAA, then a district court may vacate it only under exceedingly narrow circumstances. It may vacate it where there is "evident partiality or corruption in the arbitrator[]," or because "the arbitrators were guilty of misconduct . . . in refusing to hear evidence pertinent and material to the controversy." 9 U.S.C. §§ 10(a)(2)-10(a)(3). A district court may also vacate an arbitrator's decision where the arbitrator's decision "evidence[s] a manifest disregard for the law rather than an erroneous interpretation of the law." The net result of a court's application of this standard is generally to affirm easily the arbitration award under this extremely deferential standard -- a result that is squarely in line with the purpose behind the FAA where courts are tasked with reviewing an arbitration decision. If, however, a dispute-resolution mechanism does not constitute arbitration under the FAA, then a district court has no jurisdiction to review the result absent an independent jurisdictional hook.

At issue before us then is whether the nonbinding domain name resolution policy (UDRP) proceeding that shifted Appellant's registered domain name to the Strasberg defendants constitutes arbitration under the FAA. If this proceeding qualifies as arbitration under the FAA, then the dispute resolution is subject to extremely limited review. If it does not fall under the FAA umbrella, then the district court lacked jurisdiction to examine -- and thus to affirm -- the result under the lax FAA review standards.

IV.

We begin our analysis of the FAA's applicability by examining the specific arbitration agreement at issue, a contract-based arrangement for handling disputes between domain name registrants and third parties who challenge the registration and use of their trademarks. In our view, the UDRP's unique contractual arrangement renders the FAA's provisions for judicial review inapplicable.

A.

First, the UDRP obviously contemplates the possibility of judicial intervention, as no provision of the policy prevents a party from filing suit before, after or during the administrative

proceedings. See UDRP § 4(k). In that sense, this mechanism would not fall under the FAA because "the dispute will [not necessarily] be settled by this arbitration."

The UDRP was intended to ensure that the parties could seek independent judicial resolution of domain name disputes, regardless of whether its proceeding reached a conclusion. *Weber-Stephen Prods. Co. v. Armitage Hardware & Bldg. Supply, Inc.*, 2000 U.S. Dist LEXIS 6335 (N.D. Ill. May 3, 2000) (concluding that the UDRP takes account of the possibility of parallel litigation in federal court"). Indeed, unlike methods of dispute resolution covered by the FAA, UDRP proceedings were never intended to replace formal litigation. David E. Sorkin, *Judicial Review of ICANN Domain Name Dispute Decisions*, 18 *SANTA CLARA COMPUTER & HIGHTECH L.J.* 35, 51-52 (2001) ("Unlike conventional arbitration, the UDRP is not meant to replace litigation, but merely to provide an additional forum for dispute resolution, with an explicit right of appeal to the courts."). Rather, the UDRP contemplates truncated proceedings. It "is fashioned as an 'online' procedure administered via the Internet," which does not permit discovery, the presentation of live testimony (absent exceptional circumstances), or any remedy other than the transfer or cancellation of the domain name in question. See UDRP S 4(i).

B.

Second, the trademark holder is not required to avail itself of the dispute resolution policy before moving ahead in the district court thus removing the proceeding from the warmth of the FAA blanket. Only the domain-name registrant is contractually obligated to participate in the proceeding if a complaint is filed. Even then, the panel may "decide the dispute based on the complaint" if the registrant declines to participate. UDRP § 5(e). That Dluhos could do precisely that by eschewing the NAF proceeding and filing suit in district court only demonstrates the dispute resolution policy's outcome's relative hollowness. Indeed, it is not the district court litigation that could be stayed pending dispute resolution, but rather the dispute-resolution mechanism itself. See UDRP § 18. That is exactly what the NAF panel did.

C.

The bottom line is that a registrant who loses a domain name to a trademark holder "can effectively suspend [a] panel's decision by filing a lawsuit in the specified jurisdiction and notifying the registrar in accordance with [UDRP § 4(k)]." From that provision, it is evident that the UDRP provides "parity of appeal," affording a "clear mechanism" for "seeking judicial review of a decision of an administrative panel canceling or transferring the domain name."

Accordingly, we hold that UDRP proceedings do not fall under the Federal Arbitration Act. More specifically, judicial review of those decisions is not restricted to a motion to vacate arbitration award under § 10 of the FAA, which applies only to binding proceedings likely to "realistically settle the dispute." The district court erred in reviewing the domain name proceeding under limitations of FAA standards.

V.

Because the UDRP -- a private covenant -- cannot confer federal jurisdiction where none independently exists, the remaining question is whether Congress has provided a cause of action to challenge its decisions. In the Anticybersquatting Consumer Protection Act, we hold it has.

The ACPA, 15 U.S.C. § 1114(2)(D)(v), "provide[s] registrants . . . with an affirmative cause of action to recover domain names lost in UDRP proceedings." Under this modern amendment to the Lanham Act, a registrant whose domain name has been "suspended, disabled, or transferred" may sue for a declaration that the registrant is not in violation of the Act, as well as for an injunction returning the domain name. Congress' authorization of the federal courts to "grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant" gives the registrant an explicit cause of action through which to redress the loss of a domain name under the UDRP. Dluhos' end goal is the return of www.leestrasberg.com to him, bringing his cause of action under the ACPA.

