

COMMENT

ICANN DISPUTE RESOLUTION VS. ANTI-CYBERSQUATTING CONSUMER PROTECTION ACT REMEDIES: WHICH MAKES MORE “CENTS” FOR THE CLIENT?*

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* 2002 J.D. candidate from the University of Houston Law Center. This paper is dedicated to Steve A. Lee and the author's parents and family.

I. INTRODUCTION

In an effort to keep up with today's fast-paced world of modern technology, the legal environment has recently changed its approach concerning the new criminals of this technology-heavy world, which are commonly referred to as cybersquatters. Cybersquatting is defined as "the abusive registration of domain names by bad faith actors who seek to capitalize on the goodwill earned by trademark owners . . . in order to mislead consumers . . . or to extort payment from the rightful trademark owner for the right to use their own name in online commerce."¹ Cybersquatters want to use the "goodwill earned by the trademark owner" to their advantage.²

The first domain name disputes started appearing in 1994.³ Along with these new trademark infringement cases came questions on how a legal system should handle the Internet and domain name disputes. Initially, in December of 1992, Network Solutions, Inc. ("NSI") was given the responsibility of registering "the generic top level domains."⁴ NSI's guideline concerning domain name registration was "a first come, first served basis."⁵ This system, however, created a major problem—individuals were registering names and attempting to sell those domain names back to the trademark owners.⁶ In 1995, NSI released its dispute resolution policy, but the policy failed to achieve its purpose concerning trademark owners and infringers.⁷ The policy was overbroad because it allowed trademark owners to place a domain name on hold even if the trademark owner had a weak claim under trademark law.⁸ But the policy was also

1. See *Internet Domain Names and Intellectual Property Rights: Hearings Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 106th Cong. (1999) [hereinafter *Internet Domain Name Hearings*] (prepared testimony of Andrew J. Pincus, General Counsel to the Dept. of Commerce), at <http://www.house.gov/judiciary/pinc0728.htm> (last visited Feb. 16, 2002) [hereinafter *Pincus Testimony*].

2. See *id.*

3. See *Internet Domain Name Hearings*, *supra* note 1 (prepared testimony of Michael A. Daniels, Chairman of the Board for Network Solutions, Inc.), at <http://www.house.gov/judiciary/dani0728.htm> (last visited Feb. 16, 2002).

4. Management of Internet Names and Addresses, 63 Fed. Reg. 31,741, 31,742 (June 10, 1998), 1998 WL 298883.

5. See *id.*

6. See *Pincus Testimony*, *supra* note 1.

7. See *The Domain Name System: A Case Study of the Significance of Norms to Internet Governance*, 112 HARV. L. REV. 1657, 1663–66 & n.46 (1999); see also Lisa T. Oratz, *Trademarks and the Internet*, at <http://www.perkinsoie.com/resource/ecommm/trademarks.htm> (last visited Jan. 23, 2002).

8. See Oratz, *supra* note 7. A weak claim of trademark infringement involving a domain name is one where the domain name that was registered is for "products or

under-inclusive because it ignored the “likelihood of confusion” aspect of trademark law—the trademark owner could only invoke the policy if the trademark was “identical to the second-level domain [name].”⁹

In response to the criticisms surrounding NSI, the Internet Corporation for Assigned Names and Numbers (“ICANN”) was created.¹⁰ ICANN was “formed by a coalition of the Internet’s business, technical, and academic communities” and was given the responsibility of managing domain names.¹¹ On October 24, 1999, ICANN approved the Uniform Domain Name Dispute Resolution Policy (“UDRP”).¹² The following month, ICANN approved of the first dispute resolution service provider—the World Intellectual Property Organization.¹³

During this period, Congress was also working to expand the remedies available to trademark owners by creating the Anti-Cybersquatting Consumer Protection Act (“ACPA”).¹⁴ On November 29, 1999, President Clinton signed the ACPA into law.¹⁵ This act amended the Lanham Act to provide trademark owners with statutory remedies against cybersquatters.¹⁶ The ACPA also provides trademark owners a civil cause of action against cybersquatters, which includes the possibility of damages and the ability to bring *in rem* actions.¹⁷

Trademark owners can now choose either the ACPA or the UDRP when shutting down cybersquatters. But it is important to consider which method best suits a trademark owner’s financial and legal needs. The UDRP and the ACPA have the same underlying principles but approach the problem differently.

services that bear no similarity” to those of the registered trademark use. *Id.*

9. *Id.* “Likelihood of confusion” is defined as “whether [a] substantial number of ordinarily prudent purchasers are likely to be misled or confused as to [the] source of [a] different product.” BLACK’S LAW DICTIONARY 638 (Abridged 6th ed. 1991).

