Network Solutions 2000: The Internet Corporation for Assigned Names and Numbers' Uniform Domain Name Dispute Resolution Policy

Victoria Napolitano

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INTRODUCTION

It appears that no one is safe from the domain name fight - not even small children. On the Internet, at www.Veronica.org you will see a banner reading “Veronica” and photos of an eighteen-month old baby girl bathing and eating. The site is obviously one
posted by baby Veronica's proud parents to commemorate the birth of their precious daughter. However, baby Veronica received a letter demanding surrender of the domain name to Archie Comics Publications, the proud parent of character Archie's dark haired girlfriend, Veronica. What's a parent to do? What's a trademark owner to do? The fundamental issue in this case is what both of these proud parents should do to resolve their domain name dispute.

Domain name disputes such as "www.veronica.org" place an unreasonable amount of pressure on the domain name system and available name space, as well as create an onslaught of debates regarding their resolution. As a result of the recent explosion in

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4 Id.

5 Jennifer Golinveaux, What's in a Domain Name: Is "Cybersquatting" Trademark Dilution?, 33 U.S.F.L. Rev. 641, 642 (1999) Domain names are Internet sites identified by their Internet Protocol (IP) addresses, which consist of a string of numbers separated by periods. Most domain names consist of three parts, each separated by a period, such as www.ibm.com. The first part identifies the server, in this example "www" identifies the World Wide Web server. The second part is known as the second-level domain name and identifies the user's site. The third part of the domain name is known as the top-level domain name and is meant to identify the category of user who has reserved the domain name. Here, "com" identifies a commercial user.

6 Kriegel, <http://news.cnet.com/news/0-001005-202-337433.html> (visited November 7, 2000). Baby Veronica's parents registered www.Veronica.org to commemorate her birth, and Archie Comics, owner of www.Veronica.com brought suit, trying to protect their trademark. Archie Comics argues that since they had registered "Veronica.com," baby Veronica's parents should turn over "Veronica.org." Baby Veronica's parents argued that common first names of individuals are not copyrightable, and that the design of the web site was not going to compete with the Archie Comics character. NSI placed the domain name on hold, ceasing operation of the site the dispute was settled. However, Archie Comics dropped the domain name dispute, after affirming that the site did not contain explicit or obscene materials. See <http://news.cnet.com/news/0-1005-200-337553.html> (visited October 1, 2000). Archie Comics stated it had asked Network Solutions, with which baby Veronica's parents had registered the "Veronica.org" domain name, to put it on hold to protect young web surfers "from the possibility that it might be used for a web site containing inappropriate, unsavory, or explicit material."

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domain name litigation, and excruciating difficulties with the prior policies, the Internet Corporation for Assigned Names and Numbers' (ICANN) Uniform Domain Name Dispute Resolution Policy (Policy) was adopted on August 26, 1999, effective as of January 1, 2000. The Policy amends prior policies in response to the need for effective domain name dispute resolution and the protection of the trademark holder’s interests. The Policy puts an end to the monopoly held by Network Solutions Incorporated (NSI) over domain name registration.

This comment will analyze Network Solutions 2000 application of the Uniform Domain Name Dispute Resolution Policy. Part I discusses the historical background of the Internet, domain names, the role of NSI, and early litigation involving traditional domain name disputes. Part II discusses each of NSI’s prior policies, and the need for new legislation. Part III analyzes the latest solution, the 2000 Policy, and both panel decisions and court decisions involving the Policy. Finally, Part IV critiques the legislation and considers its possible impact upon the global information system.

7 See <http://www.icann.org/udrp/proceedings-list.htm> (visited November 21, 2000). As of November 21, 2000, there are over 215 dispute resolution proceedings pending that originated in October 2000 alone. Those not included were three suspended at the complainant’s request, five terminated at complainant’s request, and approximately eleven name transfers. Some of the domain name disputes involved “nike-shoes.com,” “lifemagazine.com,” “montecarlocasino.org,” “hot6mail.com,” “crysler.com,” “planetoftheapes.com,” “victoriasecrets.com,” and “tacobell.net,” to name a few.

8 <http://www.icann.org/general/abouticann.htm> (visited November 14, 2000). The Internet Corporation for Assigned Names and Numbers (ICANN) is the nonprofit corporation that was formed to assume responsibility for the IP address space allocation, protocol parameter assignment, and domain name system management previously performed under U.S. government contract.


10 Id. The new policy follows the end of the monopoly held by Network solutions over the registration of generic top-level domain names. There are now over one hundred organizations officially accredited by ICANN to register generic top-level domain names.
I. HISTORICAL BACKGROUND

A. The Internet

The Internet is the world’s largest computer network, connecting millions of other computer networks and users. The Internet is not a single entity, but a highly diffuse and complex system over which no entity has authority or control. It allows for such communications as e-mail, bulletin board services, newsgroups, chat-rooms, and other forms of communication.

11 Reno v. ACLU, 117 S.Ct. 2329, 2334 (1997). The Internet developed from a military program called “ARPANET,” conceived in 1969 at the U.S. Department of Defense’s Advanced Research Project Agency, to link computers operated by the military, defense contractors, and universities conducting defense-related research to communicate with one another by redundant channels even if some portions of the network were damaged in a war. While the ARPANET no longer exists, it provided an example for the development of a number of civilian networks that, eventually linking with each other, now enables tens of millions of people to communicate with one another and to access vast amounts of information from around the world. The Internet is a “unique and wholly new medium of worldwide human communication.”

12 ACLU v. Reno, 217 F.3d 162, 168 (3rd Cir. 2000).

13 Reno v. ACLU 117 S.Ct. at 2335. Email is electronic mail, or simple communications that once took place by telephone, and writings, which were previously sent by facsimile, overnight delivery services, and mail, can be sent through the Internet and delivered in minutes. Email enables an individual to send an electronic message to another individual or group of addressees. The message is generally stored electronically, sometimes waiting for the recipient to check her “mailbox” and sometimes making its receipt known through some kind of prompt.

14 Id. A bulletin board service (BBS) allows subscribers to upload and download data and post messages, usually catering to a particular audience.

15 Id. A newsgroup is an electronic discussion group, serving as a bulletin board for users to post universally accessible messages, and to read and reply to those from others. There are thousands of such groups, each serving to foster an exchange of information or opinion on a particular topic. About 100,000 new messages are posted everyday. In most newsgroups, postings are automatically purged at regular intervals.