Accordingly, as to the CMG and Strasberg defendants, we will reverse and remand the case for further proceedings consistent with this opinion. This decision in no way reflects an intimation that the NAP panel erred in its judgment, but merely that UDRP resolutions do not fall under the limited judicial review of the FAA. As to the remaining claims, this Court will affirm the dismissal of the constitutional claims as well as the state law claims against all parties.

C. Keyword Advertising

1-800 CONTACTS, INC. v. WHENU.COM, INC. and VISION DIRECT, INC.
414 F.3d 400 (2d Cir.), *cert. denied*, 5546 U.S. 1033 (2005)

OPINION

JOHN M. WALKER, JR., *Chief Judge*:

Defendant-appellant WhenU.com, Inc. ("WhenU") is an internet marketing company that uses a proprietary software called "SaveNow" to monitor a computer user's internet activity in order to provide the computer user ("C-user") with advertising, in the form of "pop-up ads," that is relevant to that activity. Plaintiff-appellee 1-800 Contacts, Inc. ("1-800") is a distributor that sells contact lenses and related products by mail, telephone, and internet website. At the time 1-800 filed this action in the United States District Court for the Southern District of New York, it owned a registered trademark in the service mark "WE DELIVER. YOU SAVE." and had filed applications with the United States Patent and Trademark Office on July 8, 1999, to register the service mark "1-800CONTACTS", and on October 2, 2000, to register the service mark of "1-800CONTACTS" in a specific color-blocked design logo.

1-800 filed a complaint alleging that WhenU was infringing 1-800's trademarks, in violation of the Lanham Act, 15 U.S.C. §§ 1114(1), 1125(a)(1), by causing pop-up ads of 1-800's competitors to appear on a C-user's desktop when the C-user accessed 1-800's website. The district court granted 1-800's motion for a preliminary injunction and enjoined WhenU from using 1-800's trademarks, or anything confusingly similar to such trademarks, in connection with WhenU's contextually relevant advertising. WhenU filed this appeal.

We hold that, as a matter of law, WhenU does not "use" 1-800's trademarks within the meaning of the Lanham Act when it (1) includes 1-800's website address, which is almost

identical to 1-800's trademark, in an unpublished directory of terms that trigger delivery of WhenU's contextually relevant advertising to C-users; or (2) causes separate, branded pop-up ads to appear on a C-user's computer screen either above, below, or along the bottom edge of the 1-800 website window. Accordingly, we reverse the district court's entry of a preliminary injunction and remand with instructions to dismiss 1-800's trademark infringement claims.

BACKGROUND

The Challenged Conduct

WhenU provides a proprietary software called "SaveNow" without charge to individual C-users, usually as part of a bundle of software that the C-user voluntarily downloads from the internet. "Once installed, the SaveNow software requires no action by the [C-user] to activate its operations; instead, the SaveNow software responds to a [C-user]'s 'in-the-moment' activities by generating pop-up advertisement windows" that are relevant to those specific activities. To deliver contextually relevant advertising to C-users, the SaveNow software employs an internal directory comprising "approximately 32,000 [website addresses] and [address] fragments, 29,000 search terms and 1,200 keyword algorithms" that correlate with particular consumer interests to screen the words a C-user types into a web browser or search engine or that appear within the internet sites a C-user visits.

When the SaveNow software recognizes a term, it randomly selects an advertisement from the corresponding product or service category to deliver to the C-user's computer screen at roughly the same time the website or search result sought by the C-user appears. As the district court explained,

The SaveNow software generates at least three kinds of ads--an ad may be a small 'pop-up' . . . [that appears] in the bottom right-hand corner of a [C-user]'s screen; it may be a 'pop-under' advertisement that appears behind the webpage the [C-user] initially visited; or it may be a 'panoramic' ad[] that stretches across the bottom of the [C-user]'s computer screen.

Each type of ad appears in a window that is separate from the particular website or search-results page the C-user has accessed. In addition, a label stating "A WhenU Offer--click ? for info." appears in the window frame surrounding the ad, together with a button on the top right of the window frame marked "?" that, when clicked by the C-user, displays a new window containing information about WhenU and its ads, as well as instructions for uninstalling the resident SaveNow software.⁵

⁵ Specifically, C-users are informed that

"this offer is brought to you by WhenU.com, through the SaveNow service. SaveNow alerts you to offers and services at the moment when they are most relevant to you. SaveNow does not collect any personal information or browsing history from its users. Your privacy is 100 percent protected. The offers shown to you by SaveNow are not affiliated with the site you are visiting. For more about SaveNow, click here or e-mail information at WhenU.com."

If a SaveNow user who has accessed the 1-800 Contacts website and has received a WhenU.com pop-up advertisement does not want to view the advertisement or the advertiser's website, the user can click on the visible portion of the [1-800] window . . . , [which will move] the 1-800 Contacts website . . . to the front of the screen display, with the pop-up ad moving behind the website window. Or, . . . the [C-user] can close the pop-up website by clicking on its "X," or close, button. If the user clicks on the pop-up ad, the main browser window (containing the 1-800 Contacts website) will be navigated to the website of the advertiser that was featured inside the pop-up advertisement.