10. See Internet Domain Name Hearings, *supra* note 1 (prepared testimony of Michael M. Roberts, Interim President and Chief Executive Officer of ICANN), at <http://www.house.gov/judiciary/robe0728.htm> (last visited Feb. 16, 2002) [hereinafter Roberts Testimony].

11. See *id.*

12. See ICANN, *Timeline for the Formulation and Implementation of the Uniform Domain-Name Dispute-Resolution Policy*, at <http://www.icann.org/udrp/udrp-schedule.htm> (last visited Jan. 23, 2002) [hereinafter ICANN Timeline].

13. See *id.*

14. See Michael D. Bednarek & John I. Stewart, Jr., *Cyberpirates, Beware*, NAT’L L.J., Jan. 31, 2000, at C1.

15. See *id.*

16. See Ritcheny A. Shepherd, *Counsels’ Domain-name Pains*, NAT’L L.J., Sept. 4, 2000, at B3; Ritcheny A. Shepherd, *Cyberpirates Now May Have to Walk the Plank*, NAT’L L.J., Dec. 20, 1999, at B18.

17. See 15 U.S.C. § 1125(d) (2000); see also *infra* note 158.

This comment addresses the differences and similarities of the UDRP and the ACPA. While any decision to pursue cybersquatters under the ACPA or the UDRP belongs to the trademark owner, the attorney who advises the trademark owner should have a good working knowledge of the benefits and weaknesses of each method. Accordingly, this comment is intended to explain how both methods work, their benefits, and their weaknesses. Part II provides a brief background of the Internet, the past remedies available to a trademark owner, and a brief description of the origins and policies behind the UDRP and the ACPA. Part III will focus on the UDRP—its procedure, benefits, and weaknesses. Part IV discusses the ACPA's procedure, *in rem* proceedings, statutory damages, and its benefits and weaknesses. Finally, Part V compares the UDRP with the ACPA, discussing whether either of these new methods fully addresses a client's concerns or circumstances.¹⁸

II. BACKGROUND

The Internet is a new creature in this world, and therefore, the laws that govern it are correspondingly underdeveloped. To completely understand cybersquatting and why it exists, it is necessary to discuss the birth of the Internet and how the Internet works.

A. *Origins of the Internet*

The Internet began with a small number of computers funded by the Department of Defense.¹⁹ Since the introduction of the World Wide Web in 1994,²⁰ “WWW” and “dot-com” have become everyday phrases in our lives. Today, children have e-mail pals rather than pen pals, meetings are held from home instead of at the office, and grocery shopping merely takes a mouse click instead of hours in line.

In order to connect a computer to the Internet, the computer requires an Internet protocol (“IP”) address that consists of a

18. An explanation of other methods that may address cybersquatting and a discussion of increasing government regulation of the Internet Domain Name System is beyond the scope of this comment.

19. See Barry M. Leiner et al., *A Brief History of the Internet*, at <http://www.isoc.org/internet/history/brief.shtml> (last visited Jan. 31, 2002); see also Vint Cerf, *A Brief History of the Internet and Related Works*, at <http://www.isoc.org/internet/history/cerf.shtml> (last visited Jan. 23, 2002). Although there is conflicting information about the origins of the Internet, the time frame is between 1961 and 1973. See Leiner et al., *supra* note 19; Cerf, *supra* note 19.