16 Id. In addition to posting a message that can be read later, two or more individuals wishing to communicate more immediately can enter a chat room to engage in real time dialogue, by typing messages to one another that appear
These forms of communication depend on domain names to locate specific computers and networks on the Internet.\textsuperscript{17} Through domain names, users can navigate what sites they want to visit on the net.\textsuperscript{18} A web surfer\textsuperscript{19} who is uncertain about a company’s domain name will often guess at it, usually using the company or product name as a search term, resulting in numerous battles over domain names.\textsuperscript{20} Companies want their name to be among a user’s initial guesses and have engaged in costly litigation to retrieve or maintain their desired domain names.\textsuperscript{21}
B. Internet Domain Names

Domain names identify host computers for email and web site addresses. These domain names typically are comprised of an abbreviation, name or acronym, followed by a period and one of five worldwide top-level domain categories. The Internet is divided into types of entities: for example, “.com” signifies a commercial business website, “.edu” is educational institution, and “.gov” is government. Domain names usually consist of user-friendly addresses such as keywords naming or describing what the user is looking for or describing a particular good or service.

22 217 F.3d at 169. The World Wide Web is a publishing forum consisting of millions of individual “web sites” each containing information such as text, images, illustrations, video, animation or sounds provided by that site’s creator. See Intermatic v. Toeppen, 947 F. Supp. 1227 (N.D.Ill 1996). (Web sites are comprised of multiple “pages,” a computer data file on a host operating a web server within a given domain name. When the web server receives an inquiry from the Internet, it returns the web page data in the file to the computer making the inquiry. The web page may comprise a single line or multiple pages of information and may include any message, name, word, sound or picture, or combination of such elements).

23 Ian C. Ballon, The Emerging Law of the Internet, 547 PLI/PAT 169, 229 (1995-98). Domain names typically are comprised of an abbreviation, name or acronym, followed by a period and one of five world-wide generic top level domain categories (.com for commercial entities, .edu for educational institutions, .org for non-profit organizations, .gov for government entities, and .net) or country code domains (such as .ca for Canada or .au for Australia).

24 Jennifer Golinveaux, What’s in a Domain Name: Is “Cybersquatting” Trademark Dilution?, 33 U.S.F. L. Rev. 641, 642 (1999). Most domain names consist of three parts, each separated by a period. The first part identifies the server, “www” identifies the World Wide Web server. The second part is known as the second-level domain name and identifies the user’s site. The third part of the domain name is known as the top-level domain (TLD) name and is meant to identify the category of user who has reserved the domain name.

25 Id. Currently the “.com” TLD is the most popular. In actuality, individuals can reserve domain names in each TLD freely because NSI does not screen applications for organization type in the “.com,” “.net,” or “.org” TLD’s. However, NSI does screen registration requests in the “.edu” TLD.


27 Ballon, 547 PLI/PAT at 229-30. For sound business reasons, most companies choose domain names that are readily associated with their trade names, such as “mcdonalds.com,” “mci.com,” and “kaplan.com.”
Since domain names are easy to remember, they have become highly coveted prizes in the corporate cyberspace world.

C. Network Solutions Incorporated (NSI)

NSI manages domain name registration for the "com," "net," "org," "edu," and "gov" domains, registering over 250,000 Internet domain names per month. There are several other registrars licensed to administer domain names. Registration applications are available through e-mail and usually no human intervention occurs. NSI approves names on first come, first serve basis. The cost of registering a web address with NSI is $70.00, and then an annual fee of $35 dollars, with the option of choosing the length of the registration period, from one to ten years. At the end of the registration period, NSI sends the registrant an invoice allowing the renewal of the web address.

28 Id. at 229.

29 Golvineaux at 644. The number of domain names reserved by NSI since it began administering the process in 1993 has grown exponentially. Initially, NSI was processing only 200 domain name applications per month. Currently, over 125,000 domain names are reserved each month. Over the past six years, the company has reserved more than 4 million domain names.

30 Id. Last year the Internet Corporation for Assigned Names and Numbers (ICANN) was formed to take over responsibility for domain name system management. On April 21, 1999, ICANN named five companies who won the right, through a lottery, to begin licensing top-level domain names and to compete with NSI during a two-month test period. After this period, NSI plans to add new registrars.

31 Id.

32 Id. at 645.

33 NSI Domain Name Registration Policy, <http://www.networksolutions.com/help/do...slonid$AETE41AAA3MNJWF13EGCFFGYVDUQQIV0> (visited November 14, 2000). To register a web address with NSI, the Service Agreement template is completed, which serves to gather information necessary to process the application and add the web address to NSI’s database.

34 <http://www.networksolutions.com/help/do...slonid$AETE41AAA3MNJWF13EGCFFGYVDUQQIV0> (visited November 14, 2000). The cost of renewing the web address is $35.00, and the renewal period is for up to ten years.
NSI performs two functions in the domain name system. First, domain name applications are screened against NSI’s registered list to prevent repeated registrations of the same name. Second, it maintains a directory which connects domain names to Internet resources such as web sites and email systems.\(^{35\text{ }}\) However, NSI does not make an independent determination of an applicant’s right to use a domain name, nor does NSI assign domain names.\(^{36\text{ }}\)

D. Early Litigation

Traditional Internet domain name disputes consist of trademark infringement and dilution. In *Playboy v. Frena*,\(^{37\text{ }}\) Frena operated a bulletin board site (BBS)\(^{38\text{ }}\) on which subscribers uploaded and downloaded digitized copies of photographs from Playboy magazine.\(^{39\text{ }}\) The original text was removed from the photographs and the defendant’s name, BBS name and telephone number were placed on each photograph, using the terms “Playboy” and “Playmate” as file descriptors.\(^{40\text{ }}\) Frena argued that the file descriptions were provided by the subscribers who uploaded the images, and that he was unaware of the infringements and had allowed subscribers to upload anything they wanted on the BBS.\(^{41\text{ }}\) The court granted partial summary judgement for Playboy, finding that Frena’s deletion of Playboy’s text from the photographs and addition of his own text to some of the images made it appear as though Playboy authorized his product.\(^{42\text{ }}\)

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35 Golvineaux at 644.
36 Id. As a condition of reserving a domain name, NSI does require an applicant to sign a statement affirming that the applicant’s statements are true, that use or registration of the selected domain name does not interfere with or infringe upon the rights of any third party, and that the applicant is not seeking to use the domain name for any unlawful purpose, including unfair competition.
38 See note 18, defining bulletin board.
39 839 F. Supp. at 1554.
40 Id. at 1559.
41 Id.
42 Id. at 1554.
In *MTV Networks v. Curry*, Adam Curry, while still employed by MTV, developed an Internet service with the Internet site address “mtv.com.” Curry alleged that he developed the Internet site independently of MTV, which announced the “mtv.com” address on MTV Network broadcasts. By the spring of 1994, Curry’s “mtv.com” address had been accessed by millions of Internet users. When MTV sought to launch its own service via American Online, it sued Curry for trademark infringement. Curry counterclaimed for breach of contract, fraud and negligent misrepresentation. The case settled in March of 1995, with Curry relinquishing “mtv.com” to MTV.