In its complaint, 1-800 alleges that WhenU's conduct infringes 1-800's trademarks, in violation of Sections 32(1) and 43(a) of the Lanham Act, 15 U.S.C. §§ 1114(1), 1125(a), by delivering advertisements of 1-800's competitors (*e.g.*, Vision Direct, Inc.) to C-users who have intentionally accessed 1-800's website. The allegations that pertain specifically to 1-800's trademark claims appear to be as follows: (1) WhenU's pop-up ads appear "on," "over," or "on top of" the 1-800 website without 1-800's authorization, and change its appearance; (2) as a result, the ads impermissibly "appear to be an integral and fully authorized part of [1-800's] website"; (3) in addition, WhenU's unauthorized pop-up ads "interfere with and disrupt the carefully designed display of content" on the website, thereby altering and hindering a C-user's access to 1-800's website; (4) WhenU is thereby "free-riding" and "trad[ing] upon the goodwill and substantial customer recognition associated with the 1-800 Contacts marks"; and (5) WhenU is using 1-800's trademarks in a manner that creates a likelihood of confusion.

The district court held that 1-800 had demonstrated a likelihood of success on its trademark infringement claims and issued a preliminary injunction.

DISCUSSION

WhenU challenges the district court's finding that WhenU "uses" 1-800's trademarks within the meaning of the Lanham Act, 15 U.S.C. § 1127.

Lanham Act

In order to prevail on a trademark infringement claim for registered trademarks, pursuant to 15 U.S.C. § 1114, or unregistered trademarks, pursuant to 15 U.S.C. § 1125(a)(1), a plaintiff must establish that (1) it has a valid mark that is entitled to protection under the Lanham Act; and that (2) the defendant used the mark, (3) in commerce, (4) "in connection with the sale . . . or advertising of goods or services," 15 U.S.C. § 1114(1)(a), (5) without the plaintiff's consent. In addition, the plaintiff must show that defendant's use of that mark "is likely to cause confusion . . ." 15 U.S.C. § 1125(a)(1)(A).

The district court erred as a matter of law in finding that WhenU "uses" 1-800's trademark. Because 1-800 cannot establish an essential element of its trademark claims, 1-800's trademark infringement claims must be dismissed.

"Use" Under the Lanham Act

The Lanham Act defines "use in commerce," in relevant part, as follows:

. . . . For purposes of this Chapter, a mark shall be deemed to be in use in commerce-

(1) on goods when-

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce, and

(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce

15 U.S.C. § 1127.

In issuing the preliminary injunction, the district court held that WhenU

use[s] [1-800]'s mark in two ways. First, in causing pop-up advertisements for Defendant Vision Direct to appear when SaveNow users have specifically attempted to access [1-800]'s website--on which Plaintiff's trademark appears--[WhenU is] displaying Plaintiff's mark "in the . . . advertising of" Defendant Vision Direct's services . . . [and, t]hus, . . . [is] "using" Plaintiff's marks that appear on Plaintiff's website.

Second, Defendant WhenU.com includes Plaintiff's [website address], trademark,] in the proprietary WhenU.com directory of terms that triggers pop-up advertisements on SaveNow users' computers. In so doing, Defendant WhenU.com "uses" Plaintiff's mark . . . to advertise and publicize companies that are in direct competition with Plaintiff.

Prior to the district court's decision, two other courts had addressed the issue of "use" as it applies to WhenU's specific activities and reached the opposite conclusion. In *Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp. 2d 734 (E.D. Mich. 2003), the district court denied Wells Fargo's motion for a preliminary injunction after finding that WhenU's inclusion of plaintiff Wells Fargo's trademarked website address in WhenU's proprietary directory of keywords was not "use" for purposes of the Lanham Act, and that WhenU did not alter or interfere with Wells Fargo's website in any manner. The district court in *U-Haul International, Inc. v. WhenU.com, Inc.*, 279 F. Supp. 2d 723 (E.D. Va. 2003), employing a very similar analysis, granted summary judgment in favor of WhenU after concluding that WhenU's inclusion of U-Haul's trademarked website address in the SaveNow directory was not actionable because it was for a "pure machine-linking function" that was not "use" under the Lanham Act.

In the case before us, the district court's consideration of these two decisions on the precise issue at hand was confined to a footnote in which it concluded, without discussion, that it "disagree[d] with, and [was] not bound by these findings." Unlike the district court, we find the thorough analyses set forth in both *U-Haul* and *Wells Fargo* to be persuasive and compelling.

A. *The SaveNow Directory*

The district court held that WhenU's inclusion of 1-800's website address in the SaveNow directory constitutes a prohibited "use" of 1-800's trademark. We disagree.

At the outset, we note that WhenU does not "use" 1-800's trademark in the manner ordinarily at issue in an infringement claim: it does not "place" 1-800 trademarks on any goods or services in order to pass them off as emanating from 1-800. The fact is that WhenU does not display 1-800's trademarks at all, nor does it cause the trademarks to be displayed to a C-user. Rather, WhenU reproduces 1-800's website address, identical, to 1-800's 1-800CONTACTS trademark.

The district court found that the differences between 1-800's trademarks and the website address utilized by WhenU were insignificant because they were limited to the addition of the "www." and ".com" and the omission of the hyphen and a space. We conclude, to the contrary, the differences between the marks are quite significant because they transform 1-800's trademark into a word combination that functions more or less like a public key to 1-800's website.