20. See TIM BERNERS-LEE & MARK FISCHETTI, *WEAVING THE WEB* 97 (1999).

series of four 8-bit groups (each is an octet).²¹ Unfortunately, each IP address is unique²² and the number groups are difficult to remember.²³ Therefore, the inventors of the Internet developed domain names to prevent Internet users from having to remember the IP address of each website they use in their daily Internet surfing.²⁴

There are several components of a domain name. First, there are the top-level domains, *i.e.*, .com, .net, and .org.²⁵ Next, there are the second-level domains like “microsoft,” from microsoft.com, and “yahoo,” from yahoo.com.²⁶ Finally, there is the designation such as “www” (see table below, containing representative examples of domain names).²⁷ Similar to IP addresses, every combination of the first- and second-level domains (*i.e.*, the Internet address) must be unique.²⁸

**Table 1:
Example of a Representative Sample of the Domains**

Sample web sites:		
www.hbtlj.org; www.yahoo.com; www.earthlink.net		
Designation	Second-Level Domain	Top-Level Domain
www	hbtlj	org
www	yahoo	com
www	earthlink	net

21. See *Details about Internet addresses: subnets and broadcasting*, at gopher://gopher-chem.ucdavis.edu/00/Index/Internet_aw/Intro_the_Internet/intro.to.ip/07_Internet_addresses (last visited Jan. 23, 2002).

22. See *Domain Name System Privatization: Is ICANN Out of Control?: Hearings Before the Subcomm. on Oversight and Investigations of the House Comm. on Commerce*, 106th Cong. (1999) (prepared testimony of Jonathan Weinberg, Professor of Law, Wayne State University), at <http://www.law.wayne.edu/weinberg/testimony.pdf> (last visited Mar. 21, 2002) [hereinafter Weinberg Testimony].

23. See *id.*

24. See *id.*

25. See Joseph P. Liu, *Legitimacy and Authority in Internet Coordination: A Domain Name Case Study*, 74 IND. L.J. 587, 590–91 (1999) (explaining that top-level domains include country codes such as .us, .de, .ca, etc., and three letter codes like .com, .org, .gov, etc.).

26. See *id.* at 591. Second-level domains are the identifiers within the top-level domain and, depending on the type of top-level domain name, are limited in character length. See also Register.com, *Domain Name Rules*, at <http://www.register.com/domain-rules.cgi?1|3332519866|> (last visited Aug. 23, 2002).

27. See Michael S. Denniston & Margaret Smith Kubiszyn, *WWW.YOURCLIENT.COM: Choosing Domain Names and Protecting Trademarks on the Internet*, 61 ALA. LAW. 40, 41 (2000) (stating that “www” is the designation that indicates that the web site is on the world wide web).

28. See *id.* (stating “[n]o two users can have identical top- and second-level domain names”).

Initially, the National Science Foundation (“NSF”) had responsibility for “coordinating and funding the non-military portion of the Internet infrastructure.”²⁹ To handle the enormous task of administering domain names, the NSF turned to NSI.³⁰ NSI’s response was to develop a simple system for registering all the top-level domain names for the Internet.³¹ First, there are only a few requirements to register a domain name—uniqueness, a registration form, and a fee.³² Second, the company employs a “first-come, first-served basis” for registration.³³ The drawback with this system, however, is that it ignores the rights of trademark owners (*i.e.*, NSI’s first-come, first-served policy does not require it to “make a determination about a registrant’s right to a domain name”) and leads to disputes over domain names and eventual cybersquatting.³⁴

B. *The First Attempt at Dealing With Cybersquatting*

NSI’s unique domain name registration system gave rise to a new question: how to deal with the cybersquatting “outlaws” and this new illegal activity. Under NSI’s policy, the registrant bore the responsibility for determining if the domain name infringed a trademark.³⁵ The dispute resolution policy developed by NSI allowed a trademark owner to place a domain name it felt was infringing “on-hold” while a dispute was pending.³⁶ However, the registrant could prevent the “on-hold” status by proving that the domain name was registered prior to the trademark or that the registrant owned a trademark for the domain name.³⁷ This policy ignored a key part of trademark law: the “concept of common law

29. Management of Internet Names and Addresses, 63 Fed. Reg. 31,741, 31,742 (June 10, 1998), 1998 WL 298883.

30. *See id.*

31. *See id.*

32. *See* Weinberg Testimony, *supra* note 22.

33. *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316, 1318 (9th Cir. 1998) (stating that “NSI registers names on a first-come, first-served basis for a \$100 registration fee”).

34. *See Panavision Int’l, L.P.*, 141 F.3d at 1318–19; *see also* Jonathan Zittrain, *ICANN: Between the Public and the Private – Comments Before Congress*, 14 BERKELEY TECH. L.J. 1071, 1079 (1999).