As a result of an increasing amount of domain name disputes, in January 1996, Congress passed the Federal Trademark Dilution Act, which was intended to protect famous marks and does not require a showing of a likelihood of confusion. The owner of a famous mark is entitled, “subject to the principles of equity and on such terms as the court deems reasonable,” to an injunction against another person’s commercial use of a mark or trade name, if such use begins after the plaintiff’s mark had become famous and causes dilution of the distinctive quality of the mark. The Act

44 Id. at 204.
45 Id.
46 Id.
47 Id.
48 867 F. Supp. at 204.
50 547 PLI/PAT at 227. Citing 15 U.S.C. § 1127. (Dilution is the lessening of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of 1) competition between the owner of a famous mark and other parties, or 2) the likelihood of confusion or mistake to deceive).
51 Id., citing 15 U.S.C. § 1125(c) (1). (In determining whether a mark is “distinctive and famous,” a court may consider factors such as, but not limited to: 1) the degree of inherent or acquired distinctiveness of the mark; 2) the duration and extent of use of the mark in connection with goods or services with which the mark is used; 3) the duration and extent of advertising and publicity of the mark; 4) the geographical extent of the trading area in which the mark is used; 5) the degree of recognition of the mark in the trading areas and channels of trade used by the mark’s owner and the person against whom the injunction is sought; 6) the nature and extent of use of the same or similar marks by third
affected domain name disputes in that famous marks were automatically protected, and the complainant need not show any consumer confusion.

In *Panavision v. Toeppen*, the Ninth Circuit affirmed a lower court ruling entering summary judgement in favor of a trademark owner against “cyber pirate” Dennis Toeppen based on federal and state dilution claims. *Panavision* held registered trademarks to the names “Panavision” and “Panaflex” in connection with motion picture camera equipment. *Panavision* attempted to register a web site on the Internet with the name “Panavision.com,” but could not, because Toeppen had already established a web site using Panavision’s trademark as his domain name. Toeppen offered to “settle” the matter if *Panavision* would pay him $13,000 in exchange for the domain name. Additionally, Toeppen stated that if *Panavision* agreed to his offer, he would not “acquire any other Internet addresses which are alleged by the Panavision Corporation to be its property.” Summary judgment was granted to *Panavision*, based on Toeppen’s commercial use of Panavision’s trademarks.

52 141 F.3d 1316 (9th Cir. 1998).
53 *Id.* at 1316. A cyber pirate is one who steals valuable trademarks and establishes domain names on the Internet using the trademarks to sell the domain names to the rightful trademark owners.
54 *Id.* at 1319. *Panavision* promotes its trademarks through motion picture and television credits and other media advertising.
55 *Id.*. Toeppen’s web page for the site “Panavision,” displayed photographs of the City of Pana, Illinois.
56 *Id.*. *Panavision*’s counsel sent Toeppen a letter informing him that *Panavision* held a trademark in the name “Panavision” and telling him to stop using that trademark and the domain name “Panavision.com.” Toeppen responded by mail stating he had a right to use that name as his domain name.
57 141 F.3d at 1319. After *Panavision* refused Toeppen’s demand, he registered *Panavision*’s other trademark with NSI as the domain name “Panaflex.com,” which simply displays the word “hello.”
58 *Id.* at 1325-26.
II. NSI’S PRIOR POLICIES

A. NSI’s 1995 Policy

In July, 1995, NSI issued a policy statement to limit potential abuses of the domain name registration system and to resolve conflicts where more than one party claims rights to a given domain name. The policy resulted from the wave of domain name litigation between 1994 and 1995. The goal of the policy statement was to limit potential abuses of the domain name registration system and resolve conflicts when more than one party claimed rights to a given domain name. This policy required applicants to represent and warrant that their use of a particular domain name did not interfere with the rights of third parties.

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60 See Ballon at 230-32, discussing early litigation over rights in domain names. (In Fry’s Electronics, Inc. v. Octave Systems, Inc., Fry’s Electronics, a popular Silicon Valley electronics retail chain, brought suit in federal court in San Francisco in July 1995, over rights to the domain name “frys.com,” which had been registered by a Seattle fast food business known as Frenchy Frys. In KnowledgeNet v. Boone, KnowledgeNet, a computer networking and consulting shop, brought suit in federal court in Chicago against David Boone, a Virginia business consultant who had registered “knowledgenet.com” as the domain name for a fledging association of business consultants Boone had formed to create a virtual networking circle in which independent consultants would make referrals and generate leads through email. Boone agreed to settle the case on fairly onerous terms after incurring in excess of $10,000 in legal fees).


62 Id. See Lockheed Martin Corp. v. Network Solutions, Inc. 985 F. Supp. 951, 953 (D. Cal. 1997). In the policy statement, NSI states that it has neither the legal resources nor the legal obligation to screen requested domain names to determine if the use of a domain name by an applicant may infringe upon the rights of a third party.
order to discourage acquisition of domain names intended to block future registrants, applicants had to certify that they had a bona fide intention to use the domain name on a regular basis on the internet and that the proposed name "did not interfere or infringe the right of any third party in any jurisdiction with respect to trademark, service mark, or company name, or any other intellectual property right." Further, at the time of the initial submission of a domain name request, an applicant is "required to have operational name service from at least two operational Internet servers for that domain name." In addition, NSI reserved the right to force a registrant to relinquish any domain name that was not regularly used during any given ninety-day period.

The policy statement provided that NSI had the right to withdraw a domain name from use or registration on the Internet if presented with an order from a U.S. court or an arbitration panel chosen by the parties that a domain name rightfully belongs to a third party. Where a dispute arose over a domain name registration, but the third party objector did not have a registered trademark or service mark in the same name, NSI allowed the applicant to use the contested domain name unless or until NSI received an order determining the name rightfully belongs to a third party. If the applicant also owned a registered mark in the same name or showed first use of the domain name, the applicant was allowed to continue using the contested name unless or until NSI was presented with a court order or arbitrator's award determining that the domain name rightfully belonged to the objecting party.