Moreover, it is plain that WhenU is using 1-800's website address precisely because it is a website address, rather than because it bears any resemblance to 1-800's trademark, because the only place WhenU reproduces the address is in the SaveNow directory. Although the directory resides in the C-user's computer, it is inaccessible to both the C-user and the general public. Thus, the appearance of 1-800's website address in the directory does not create a possibility of visual confusion with 1-800's mark. More important, a WhenU pop-up ad cannot be triggered by a C-user's input of the 1-800 trademark or the appearance of that trademark on a webpage accessed by the c-user. Rather, in order for WhenU to capitalize on the fame and recognition of 1-800's trademark - the improper motivation both 1-800 and the district court ascribe to WhenU - it would have needed to put the actual trademark on the list.⁶ In contrast to some of its competitors, moreover, WhenU does not disclose the proprietary contents of the SaveNow directory to its advertising clients nor does it permit these clients to request or purchase specified keywords to add to the directory.

A company's internal utilization of a trademark in a way that does not communicate it to the public is analogous to a individual's private thoughts about a trademark. Such conduct simply does not violate the Lanham Act, which is concerned with the use of trademarks in connection with the sale of goods or services in a manner likely to lead to consumer confusion as to the source of such goods or services.

Accordingly, we conclude that WhenU's inclusion of the 1-800 website address in its SaveNow directory does not infringe on 1-800's trademark.

B. *The Pop-up Advertisements*

The primary issue to be resolved by this appeal is whether the placement of pop-up ads on a C-user's screen contemporaneously with either the 1-800 website or a list of search results

⁶ This observation, however, is not intended to suggest that inclusion of a trademark in the directory would necessarily be an infringing "use." We express no view on this distinct issue.

obtained by the C-user's input of the 1-800 website address constitutes "use" under the Lanham Act, 15 U.S.C. §§ 1114(1), 1125(a). The district court reasoned that WhenU, by "causing pop-up advertisements for Defendant Vision Direct to appear when SaveNow users have specifically attempted to access [1-800]'s website, . . . [is] displaying [1-800]'s mark in the . . . advertising of . . . Vision Direct's services."

The fatal flaw with this holding is that WhenU's pop-up ads do *not* display the 1-800 trademark. The district court's holding, however, appears to have been based on the court's acceptance of 1-800's claim that WhenU's pop-up ads appear "on" and affect 1-800's website. As we explained above, the WhenU pop-up ads appear in a separate window that is prominently branded with the WhenU mark; they have absolutely no tangible effect on the appearance or functionality of the 1-800 website.

More important, the appearance of WhenU's pop-up ad is not contingent upon or related to 1-800's trademark, the trademark's appearance on 1-800's website, or the mark's similarity to 1-800's website address. Rather, the contemporaneous display of the ads and trademarks is the result of the happenstance that 1-800 chose to use a mark similar to its trademark as the address to its web page and to place its trademark on its website. The pop-up ad, which is triggered by the C-user's input of 1-800's website address, would appear even if 1-800's trademarks were not displayed on its website. A pop-up ad could also appear if the C-user typed the 1-800 website address, not as an address, but as a search term in the browser's search engine, and then accessed 1-800's website by using the hyperlink that appeared in the list of search results.

In addition, 1-800's website address is not the only term in the SaveNow directory that could trigger a Vision Direct ad to "pop up" on 1-800's website. For example, an ad could be triggered if a C-user searched for "contacts" or "eye care," both terms contained in the directory, and then clicked on the listed hyperlink to 1-800's website.

Exemplifying the conceptual difficulty that inheres in this issue, the district court's decision suggests that the crux of WhenU's wrongdoing -- and the primary basis for the district court's finding of "use" -- is WhenU's alleged effort to capitalize on a C-user's specific attempt to access the 1-800 website. As the court explained it,

WhenU.com is doing far more than merely "displaying" Plaintiff's mark. WhenU's advertisements are delivered to a SaveNow user when the user directly accesses Plaintiff's website--thus allowing Defendant Vision Direct to profit from the goodwill and reputation in Plaintiff's website that led the user to access Plaintiff's website in the first place.

Absent improper use of 1-800's trademark, however, such conduct does not violate the Lanham Act. Indeed, it is routine for vendors to seek specific "product placement" in retail stores precisely to capitalize on their competitors' name recognition. For example, a drug store typically places its own store-brand generic products next to the trademarked products they emulate in order to induce a customer who has specifically sought out the trademarked product to consider the store's less-expensive alternative. WhenU employs this same marketing strategy by informing C-users who have sought out a specific trademarked product about available coupons, discounts, or alternative products that may be of interest to them.