35. *See The Domain Name System: A Case Study of the Significance of Norms to Internet Governance*, *supra* note 7, at 1664. NSI’s domain name registration process did not “evaluate [upfront] whether that registration or use may infringe upon the rights of a third party.” *Id.*

36. *See* G. Peter Albert, Jr., *Eminent Domain Names: The Struggle to Gain Control of the Internet Domain Name System*, 16 J. MARSHALL J. COMPUTER & INFO L. 781, 787–94 (1998); *see also* Oratz, *supra* note 7. “On hold” means that the domain name is temporarily “unavailable for use by anyone.” Albert, *supra* note 36, at 788.

37. *See* Albert, *supra* note 36, at 793–94.

rights and the likelihood-of-confusion requirement necessary for trademark infringement.”³⁸

In 1995, Congress amended the Lanham Act with the Federal Trademark Dilution Act (“FTDA”).³⁹ Dilution is the decrease in the ability of a famous mark to “identify and distinguish goods or services” even if there is or is not any competition between the parties or a likelihood of confusion.⁴⁰ The FTDA focuses on the trademark owner’s property rights in the trademark, instead of focusing on the protection of the consumer.⁴¹ There are two ways a trademark can be diluted—tarnishment and blurring.⁴² But neither tarnishment nor blurring completely apply to cybersquatting.⁴³ Cybersquatting, though, has been included within the bounds of the FTDA because cybersquatting prevents the trademark owner from using its trademark in a domain name to sell goods or services on the Internet.⁴⁴ But even this measure has not fully addressed the issue of cybersquatting.

C. ICANN’s Uniform Domain Name Dispute Resolution Policy’s Beginnings

The criticisms of NSI’s policy⁴⁵ and resulting increase in cybersquatting domain name disputes led to the formation of ICANN in 1998.⁴⁶ On October 24, 1999, ICANN decided to accept the Uniform Domain Name Dispute Resolution Policy (“UDRP”)

38. Oratz, *supra* note 7.

39. See 15 U.S.C. § 1125(c) (Supp. V 1994); see also *Panavision Int’l, L.P.*, 141 F.3d at 1318 (stating that the district court concluded that Toeppen had violated the Federal Trademark Dilution Act of 1995).

40. See *Panavision Int’l, L.P.*, 141 F.3d at 1326.

41. See J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION 24.90, at 24–145 (4th ed. 2002) (stating that “[w]hile traditional trademark law rests primarily on a policy of protection of customers from mistake and deception, anti-dilution law more closely resembles an absolute property right in a trademark”).

42. See *Panavision Int’l, L.P.*, 141 F.3d at 1326.

43. See *id.* at n.7 (defining blurring as “when a defendant uses a plaintiff’s trademark to identify the defendant’s goods or services” and tarnishment as “when a famous mark is improperly associated with an inferior or offensive product or service”) (emphasis added); see also 15 U.S.C. § 1125(d)(1)(A) (2000) (stating that a person is liable in a civil action “without regard to the goods or services” involved) (emphasis added); *infra* note 158.

44. See *Panavision Int’l, L.P.*, 141 F.3d at 1327 (concluding that “Toeppen’s registration of . . . [the] trademarks as . . . domain names . . . diluted those marks within the meaning of the [FTDA]”); *Washington Speakers Bureau, Inc. v. Leading Auths., Inc.*, 49 F. Supp. 2d 496, 498 (E.D. Va. 1999) (concluding that cybersquatting constituted “continued infringement of the mark”).

45. See Roberts Testimony, *supra* note 10.

46. See Management of Internet Names and Addresses, 63 Fed. Reg. 31,749, 31,749–751 (June 10, 1998); see also ICANN Timeline, *supra* note 12.

that had been proposed by the World Intellectual Property Organization (“WIPO”).⁴⁷

There are several differences between the UDRP and NSI’s dispute resolution policy.⁴⁸ First, a trademark owner cannot put a domain name “on-hold” while awaiting resolution of a claim under the UDRP.⁴⁹ Second, the UDRP can only be invoked by a trademark owner if the domain name is being held in bad faith.⁵⁰ Finally, the dispute resolution proceeding (“the Proceeding”) is mandatory.⁵¹