If the applicant did not present evidence of first use of the domain name or that it owns a registered mark, NSI assigned a new domain name to the applicant to maintain both names

63 547 PLI/PAT at 232.
64 Id.
65 Id.
66 Id.
67 Id. at 233.
simultaneously for up to 90 days to allow an orderly transition to the new domain name. At the end of the transition period, NSI placed the disputed name on hold status, pending resolution of the dispute. When the applicant refused to accept the assignment of a new domain name or relinquish its use of the disputed domain name, NSI placed the disputed name on hold without allowing for a transition period. As long as the domain name was on hold, no other person or entity was allowed to register that name. The policy statement also provided that any dispute with NSI would be subject to binding arbitration by the American Arbitration Association in San Diego, California, subject to the provisions of the California Evidence Code and the substantive law of California. In the first six weeks after NSI adopted its new policy, domain name registrations dropped from about five thousand per week to one thousand three hundred per week.\textsuperscript{69}

\textbf{B. Litigation Arising out of NSI's 1995 Domain Dispute Policy Statement}

In \textit{Roadrunner Computer Systems, Inc. (RCS) v. Network Solutions, Inc.},\textsuperscript{70} RCS brought suit against NSI for breach of contract, detrimental reliance and intentional interference with contractual relations arising out of NSI's Domain Dispute Policy Statement.\textsuperscript{71} Plaintiff registered the domain name "roadrunnner.com" in 1994 under NSI's first come, first serve, policy.\textsuperscript{72} Time-Warner, owner of the two word "road runner" trademark for cartoon character used on plush toys and other goods, challenged plaintiff's domain name registration under NSI's 1995 Domain Dispute Policy Statement.\textsuperscript{73} RCS argued that Time-Warner's trademark in "road runner" was not identical to RCS's domain name "roadrunner.com” and that the trademarks

\begin{footnotesize}
\begin{enumerate}
\item \text{70} Civil Action No. 96-413 (E.D. Va. Mar. 26, 1996).
\item \text{71} 547 PLI/PAT at 234-35.
\item \text{72 Id.}
\item \text{73 Id.}
\end{enumerate}
\end{footnotesize}
were not used in competition with each other since one was for an Internet related service, and the other was for toys.\textsuperscript{74}

RCS also argued that it had been using its domain name for more than a year and had over five hundred customers who relied on it for Internet access.\textsuperscript{75} When NSI rejected these arguments, RCS obtained a trademark registration for the mark “roadrunner.com” in Tunisia, a country that grants trademark registrations quickly.\textsuperscript{76} Under NSI's Domain Name Policy Statement, RCS's submission of a valid trademark registration would have allowed RCS to post a bond and retain use of “roadrunner.com” pending judicial or arbitration determination of its rights.\textsuperscript{77} When NSI rejected RCS’s submission of its trademark registration as untimely, RCS brought suit, and the case was ultimately settled.\textsuperscript{78}

In \textit{Network Solutions v. Clue Computing},\textsuperscript{79} Clue Computing, a Colorado Internet access provider, registered the domain name “clue.com” in June 1994. In February of 1996, Hasbro, Inc., owner of the registered trademark “Clue,” used in conjunction with a board game, filed a copy of its registered trademark with NSI, challenging Clue Computing's domain name registration.\textsuperscript{80} Clue Computing sought unsuccessfully to negotiate a resolution of the dispute with NSI and Hasbro.\textsuperscript{81} With a deadline pending for “clue.com” to be placed on hold status, Clue Computing filed suit against NSI in state court for breach of contract, detrimental reliance, intentional interference with contractual relations (based on Clue Computing’s contracts with customers, whose email addresses were tied to the “clue.com” domain name) and a declaratory judgement that NSI’s 1995 Policy Statement could not be applied retroactively to Clue Computing.\textsuperscript{82} Anticipating the
defenses raised by NSI in *Roadrunner*, Clue Computing alleged that NSI was obligated to act fairly and in an evenhanded manner, but in fact acted arbitrarily and capriciously. 83

C. NSI's 1996 Domain Name Dispute Policy statement

In 1996, NSI amended the Policy Statement to avoid cases such as *Roadrunner*. 84 The 1996 Policy Statement shifted the burden to resolve domain name disputes almost entirely to U.S. courts in part to minimize litigation in which NSI is named as a defendant. 85 The basic procedures for having a domain name placed on “hold” remained the same, except that the circumstances under which an order would issue were greatly reduced. 86 A federal registration obtained after a dispute had arisen would no longer provide grounds for obtaining an NSI “hold” order. 87 Thus, a domain name holder could not be able to quickly obtain a foreign trademark registration when it is notified by a U.S. trademark

83 Id.
84 See Ballon 563 PLI/PAT at 78, citing Giacalone v. Network Solutions, 1996 U.S. Dist. LEXIS 20807 (N.D. Cal. 1996). Chicago based Ty Inc., a manufacturer of toys, filed a complaint with NSI based on Philip Giacalone’s registration of the domain name “ty.com,” a name that Giacalone, web page designer, had selected because his son’s name is Ty. Under NSI’s 1995 Policy Statement, Ty Inc., as the registered trademark owner, would have been entitled to have Giacalone’s domain name placed on hold status pending resolution of the dispute, unless Giacalone could have produced evidence that he also owned a registered trademark in the name “Ty” which he was unable to do. Instead, after receiving a letter from NSI dated May 6, 1996, asking him to present NSI with evidence that he owned a registered mark in “Ty” or agree to relinquish the “ty.com” domain name, Giacalone filed suit on May 30, 1996 alleging that Ty Inc. was attempting a “reverse domain name hijacking,” seeking a declaration that “ty.com” does not infringe Ty Inc.’s trademark, damages for intentional interference with advantageous business relationships, and cancellation of Ty Inc.’s mark based on trademark misuse. The Court ordered a preliminary injunction prohibiting Ty, Inc. from interfering with Giacalone’s use of the “ty.com” domain name pending a final judgement. The practical effect of the order prohibiting Ty Inc. from obtaining relief under NSI’s Policy Statement was to enjoin NSI from implementing the 1995 Policy Statement.
85 547 PLI/Pat at 238.
86 Id.
87 Id.
owner of a dispute over its domain names, as the plaintiff did in *Roadrunner*.\(^{88}\)

The 1996 Policy continued to afford preferential treatment to owners of registered trademarks, but with a new twist.\(^{89}\) For U.S. marks, only trademark registrations listed on the Principal Register could be used to obtain "hold" orders.\(^{90}\) U.S. marks registered on the Supplementary Register, which could be challenged as unprotectable in court, were entitled to no priority. The policy statement continued to treat federally registered foreign trademarks on a par with U.S. registrations, regardless of whether such marks were incontestable in the country where they were issued.\(^{91}\)

The 1996 policy additionally provided that NSI would not place a domain name on "hold" if either the domain name owner or the trademark owner first initiated litigation.\(^{92}\) In such cases, NSI will "deposit control of the domain name into the registry of the court," or effectively respond as it did in the *Clue* case.\(^{93}\) NSI stated that it would abide by any temporary or final court order so long as NSI itself was not joined in the litigation. If named as a party to a domain name lawsuit, the 1996 Policy Statement provided that NSI "shall not be limited to the above actions, but reserves the right to raise any and all defenses deemed appropriate."\(^{94}\)