1-800 disputes this analogy by arguing that unlike a drugstore, only the 1-800 website is displayed when the pop-up ad appears. This response, however, ignores the fact that a C-user who has installed the SaveNow software receives WhenU pop-up ads in a myriad of contexts, the vast majority of which are unlikely to have anything to do with 1-800 or the C-user's input of the 1-800 website address.⁷

The cases relied on by 1-800 do not alter our analysis. As explained in detail by the court in *U-Haul*, they are all readily distinguishable because WhenU's conduct does not involve any of the activities those courts found to constitute "use." Significantly, WhenU's activities do not alter or affect 1-800's website in any way. Nor do they divert or misdirect C-users away from 1-800's website, or alter in any way the results a C-user will obtain when searching with the 1-800 trademark or website address. *Compare Playboy Enters., Inc. v. Netscape Communications Corp.*, 354 F.3d 1020, 1024 (9th Cir. 2004) (holding that infringement could be based on defendant's insertion of unidentified banner ads on C-user's search-results page).

In addition, unlike several other internet advertising companies, WhenU does not "sell" keyword trademarks to its customers or otherwise manipulate which category-related advertisement will pop up in response to any particular terms on the internal directory. *See, e.g., GEICO*, 330 F. Supp. 2d at 703-04 (finding that Google's sale to advertisers of right to use specific trademarks as "keywords" to trigger their ads constituted "use in commerce"). In other words, WhenU does not link trademarks to any particular competitor's ads, and a customer cannot pay to have its pop-up ad appear on any specific website or in connection with any particular trademark. Instead, the SaveNow directory terms trigger categorical associations (e.g., *www.1800Contacts.com* might trigger the category of "eye care"), at which point, the software will randomly select one of the pop-up ads contained in the eye-care category to send to the C-user's desktop.

Perhaps because ultimately 1-800 is unable to explain precisely how WhenU "uses" its trademark, it resorts to bootstrapping a finding of "use" by alleging other elements of a trademark claim. For example, 1-800 invariably refers to WhenU's pop-up ads as "unauthorized" in an effort, it would seem, to establish by sheer force of repetition the element of unauthorized use of a trademark. Contrary to 1-800's repeated admonitions, WhenU's pop-up ads *are* authorized -- if unwittingly -- by the C-user who has downloaded the SaveNow software.

1-800 also argues that WhenU's conduct is "use" because it is likely to confuse C-users as to the source of the ad. It buttresses this claim with a survey it submitted to the district court that purportedly demonstrates that (1) a majority of C-users believe that pop-up ads that appear *on* websites are sponsored by those websites, and (2) numerous C-users are unaware that they have downloaded the SaveNow software. 1-800 also relies on several cases in which the court

⁷ Indeed, although we do not address the district court's finding of a likelihood of confusion, we note that 1-800's claim that C-users will likely be confused into thinking that 1-800 has sponsored its competitor's pop-up ads is fairly incredulous given that C-users who have downloaded the SaveNow software receive numerous WhenU pop-up ads -- each displaying the WhenU brand -- in varying contexts and for a broad range of products.

seemingly based a finding of trademark "use" on the confusion such "use" was likely to cause. Again, this rationale puts the cart before the horse. Not only are "use," "in commerce," and "likelihood of confusion" three distinct elements of a trademark infringement claim, but "use" must be decided as a threshold matter because, while any number of activities may be "in commerce" or create a likelihood of confusion, no such activity is actionable under the Lanham Act absent the "use" of a trademark. Because 1-800 has failed to establish such "use," its trademark infringement claims fail.

Rescuecom Corp. v. Google, Inc.
562 F.3d 123 (2d Cir. 2009)

OPINION

LEVAL, *Circuit Judge*:

Appeal by Plaintiff Rescuecom Corp. from a judgment of the United States District Court for the Northern District of New York dismissing its action against Google, Inc. for failure to state a claim upon which relief may be granted. Rescuecom's Complaint alleges that Google is liable under §§ 32 and 43 of the Lanham Act, 15 U.S.C. §§ 1114 & 1125, for infringement, false designation of origin, and dilution of Rescuecom's eponymous trademark. The district court believed the dismissal of the action was compelled by our holding in *1-800 Contacts, Inc. v. WhenU.com, Inc.*, 414 F.3d 400 (2d Cir. 2005) ("*1-800*"), because Rescuecom failed to allege that Google's use of its mark was a "use in commerce" within the meaning of § 45 of the Lanham Act, 15 U.S.C. § 1127. We believe this misunderstood the holding of *1-800*. While we express no view as to whether Rescuecom can prove a Lanham Act violation, an actionable claim is adequately alleged in its pleadings. Accordingly, we vacate the judgment dismissing the action and remand for further proceedings.

BACKGROUND

Rescuecom is a national computer service franchising company that offers on-site computer services and sales. Rescuecom conducts a substantial amount of business over the Internet and receives between 17,000 to 30,000 visitors to its website each month. It also advertises over the Internet, using many web-based services, including those offered by Google. Since 1998, "Rescuecom" has been a registered federal trademark, and there is no dispute as to its validity.

Google operates a popular Internet search engine, which users access by visiting www.google.com. Using Google's website, a person searching for the website of a particular entity in trade (or simply for information about it) can enter that entity's name or trademark into Google's search engine and launch a search. Google's proprietary system responds to such a search request in two ways. First, Google provides a list of links to websites, ordered in what Google deems to be of descending relevance to the user's search terms based on its proprietary algorithms. Google's search engine assists the public not only in obtaining information about a provider, but also in purchasing products and services. If a prospective purchaser, looking for goods or services of a particular provider, enters the provider's trademark as a search term on Google's website and clicks to activate a search, within seconds, the Google search engine will

provide on the searcher's computer screen a link to the webpage maintained by that provider (as well as a host of other links to sites that Google's program determines to be relevant to the search term entered). By clicking on the link of the provider, the searcher will be directed to the provider's website, where the searcher can obtain information supplied by the provider about its products and services and can perhaps also make purchases from the provider by placing orders.