The Proceeding begins when the trademark owner files a complaint.⁵² The complaint must allege that (1) the domain name is “identical or confusingly similar” to the trademark owner’s mark; (2) the registrant does not have any “rights or legitimate interests” in the domain name; and (3) the domain name was “registered and use[d] in bad faith.”⁵³ The bad faith requirement poses a separate issue for trademark owners. Some acts that qualify as bad faith include the registrant registering the domain name for the purpose of:

- (1) transferring the domain name to the trademark owner;
- (2) preventing the trademark owner from using its mark as a domain name;
- (3) disrupting the trademark owner’s business;
or
- (4) attracting consumers by creating a likelihood of confusion.⁵⁴

47. See ICANN Timeline, *supra* note 12.

48. See Verisign, *FAQ/Help*, at <http://www.domainmagistrate.com/publish/faq.html> (last visited Aug. 22, 2002) (discussing the differences between NSI’s old Domain Name Dispute Policy and the UDRP).

49. See *id.*

50. See ICANN, *Uniform Domain Name Dispute Resolution Policy*, ¶ 3(a)–(b), 5, 7, at <http://www.icann.org/udrp/udrp-policy-24oct99.htm> (last visited Jan. 11, 2002) [hereinafter ICANN Policy].

51. See *id.* at ¶ 4.

52. See Jenifer deWolf Paine, *New Weapons Against Cybersquatters*, METROPOLITAN CORP. COUNS., Mar. 2000, at 14.

53. See *id.*

54. *Id.*

The registrant can, however, maintain rights to the domain name he or she registered.⁵⁵ If the registrant can prove he has been commonly known by the mark or is using the domain name in a noncommercial manner not intending to confuse or mislead consumers or is using the name in “a bona fide offering of goods or services,” then the registrant will not lose the domain name.⁵⁶

The UDRP is also quick and inexpensive.⁵⁷ The typical cost is between \$1000 and \$4500 per Proceeding.⁵⁸ The procedure is also designed to last only 45 days.⁵⁹ However, the sole remedy available to trademark owners is the transfer or cancellation of the infringing domain name.⁶⁰ There are no monetary damages available.⁶¹ Furthermore, if either party disagrees with the arbitrator’s decision, he or she can still file a civil action in court.⁶²

The corollary to the UDRP is the newly enacted Anti-Cybersquatting Consumer Protection Act (“ACPA”).⁶³ The ACPA is similar in several respects to the UDRP, but it provides the trademark owner additional remedies, including potential statutory damages.⁶⁴

D. *The ACPA’s Beginnings*

The ACPA was signed into law by President Clinton on November 29, 1999, the same day ICANN approved the first dispute resolution provider.⁶⁵ The ACPA addresses the intricate and unique problems surrounding domain names and cybersquatting⁶⁶ by creating a cause of action for trademark owners against cybersquatters if the domain name is “identical or

55. *See id.*

56. *See id.*

57. *See* Matt Railo, *Entertaining New Options in the Fight Against Cybersquatters: Choosing Between Internet Administrative Proceedings and Federal Court Lawsuits*, 22 ENT. L. REP. 4, 7 (2000); *see also* John Hartje, *Resolving Internet Domain Name Disputes*, INTELL PROP. TODAY, Aug. 2000, at 38; Sandra Edelman, *Cybersquatting Claims Take Center Stage*, 18 COMPUTER & INTERNET LAW. 1, 4 (2001); ICANN, *Frequently Asked Questions (FAQs) – Archive*, at <http://www.icann.org/general/faq2.htm#udrp> (last visited June 19, 2002) [hereinafter ICANN FAQs].

58. *See* Hartje, *supra* note 57, at 38.

59. *See* Paine, *supra* note 52; *see also* ICANN FAQs, *supra* note 57.

60. *See* Hartje, *supra* note 57, at 38.

61. *See id.*

62. *See id.*

63. Pub. L. No. 106-113, 113 Stat. 1501 (codified at 15 U.S.C. § 1125(d)(1)(A)).

64. *See* Hartje, *supra* note 57, at 39.

65. *See* ICANN Timeline, *supra* note 12; Ritchenya A. Shepherd, *Cyberpirates Now May Have to Walk the Plank*, NAT’L L.J., Dec. 20, 1999, at B18.