**D. NSI’s 1998 Policy Statement**

NSI modified its 1996 Policy Statement, effective on February 25, 1998. The Statement provided that registration on the Principal Registry "or equivalent registry" is required.\(^{95}\) Challenges based on foreign registrations now had to be from registries "equivalent" to the U.S. principal registry. Whereas

88 Id.
89 Id.
90 547 PLI/PAT at 238.
91 Id.
92 Id.
93 Id.
94 Id. at 238-39.
95 547 PLI/PAT at 239, citing Domain Name Dispute Policy (Rev. 03) < http://rs.internic.net/domain-info/nic-rev03.html >.
under the prior policy the initiation of a lawsuit could prevent a
domain name from being placed on hold, under the 1998 Policy
Statement litigation merely froze the status quo.\textsuperscript{96} Thus, a lawsuit
filed late by a domain name owner whose name has not been
placed on hold will not revive the name.\textsuperscript{97}

Additionally, foreign lawsuits stayed NSI action. Under the
1996 Policy Statement, only litigation in a U.S. court stayed
further action.\textsuperscript{98} By changing the requirement to “a court of
competent jurisdiction,” NSI expressly recognized the authority of
foreign courts to adjudicate rights in domain names it
administered.\textsuperscript{99}

\textbf{E. Criticisms of the Old Policies}

NSI’s old policies had been criticized as favoring trademark
owners over domain name holders, and favoring owners of
federally registered marks over owners of non-registered marks.
Owners of federally registered marks could invoke NSI’s policy to
enjoin the use of an identical domain name without making a
showing of infringement or dilution. Trademark owners could
deprive registrants of domain names without meeting any
standards of infringement or dilution. If a trademark holder and a
domain name registrant took their dispute to court, NSI would
deposit the domain name in the registry of the court, during which
time the domain name would remain active.

\textsuperscript{96} Id.
\textsuperscript{97} Id.
\textsuperscript{98} Id.
\textsuperscript{99} Id.
III. LEGISLATION

A. The 2000 Uniform Domain Name Dispute Resolution Policy

The Uniform Domain Name Dispute Resolution Policy was adopted on August 26, 1999, and went into effect on January 1, 2000. Under this policy, before a domain name registrar cancels, suspends, or transfers a domain name, a trademark-based domain name dispute must be resolved by agreement, court action, or arbitration before a registrar will cancel, suspend, or transfer a domain name. Disputes alleged to arise from abusive registrations of domain names, such as cybersquatting, may be addressed by expedited administrative proceedings that the holder of the trademark right initiates by filing a complaint with an approved dispute resolution service provider.

100 < www.icann.org/udrp/udrp-schedule.htm > (visited November 14, 2000). The Uniform Domain Name Dispute Resolution Policy has been adopted by the Internet Corporation for Assigned Names and Numbers (ICANN) and sets forth the terms and conditions in connection with a dispute between a domain name holders over the registration and use of an Internet domain name. This policy has been adopted by all accredited domain name registrars for domain names ending in “.com,” “.net,” and “.org.”

101 < http://www.icann.org/udrp/udrp-policy-24oct99.htm > (visited November 14, 2000). ICANN will cancel, transfer or otherwise make changes to domain name registrations under the following: receipt of written or appropriate electronic instructions from the domain name holder or authorized agent; receipt of an order from a court or arbitral tribunal requiring such action; or receipt of a decision of an Administrative Panel requiring such action in any administrative proceeding to which the domain name holder was a party. ICANN may also cancel, transfer or otherwise make changes to a domain name registration in accordance with the terms of the Registration Agreement or other legal requirements.


103 < http://www.icann.org/udrp/udrp-policy-24oct99.htm > (visited November 14, 2000). By applying to register or renew a domain name, the domain name holder warrants that the statements made in the Registration Agreement are complete and accurate; the registration of the domain name will not infringe upon or otherwise violate the rights of any third party; the name was not registered for any unlawful purpose; and the domain name will not be
B. The Complaint

To initiate NSI’s dispute resolution process, a party must present NSI with information that a domain name violates a trademark owner’s rights. The complainant must then present NSI with evidence of registration of a trademark that is “identical” to a second-level domain name, and must also present a copy showing they have first provided written notice to the “infringer” stating they believe the registration and use of the disputed domain name violates the party’s trademark rights.

The complaint must be filed in both e-mail and hard copy form, and should specify the trademark on which the complaint is based, describing the product or service for which the mark is being used. It also has to specify a preferred means of used in violation of any applicable laws or regulations. It is the domain name holder’s responsibility to determine whether the domain name infringes or violates someone else’s rights.

104 Golvineaux at 646.
106 Golvineaux at 646. The domain name holder is required to submit to a mandatory administrative proceeding in the event that a complainant asserts to the provider, that the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; the domain name holder has no rights or legitimate interests in respect of the domain name; and the domain name has been registered and is being used in bad faith.
107 <http://www.icann.org/udrp/udrp-rules-24oct99.htm> (visited November 14, 2000). The complaint shall be submitted in hard copy and in electronic form and shall: request that the complaint be submitted for decision in accordance with the Policy and Rules; provide the name, postal, and email addresses, and the telephone and fax numbers of the complainant and of any representative authorized to act for the complainant in the administrative proceeding.
108 Id. In the event of multiple disputes between parties, either party may petition to consolidate the disputes before a single administrative panel. This petition shall be made to the first administrative panel appointed to hear a pending dispute between the parties. The administrative panel may consolidate before it hears any or all such disputes in its sole discretion, provided that the disputes being consolidated are governed by the policy.
communication between the complainant and the provider, and state whether the complainant desires the dispute to be handled by a one or three person panel. The complainant additionally needs to sign a waiver verifying the content of the complaint, attesting that the action is not frivolous, extended by a good faith argument.

If NSI chooses to initiate dispute procedures, it first determines the creation date of the disputed domain name. If the domain name was reserved prior to the effective date of the disputing party's trademark registration, NSI will take no action. If the domain name was reserved after the complaining party's trademark registration, then NSI requires proof of the registrant's own registered trademark. If the registrant can show such proof, NSI will take no further action on the complainant's request.

If the registrant fails to show proof of trademark ownership or refuses to relinquish the domain name and transfer it to the complaining party, NSI will place the domain name on "hold," so that it is not available for use by any party pending resolution of the dispute. NSI will then only remove the domain name from "hold" status if the complainant requests that it be removed from hold, or if it receives a court order or "satisfactory evidence from the parties of the resolution of the dispute." NSI does not

109 Id. The complainant must specify a preferred method for communications directed to the complainant in the Administrative Proceeding, including the person to be contacted, medium, and address information, and provide the name of the respondent and all information known to the complainant regarding how to contact respondent.