The second way Google responds to a search request is by showing context-based advertising. When a searcher uses Google's search engine by submitting a search term, Google may place advertisements on the user's screen. Google will do so if an advertiser, having determined that its ad is likely to be of interest to a searcher who enters the particular term, has purchased from Google the placement of its ad on the screen of the searcher who entered that search term. What Google places on the searcher's screen is more than simply an advertisement. It is also a link to the advertiser's website, so that in response to such an ad, if the searcher clicks on the link, he will open the advertiser's website, which offers not only additional information about the advertiser, but also perhaps the option to purchase the goods and services of the advertiser over the Internet. Google uses at least two programs to offer such context-based links: AdWords and Keyword Suggestion Tool.

AdWords is Google's program through which advertisers purchase terms (or keywords). When entered as a search term, the keyword triggers the appearance of the advertiser's ad and link. An advertiser's purchase of a particular term causes the advertiser's ad and link to be displayed on the user's screen whenever a searcher launches a Google search based on the purchased search term. Advertisers pay Google based on the number of times Internet users "click" on the advertisement, so as to link to the advertiser's website. For example, using Google's AdWords, Company Y, a company engaged in the business of furnace repair, can cause Google to display its advertisement and link whenever a user of Google launches a search based on the search term, "furnace repair." Company Y can also cause its ad and link to appear whenever a user searches for the term "Company X," a competitor of Company Y in the furnace repair business. Thus, whenever a searcher interested in purchasing furnace repair services from Company X launches a search of the term X (Company X's trademark), an ad and link would appear on the searcher's screen, inviting the searcher to the furnace repair services of X's competitor, Company Y. And if the searcher clicked on Company Y's link, Company Y's website would open on the searcher's screen, and the searcher might be able to order or purchase Company Y's furnace repair services.

In addition to Adwords, Google also employs Keyword Suggestion Tool, a program that recommends keywords to advertisers to be purchased. The program is designed to improve the effectiveness of advertising by helping advertisers identify keywords related to their area of commerce, resulting in the placement of their ads before users who are likely to be responsive to it. Thus, continuing the example given above, if Company Y employed Google's Keyword Suggestion Tool, the Tool might suggest to Company Y that it purchase not only the term "furnace repair" but also the term "X," its competitor's brand name and trademark, so that Y's ad would appear on the screen of a searcher who searched Company X's trademark, seeking Company X's website.

Once an advertiser buys a particular keyword, Google links the keyword to that advertiser's advertisement. The advertisements consist of a combination of content and a link to the advertiser's webpage. Google displays these advertisements on the search result page either in the right margin or in a horizontal band immediately above the column of relevance-based search results. These advertisements are generally associated with a label, which says "sponsored link." Rescuecom alleges, however, that a user might easily be misled to believe that the advertisements which appear on the screen are in fact part of the relevance-based search result and that the appearance of a competitor's ad and link in response to a searcher's search for Rescuecom is likely to cause trademark confusion as to affiliation, origin, sponsorship, or approval of service. This can occur, according to the Complaint, because Google fails to label the ads in a manner which would clearly identify them as purchased ads rather than search results. The Complaint alleges that when the sponsored links appear in a horizontal bar at the top of the search results, they may appear to the searcher to be the first, and therefore the most relevant, entries responding to the search, as opposed to paid advertisements.

Google's objective in its AdWords and Keyword Suggestion Tool programs is to sell keywords to advertisers. Rescuecom alleges that Google makes 97% of its revenue from selling advertisements through its AdWords program. Google therefore has an economic incentive to increase the number of advertisements and links that appear for every term entered into its search engine.

Many of Rescuecom's competitors advertise on the Internet. Through its Keyword Suggestion Tool, Google has recommended the Rescuecom trademark to Rescuecom's competitors as a search term to be purchased. Rescuecom's competitors, some responding to Google's recommendation, have purchased Rescuecom's trademark as a keyword in Google's AdWords program, so that whenever a user launches a search for the term "Rescuecom," seeking to be connected to Rescuecom's website, the competitors' advertisement and link will appear on the searcher's screen. This practice allegedly allows Rescuecom's competitors to deceive and divert users searching for Rescuecom's website. According to Rescuecom's allegations, when a Google user launches a search for the term "Rescuecom" because the searcher wishes to purchase Rescuecom's services, links to websites of its competitors will appear on the searcher's screen in a manner likely to cause the searcher to believe mistakenly that a competitor's advertisement (and link) is sponsored by, endorsed by, or affiliated with Rescuecom.

The District Court granted Google's 12(b)(6) motion and dismissed Rescuecom's claims. The court believed that our *1-800* decision compels the conclusion that Google's allegedly infringing activity does not involve use of Rescuecom's mark in commerce, which is an essential element of an action under the Lanham Act. The district court explained its decision saying that even if Google employed Rescuecom's mark in a manner likely to cause confusion or deceive searchers into believing that competitors are affiliated with Rescuecom and its mark, so that they believe the services of Rescuecom's competitors are those of Rescuecom, Google's actions are not a "use in commerce" under the Lanham Act because the competitor's advertisements triggered by Google's programs did not exhibit Rescuecom's trademark. The court rejected the argument that Google "used" Rescuecom's mark in recommending and selling it as a keyword to trigger

competitor's advertisements because the court read *1-800* to compel the conclusion that this was an internal use and therefore cannot be a "use in commerce" under the Lanham Act.

DISCUSSION

I. Google's Use of Rescuecom's Mark Was a "Use in Commerce"

Our court ruled in *1-800* that a complaint fails to state a claim under the Lanham Act unless it alleges that the defendant has made "use in commerce" of the plaintiff's trademark as the term "use in commerce" is defined in 15 U.S.C. § 1127. The district court believed that this case was on all fours with *1-800*, and that its dismissal was required for the same reasons as given in *1-800*. We believe the cases are materially different.

In *1-800*, the plaintiff alleged that the defendant infringed the plaintiff's trademark through its proprietary software, which the defendant freely distributed to computer users who would download and install the program on their computer. The program provided contextually relevant advertising to the user by generating pop-up advertisements to the user depending on the website or search term the user entered in his browser. The pop-up ad appeared in a separate browser window from the website the user accessed, and the defendant's brand was displayed in the window frame surrounding the ad, so that there was no confusion as to the nature of the pop-up as an advertisement, nor as to the fact that the defendant, not the trademark owner, was responsible for displaying the ad, in response to the particular term searched.

Sections 32 and 43 of the Act, which we also refer to by their codified designations, 15 U.S.C. §§1114 & 1125, impose liability for unpermitted "use in commerce" of another's mark which is "likely to cause confusion, or to cause mistake, or to deceive," § 1114, "as to the affiliation . . . or as to the origin, sponsorship or approval of his or her goods [or] services . . . by another person." § 1125(a)(1)(A). The *1-800* opinion looked to the definition of the term "use in commerce" provided in § 45 of the Act, 15 U.S.C. § 1127. That definition provides in part that "a mark shall be deemed to be in use in commerce . . . (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce." 15 U.S.C. § 1127. Our court found that the plaintiff failed to show that the defendant made a "use in commerce" of the plaintiff's mark, within that definition.

At the outset, we note two significant aspects of our holding in *1-800*, which distinguish it from the present case. A key element of our court's decision in *1-800* was that the defendant did not use, reproduce, or display the plaintiff's mark *at all*. The search term that was alleged to trigger the pop-up ad was the plaintiff's *website address*. *1-800* noted, notwithstanding the similarities between the website address and the mark, that the website address was not used or claimed by the plaintiff as a trademark. Thus, the transactions alleged to be infringing were not transactions involving use of the plaintiff's trademark.⁸ *1-800* suggested in dictum that is highly

⁸ We did not imply in *1-800* that a website can never be a trademark. In fact, the opposite is true. See Trademark Manual of Examining Procedures § 1209.03(m) (5th ed. 2007) ("A mark comprised of an Internet domain name is registrable as a trademark or service mark only if it functions as an identifier of the source of goods or services."). The question whether the

relevant to our case that had the defendant used the plaintiff's *trademark* as the trigger to pop-up an advertisement, such conduct might, depending on other elements, have been actionable.

Second, as an alternate basis for its decision, *1-800* explained why the defendant's program, which might randomly trigger pop-up advertisements upon a searcher's input of the plaintiff's website address, did not constitute a "use in commerce," as defined in § 1127. In explaining why the plaintiff's mark was not "used or displayed in the sale or advertising of services," *1-800* pointed out that, under the defendant's program, advertisers could not request or purchase keywords to trigger their ads. Even if an advertiser wanted to display its advertisement to a searcher using the plaintiff's trademark as a search term, the defendant's program did not offer this possibility. In fact, the defendant "did not disclose the proprietary contents of [its] directory to its advertising clients" In addition to not selling trademarks of others to its customers to trigger these ads, the defendant did not "otherwise manipulate which category-related advertisement will pop up in response to any particular terms on the internal directory." The display of a particular advertisement was controlled by the category associated with the website or keyword, rather than the website or keyword itself. The defendant's program relied upon categorical associations such as "eye care" to select a pop-up ad randomly from a predefined list of ads appropriate to that category. To the extent that an advertisement for a competitor of the plaintiff was displayed when a user opened the plaintiff's website, the trigger to display the ad was not based on the defendant's sale or recommendation of a particular trademark.

The present case contrasts starkly with those important aspects of the *1-800* decision. First, in contrast to *1-800*, where we emphasized that the defendant made no use whatsoever of the plaintiff's trademark, here what Google is recommending and selling to its advertisers is Rescuecom's trademark. Second, in contrast with the facts of *1-800* where the defendant did not "use or display," much less sell, trademarks as search terms to its advertisers, here Google displays, offers, and sells Rescuecom's mark to Google's advertising customers when selling its advertising services. In addition, Google encourages the purchase of Rescuecom's mark through its Keyword Suggestion Tool. Google's utilization of Rescuecom's mark fits literally within the terms specified by 15 U.S.C. § 1127. According to the Complaint, Google uses and sells Rescuecom's mark "in the sale . . . of [Google's advertising] services . . . rendered in commerce."