110 Id. Panel refers to an administrative panel appointed by a dispute resolution provider to decide a complaint concerning a domain name registration.

111 Id.


113 Id.

114 Id.

115 Golvineaux at 647.

116 See <http://www.icann.org/udrp/udrp-policy-24oct99.htm> (visited November 14, 2000). A domain name registration may not be transferred to another holder during a pending administrative proceeding or for a period of fifteen business days after such proceeding is concluded; or during a pending
provide resolution of any disputes over domain names; consequently, a party who feels its trademark is being infringed must turn to the courts if it cannot reach an agreement with the other party.\textsuperscript{117}

Within twenty days of the date of commencement of the administrative proceeding, the respondent must submit a response to the Provider, in hard copy and electronic form, specifically addressing all the statements and allegations contained in the complaint.\textsuperscript{118} Additionally, the respondent must include any and all bases to retain registration and use of the disputed domain name; provide name, postal, and email addresses of the respondent; choose a preferred method of communications and preference for a one or three membered panel.\textsuperscript{119} The panel must decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy. In the absence of exceptional circumstances, the panel shall forward its decision on the complaint to the Provider within fourteen days of its appointment.\textsuperscript{120} In the case of a three-member panel, the Panel's decision shall be made by a majority. Within three 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, and ICANN.\textsuperscript{121}

The Panel bases its decision on several considerations. In order for a complainant to prevail, the complainant must first prove that

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  \item court proceeding or arbitration commenced regarding the domain name unless the party to whom the domain name registration is being transferred agrees, in writing, to be bound by the decision of the court or arbitrator. The domain name registration may not be transferred to another registrar during a pending court action or arbitration, provided that the domain name registered continues to be subject to the proceedings commenced. In the event that the domain name registration is transferred, such dispute shall remain subject to the domain name dispute policy of the registrar from which the domain name registration was transferred.
\end{itemize}

\textsuperscript{117} Id.
\textsuperscript{118} Id.
\textsuperscript{119} Id.
\textsuperscript{120} Id.
the domain name is confusingly similar or identical to a trademark or service mark in which the complainant has rights.\textsuperscript{122} Second, it must show that the domain holder has no rights or legitimate interests in respect of the domain name, and third, that the holder's domain name has been registered and is being used in bad faith. A domain name is considered registered in bad faith if it was acquired primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant owner of the mark.\textsuperscript{123} Bad faith\textsuperscript{124} also consists of registering the mark in order to prevent the trademark owner from using it in a corresponding domain name, if it was registered for the purpose of disrupting a competitor's business, and if the domain name holder intentionally tried to attract Internet users to its site using the reputation of the real product or service.\textsuperscript{125} If the complaint is successful, the panel will either cancel the domain name or transfer the domain name to the complainant.

\textsuperscript{122} Id.
\textsuperscript{123} Id.
\textsuperscript{124} Aspen Law & Business, \textit{ICANN proposes Uniform Domain Name Policy}, 16 No. 12 COMPUTER LAW 24 (1999). Examples of use of a domain name in bad faith include circumstances in which a domain name was registered for purposes of selling or otherwise transferring the registration to the complainant, who is the owner of the trademark or service mark, or to a competitor of that complainant for valuable consideration in excess of the registrant's out-of-pocket costs. In such a case, the bad faith registrant must submit to a mandatory administrative proceeding conducted by a neutral dispute resolution service provider. ICANN expects that the mandatory procedure will be handled mostly online, will take less than 45 days, and will cost about $1,000 in fees to be paid to the dispute resolution service provider. Parties to the dispute are not prevented from litigating the dispute in court.
\textsuperscript{125} <http://www.icann.org/udrp/udrp-policy-oct99.htm> (visited November 14, 2000).
C. Cybersquatting\textsuperscript{126} and Cyberpiracy

Reservation of domain names is done on a first come, first serve basis, irrespective of intellectual property rights in the name and regardless of whether the name also happens to be that of a well-known company or trademark.\textsuperscript{127} Cybersquatters, also known as "cyber pirates," beat a company to the punch by reserving a company name or trademark as a domain name, in the hope of profiting when the company wants to reserve its own name.\textsuperscript{128} Unfortunately, the cybersquatter often does not make any significant use of the site once it is reserved, making it difficult to show the likelihood of confusion necessary for a successful trademark infringement case.\textsuperscript{129}

Under the 2000 Policy, if the dispute concerns a domain name or names that can be shown to have been registered in an abusive attempt to profit from a third party's trademark, complaints can invoke a different administrative procedure to resolve the dispute.\textsuperscript{130} In such a case, neutral persons selected from specially established panels decide the dispute.\textsuperscript{131} The procedure is designed to take no more than fifty-seven days before a decision is reached, and fees range from $1,000 to $2,500.\textsuperscript{132} Although

\textsuperscript{126} Golinveaux at 647. A cybersquatter is a speculator who knowingly reserves a trademark as a domain name merely to sell it for a profit. The cybersquatter does not reserve a domain name in order to maintain an active web site, but rather to tie up the site until a buyer is found. See Linda A. Goldstein, \textit{Emerging Issues in Online Advertising and Promotion Law}, 570 PLI/PAT 821, 830 (1999). The newest domain name disputes involve "typosquatters," persons who register domain names consisting of likely typographical errors on heavily trafficked sites, such as "amazom.com" instead of "amazon.com." NSI's current dispute resolution procedures do not provide trademark owners with the tools to prevent or challenge these domain name registrations.
\textsuperscript{127} Id. at 641.
\textsuperscript{128} Id.
\textsuperscript{129} Id.
\textsuperscript{130} Id.
\textsuperscript{131} Golinveaux at 641.
\textsuperscript{132} Id.
neither party has the right to appeal the panel’s decision, the parties can commence an administrative review action in court. 133

D. Court Proceedings

If the parties make a settlement during court proceedings, the proceedings are automatically terminated. If legal proceedings are initiated either before or during the panel’s deliberation, the panel decides whether to suspend or terminate the proceedings, or commence to a decision. 134

All domain names which have been placed on “hold” under the terms of NSI’s old Domain Dispute Policy will be reactivated after notice to the complainant and domain name registrant during the first quarter of the year 2000, unless NSI receives: a copy of a complaint filed against the domain name registrar under the terms and conditions of the new Policy; or a copy of a file-stamped complaint which involves the domain name registration, where NSI will deposit control over the disputed domain name registration into the registry of the court involved. 135

133 Id.
134 Id.
IV. PANEL DECISIONS

A. World Wrestling Federation v. Bosman

World Wrestling Federation v. Bosman was the first panel case decided under the Uniform Domain Name Dispute Resolution Policy. The complainant, World Wrestling Federation Entertainment, contested domain name registration of "worldwrestlingfederation.com." World Wrestling Federation promotes wrestling entertainment services at its Internet site, "wwf.com," and uses its mark in connection with a variety of goods, such as videos, posters, trading cards, exercise equipment, and clothes. The panel held that the domain name "worldwrestlingfederation.com" is identical or confusingly similar to WWF's mark, and that since the domain name was offered for sale to the complainant three days after it was registered, it was clearly registered in bad faith. The panel then required that the

136 As of November 10, 2000, there have been numerous panel decisions under the Uniform Domain Name Dispute Resolution Policy. See <http://www.icann.org/udrp/proceedings-stat.htm > (visited November 14, 2000). Out of the 4,079 total proceedings (other than those terminated for recommencement), 1,868 have resulted in the transfer of the domain name; 19 name canceled; 395 decisions for respondent; 299 split decisions; 211 dismissed without prejudice; 6 settled with transfer, and 13 proceedings for recommencement.


140 Id.
registration of the domain name be transferred to the complainant.\textsuperscript{141}

\textbf{B. Diageo v. Zuccarini}\textsuperscript{142}

Diageo, the complainant, sold alcoholic beverages under the “Guinness” trademark for years since 1794, exporting lager and pilsner beer, stout, porter and ale products around the world.\textsuperscript{143} Over the years, through continuous sales, and extensive advertising and promotion, Guinness products have become some of the world's most famous and best-selling alcoholic beverages.\textsuperscript{144} Zuccarini registered the trademarks “Guinness-reallyreallysucks.com,” “Guinness-sucks.com,” “Guinnessbeerreallysucks.com,” and “Guinnessbeersucks.com,” and Diageo alleged the domain names were being used in bad faith.\textsuperscript{145} Diageo argued that the use of “guinnesssucks” web sites would disrupt the legitimate business of Guinness and divert members of the public to Zuccarini’s site, if only out of curiosity as to the content of such sites.\textsuperscript{146} The Panel concluded that Zuccarini’s domain names were confusingly similar to the Guinness mark, and used in bad faith, and transferred the domain names to Guinness.\textsuperscript{147}

\textbf{C. Altavista Company v. Grandtotal Finances (GR)}\textsuperscript{148}

Altavista, an Internet service corporation, providing Internet users with search information, e-commerce, and portal services, brought action against GR’s registration of domain names

\begin{itemize}
\item \textsuperscript{141} Id.
\item \textsuperscript{143} Id.
\item \textsuperscript{144} Id.
\item \textsuperscript{145} Id.
\item \textsuperscript{146} Id.
\end{itemize}
“actavista.com,” “aliavista.com,” “alkavista.com,” alsavista.com,” and 39 other variations of “Altavista,” all with slight misspellings. The Panel stated that GR intended to take advantage of inadvertent misspellings of web users, leading to confusion on behalf of the user; that GR had no legitimate interests vested in the domain names; and that the domain names are so obviously connected with “Altavista” and its services that its use by someone with no connection to “Altavista” suggests "opportunistic bad faith,” and ordered the names transferred to “Altavista.”

D. Court Cases

Currently, only a handful of courts have referred to the Uniform Domain Name Resolution Policy in their decisions, with only one basing its decision on the Policy. In Broadbridge Media v. HyperCD.com, Broadbridge, a promoter of technology,
converted and "compressed" analog audio information into digital information and "burned" this information onto a compact disc ("CD"). Under the "HyperCD" trademark, Broadbridge also promoted its technology which allowed its clients' customers to access additional features embedded in the CD, but unavailable until that customer visits Broadbridge's clients' website and downloads certain information. In this way, Broadbridge offered to its clients, the content owner, an Internet based system whereby the client can control its customer's use of the content on that CD. These conversion services were marketed to major record labels and content providers, who then distributed the HyperCD branded CD's to their customers.

Broadbridge contracted to provide technical support to its clients' customers, and centered its technical support system on its trademark by registering "HyperCD" as a domain name, and by advertising its email address, "hypercd.com," on millions of CD's and on the Internet as the way for its clients' customers to obtain technical support. Broadbridge then failed to renew its "hypercd.com" registration, which terminated along with its email address. Defendant Henderson, employed at Creation Technologies, Inc., developed a new technology which "compresses" digital audio information as recorded on its own recording equipment and "burns" this information onto a regular compact disc. Henderson came up with the name "HyperCD," and registered the domain name with "Register.com."

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155 Id. at 507.
156 Id.
157 Id.
158 106 F. Supp.2d at 507.
159 Id.
160 Id.
161 Id. Henderson was in charge of Creation Technologies' RADAR division, responsible for conceiving product names and corresponding Internet domain names.
162 Id.
163 106 F. Supp.2d at 507, n1. "Register.com" incorporates into its registration agreements with registrants ICANN's Uniform Domain Name
Subsequently, Broadbridge contacted Henderson, requesting the transfer of “hypercd.com” to Broadbridge. Henderson negotiated several times with Broadbridge, offering to transfer the name for compensation and rental terms. Broadbridge rejected all offers and filed a domain name dispute complaint under the ICANN procedures and rules. Broadbridge next initiated in rem proceedings and filed an order to show cause for a temporary restraining order and for a preliminary injunction. Henderson argued that when Broadbridge filed its domain name dispute complaint, it waived its right to also proceed in federal court, contending that the Uniform Domain Name Dispute Resolution Policy supports his argument. Henderson relied on paragraph 4(k) of the Policy, which states that the complainant may submit the dispute to a court before or after the ICANN administrative proceeding, and therefore, the paragraph prohibits a complainant from initiating court proceedings during the pendency of the administrative proceeding.

The Court rejected this interpretation of the Policy, stating that ICANN’s rules and complaint form do not state that a complainant gives up the right to proceed in court by filing a domain name dispute complaint. Second, the court stated that the Policy clearly states that the dispute proceedings are to be conducted under the rules, and rule 18 contemplates a complainant going to court by giving the Panel discretion to terminate, suspend, or

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Dispute Resolution Policy. By registering “hypercd.com,” with “Register.com,” Henderson agreed to ICANN’s dispute policy and rules which require him to submit to an administrative proceeding when a complainant alleges his domain name is identical or confusingly similar to that complainant’s trademark.

164 Id.
165 Id. at 508. Broadbridge offered Henderson $5,000 for transfer of the name, which Henderson rejected by offering a three year rental term with a monthly fee of $4,250 (equal to $153,000 over three years) or $85,000 to transfer the domain name. Broadbridge rejected these offers and offered $7,000, to which Henderson proposed $46,000. Broadbridge rejected the offer and filed a domain name dispute.