Google, supported by amici, argues that *1-800* suggests that the inclusion of a trademark in an internal computer directory cannot constitute trademark use. Several district court decisions in this Circuit appear to have reached this conclusion. *See e.g., S&L Vitamins, Inc. v. Australian Gold, Inc.*, 521 F. Supp. 2d 188, 199-202 (E.D.N.Y. 2007) (holding that use of a trademark in metadata did not constitute trademark use within the meaning of the Lanham Act because the use "is strictly internal and not communicated to the public"); *Merck & Co., Inc. v. Mediplan Health Consulting, Inc.*, 425 F. Supp. 2d 402, 415 (S.D.N.Y. 2006) (holding that the internal use of a keyword to trigger advertisements did not qualify as trademark use). This over-reads the *1-800* decision. First, regardless of whether Google's use of Rescuecom's mark in its internal search

plaintiff's website address was an unregistered trademark was never properly before the *1-800* court because the plaintiff did not claim that it used its website address as a trademark.

algorithm could constitute an actionable trademark use, Google's recommendation and sale of Rescuecom's mark to its advertising customers are not internal uses. Furthermore, *1-800* did not imply that use of a trademark in a software program's internal directory precludes a finding of trademark use. Rather, influenced by the fact that the defendant was not using the plaintiff's trademark at all, much less using it as the basis of a commercial transaction, the court asserted that the particular use before it did not constitute a use in commerce. We did not imply in *1-800* that an alleged infringer's use of a trademark in an internal software program insulates the alleged infringer from a charge of infringement, no matter how likely the use is to cause confusion in the marketplace. If we were to adopt Google and its amici's argument, the operators of search engines would be free to use trademarks in ways designed to deceive and cause consumer confusion.⁹ This is surely neither within the intention nor the letter of the Lanham Act.

Google and its amici contend further that its use of the Rescuecom trademark is no different from that of a retail vendor who uses "product placement" to allow one vendor to benefit from a competitor's name recognition. An example of product placement occurs when a store-brand generic product is placed next to a trademarked product to induce a customer who specifically sought out the trademarked product to consider the typically less expensive, generic brand as an alternative. Google's argument misses the point. From the fact that proper, non-deceptive product placement does not result in liability under the Lanham Act, it does not follow that the label "product placement" is a magic shield against liability, so that even a deceptive plan of product placement designed to confuse consumers would similarly escape liability. It is not by reason of absence of a use of a mark in commerce that benign product placement escapes liability; it escapes liability because it is a benign practice which does not cause a likelihood of consumer confusion. In contrast, if a retail seller were to be paid by an off-brand purveyor to arrange product display and delivery in such a way that customers seeking to purchase a famous brand would receive the off-brand, believing they had gotten the brand they were seeking, we see no reason to believe the practice would escape liability merely because it could claim the mantle of "product placement." The practices attributed to Google by the Complaint, which at this stage we must accept as true, are significantly different from benign product placement.

Unlike the practices discussed in *1-800*, the practices here attributed to Google by Rescuecom's complaint are that Google has made use in commerce of Rescuecom's mark. Needless to say, a defendant must do more than use another's mark in commerce to violate the Lanham Act. The gist of a Lanham Act violation is an unauthorized use, which "is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, . . . or as to the origin, sponsorship, or approval of . . . goods [or] services." We have no idea whether Rescuecom can

⁹ For example, instead of having a separate "sponsored links" or paid advertisement section, search engines could allow advertisers to pay to appear at the top of the "relevance" list based on a user entering a competitor's trademark--a functionality that would be highly likely to cause consumer confusion. Alternatively, sellers of products or services could pay to have the operators of search engines automatically divert users to their website when the users enter a competitor's trademark as a search term. Such conduct is surely not beyond judicial review merely because it is engineered through the internal workings of a computer program.

prove that Google's use of Rescuecom's trademark in its AdWords program causes likelihood of confusion or mistake. Rescuecom has alleged that it does, in that would-be purchasers (or explorers) of its services who search for its website on Google are misleadingly directed to the ads and websites of its competitors in a manner which leads them to believe mistakenly that these ads or websites are sponsored by, or affiliated with Rescuecom. This is particularly so, Rescuecom alleges, when the advertiser's link appears in a horizontal band at the top of the list of search results in a manner which makes it appear to be the most relevant search result and not an advertisement. What Rescuecom alleges is that by the manner of Google's display of sponsored links of competing brands in response to a search for Rescuecom's brand name (which fails adequately to identify the sponsored link as an advertisement, rather than a search result), Google creates a likelihood of consumer confusion as to trademarks. If the searcher sees a different brand name as the top entry in response to the search for "Rescuecom," the searcher is likely to believe mistakenly that the different name which appears is affiliated with the brand name sought in the search and will not suspect, because the fact is not adequately signaled by Google's presentation, that this is not the most relevant response to the search. Whether Google's actual practice is in fact benign or confusing is not for us to judge at this time. We consider at the 12(b)(6) stage only what is alleged in the Complaint.

The judgment of the district court is vacated and the case is remanded for further proceedings.