166 Id.
167 Id.
168 106 F. Supp.2d at 508-09.
169 Id. at 509.
proceed with an administrative proceeding once court proceedings on the same matter have begun.\textsuperscript{170} Finally, the court noted that experts in the field likewise interpret paragraph 4(k) as not prohibiting a complainant from going to court.\textsuperscript{171}

The court denied Henderson's motion to dismiss, stating that Broadbridge made the requisite showing of irreparable harm. Broadbridge advertised on millions of CD's and invested a significant amount of money developing its trademark and its email address, which it promoted as the method to obtain technical support for its client's customers.\textsuperscript{172} In addition to being in possible breach of contract with its own clients, Broadbridge's clients' customers whose email is returned may assume that Broadbridge is out of business or failing to provide the technical support.\textsuperscript{173} The court held that either assumption seriously, and if prolonged, may factually damage Broadbridge's reputation and goodwill.\textsuperscript{174} The court additionally held that Henderson's attempt to hold the domain name hostage until Broadbridge paid him an exorbitant amount of money for the transfer or rental of the domain name to be unquestionably in bad faith,\textsuperscript{175} and ordered "Register.com" to transfer the registration of "hypercd.com" to Broadbridge in accordance with its normal registration policies.\textsuperscript{176}

V. ANALYSIS OF LEGISLATION

Several differences exist between the old and new policies. Previously, if a complaint alleged that the registration of a particular domain name was a breach of an existing trademark, use of the domain name would be suspended or placed on hold until the domain name registry received either a court order ordering the registry to either reactivate or transfer ownership of the domain name, or a letter signed by both parties outlining their mutual

\begin{flushright}
\textit{Id.}
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\begin{flushright}
\textit{Id.}
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\textit{Id.}
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106 F. Supp.2d at 510.
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\begin{flushright}
\textit{Id.}
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\begin{flushright}
\textit{Id.}
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at 512.
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\textit{Id.}
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https://via.library.depaul.edu/jatip/vol10/iss2/13
wishes concerning the domain. The new policy results in the actual resolution of a dispute, with the consequence of either continued use, deletion or transfer of the disputed domain name.

The policy not only applies to nationally registered, but also to state and common law trademarks, and allows complainants to include both domain names that are identical to their trade or service mark, and those that are confusingly similar.

Second, unless the domain name is being held in bad faith, the trademark owner cannot invoke the Policy proceedings. For traditional trademark infringement or dilution claims, ICANN will not alter the status of the domain name absent an independent settlement between parties or a court decision. The third and most significant change in the Policy is a mandatory administrative dispute resolution proceeding for the disputes that do involve "bad faith" domain name holders. The dispute resolution procedure will be handled primarily online, and is designed to cost approximately $1,000 and take less than forty-five days to reach a resolution. In order to invoke this proceeding, the registered trademark owner must make a preliminary showing of bad faith on the part of the domain name holder, and in most cases, pay the entire fee for the proceeding. Although either party may dispute the ruling in court following the decision, this proceeding provides a quick and relatively inexpensive opportunity for the trademark owner to challenge the abusive ownership of a domain name.

The rules established under the Domain Name Dispute Resolution Policy have provided a valuable tool for trademark

178 Id.
179 Id.
181 Id.
183 Id.
184 d.
owners that become victims of domain name piracy. \textsuperscript{185} Revisiting NSI's dispute resolution policy, one can see where that policy failed in distinguishing a line between domain name holders and trademark owners. \textsuperscript{186} ICANN's Policy does not draw the same lines by specifically limiting the application of its Policy to disputes involving "bad faith" domain name holders ICANN's policy resets the situation to one that recognizes that not all identical names should invoke special dispute resolution processes, but conversely, an identical name is not always required to infringe. \textsuperscript{187}

Furthermore, ICANN's policy is both time and cost efficient. It is designed to take approximately forty-five days and cost only $1,000. \textsuperscript{188} Not only does this policy provide a quick resolution, it provides the resolution at a price that is affordable to even small business owners and individual domain name owners. Business users of the Internet need a time and cost efficient method to resolve domain name disputes because of the growing value of easily recognizable domain names associated with their trademarks. \textsuperscript{189} This high value to the business owner, however, creates two main advantages for the cybersquatter. \textsuperscript{190} First, the value of a domain name to the trademark owner may justify cumbersome and expensive litigation. \textsuperscript{191} This gives cybersquatters leverage to sell the domain name to the trademark owner at its


\textsuperscript{186} Walker at 304. Instead of providing a policy that focused on a positive goal, promoting consumer growth, NSI's policy attempted to draw a line between trademark owners and domain name holders. In the end, domain name holders felt that this categorization unfairly treated them all as cybersquatters. At the same time, trademark owners felt that the process was too narrow and failed to include some domain name holders who were infringing trademarks.

\textsuperscript{187} Id. at 304-05.

\textsuperscript{188} See <http://www.domainmagistrate.com/faqs.html> (visited November 1, 2000).

\textsuperscript{189} Walker at 306.

\textsuperscript{190} Id.

\textsuperscript{191} Id.
nuisance value; the cost efficient Policy helps balance out this leverage that cybersquatters have over trademark owners.\textsuperscript{192}

Unfortunately, ICANN’s policy does not attempt to address matters that do not involve a bad-faith domain name holder. For disputes in which the domain name holder is actually using, as opposed to selling, the domain name, ICANN’s policy would not apply and could not be invoked.\textsuperscript{193} Although unreasonable, the only solution to this would be for the registrars to have an office that screens out the domain name registration applications to see if there is a legitimate reason for the domain name; this screening process would eliminate of most of the domain names established for a profit. The registrars could also make the process of obtaining a domain name a little more difficult, but there would still be no reasonable, efficient way of checking a proposed domain name against a trademark list.

\begin{itemize}
\item \textsuperscript{192} Id.
\item \textsuperscript{193} Id. at 310. The first-come, first serve policy for registering domain name names would remain unaffected for the domain names, that, for example, include family or personal names as long as that domain name is actually being used rather than hoarded for sale. On the other hand, bad-faith domain name holders could no longer evade ICANN’s policy merely because they chose to hoard family or personal names rather than trademarked names. Individuals and small businesses would be afforded the same opportunity as trademark owners to attempt to obtain desired domain names without the high costs of traditional legal proceedings, high costs that they are the least likely to be able to afford in the first place.
\end{itemize}
CONCLUSION

ICANN’s 2000 Uniform Domain Name Dispute Resolution Policy succeeds in addressing the main problems created by domain name disputes. It promotes the quick and efficient elimination of cybersquatting, while at the same time, creating a policy that is flexible to changes. Perhaps with this new Policy small domain name holders, like baby Veronica, will be protected.

Victoria Napolitano