66. *See* 15 U.S.C. § 1125(d)(1)(A)(ii)(I)–(II) (2000); *see also infra* note 158.

confusingly similar” to the mark.⁶⁷ A bad faith intent element, similar to the one under the UDRP, is required under the ACPA.⁶⁸ However, the ACPA’s bad faith element has an additional requirement—it must be a bad faith intent *to profit*.⁶⁹ Congress has articulated a non-inclusive list of nine factors to assist the courts in determining bad faith.⁷⁰

Even if the trademark owner proves all nine factors, it is still possible for the registrant to prevail. For example, if the court finds that the registrant “reasonably believed that the use of the domain name was a fair use or otherwise lawful,” there can be no finding of bad faith.⁷¹

One seemingly insurmountable problem facing trademark owners is the anonymity the Internet provides. When a person

67. 15 U.S.C. § 1125(d)(1)(A)(ii)(I); *see also infra* note 158; *Sporty’s Farm L.L.C. v. Sportsman’s Mkt., Inc.*, 202 F.3d 489, 498 (2d Cir. 2000).

68. *See* 15 U.S.C. § 1125(d)(1)(A)(i); *see also infra* note 158.

69. *See* 15 U.S.C. § 1125(d)(1)(A)(i); *see also infra* note 158.

70. *See* Edward T. Dartley, *Pulling the Plug on Cybersquatters Congress Provides a New Weapon to Protect Trademarks Online*, 161 N.J.L.J. 271, S-3, July 24, 2000. The factors include:

1. The trademark or other intellectual property rights of the domain name holder, if any, in the domain name;
2. The extent to which the domain name consists of the domain name holder’s legal or commonly used name;
3. The domain name holder’s prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
4. The domain name holder’s bona fide noncommercial or fair use of the mark in a web site accessible through the domain name;
5. The domain name holder’s intent to divert consumers from the mark owner’s online location to a site accessible under the domain name that could harm the good will represented by the mark, either for commercial gain or with the intent to disparage or tarnish the mark, by creating the likelihood of confusion as to the source, sponsorship, affiliation or endorsement of the site;
6. The domain name holder’s offer to transfer, sell or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having intent to use, the domain name in any bona fide offering of any goods or services (or the domain name holder’s prior conduct indicating a pattern of such conduct);
7. The domain name holder’s provision of material and misleading false contact information;
8. The domain name holder’s registration or acquisition of multiple domain names that the person knows violate the trademark rights (including those under ACPA) of others; and
9. The extent to which the mark incorporated in the domain name is not distinctive or famous within the meaning of the Lanham Act. 15 U.S.C. § 1125(d)(1)(B).

Id.

71. *Id.*

registers for a domain name, the registrant can complete a form and pay with a credit card *all via the Internet*.⁷² Hence, incorrect contact information and aliases lead to serious issues when attempting service of process.⁷³ To alleviate this problem, Congress provided for an *in rem* action through the ACPA.⁷⁴ This action allows a trademark owner, after due diligence, to bring an *in rem* proceeding against the domain name itself if the registrant cannot be found for purposes of service of process.⁷⁵ This *in rem* action also allows trademark owners to bring suit against foreign registrants.⁷⁶ If the trademark owner proceeds under an *in rem* action, the trademark owner can bring the action in the district that the registrar is located.⁷⁷

The courts have had some trouble with this new *in rem* action.⁷⁸ At least one court has held that merely registering a domain name is not sufficient to establish *in personam* jurisdiction.⁷⁹ Because this Act is relatively new, it remains to be seen whether the Act will withstand a challenge to the constitutionality of the *in rem* proceeding.⁸⁰

72. See *Sporty's Farm L.L.C.*, 202 F.3d at 493 (stating that registration of a domain name is achieved after payment of a registration fee); see also Register.com, *Registering My Domain Name – The Registration Process*, at <http://www.register.com/faq/registering-domain.cgi?1|3220364363|#2> (last visited June 19, 2002) (stating that “[t]he only things [needed] in order to register . . . are a valid [credit card], and accurate Contact and billing information”).

73. See *Dartley*, *supra* note 70; see also *Lucent Techs., Inc. v. LucentSucks.com*, 95 F. Supp. 2d 528, 530 (E.D. Va. 2000) (citing S. REP. NO. 106-140, at 4 (1999) as recognizing the problem of incorrect registration applications).

74. See 15 U.S.C. § 1125(d)(2)(A) (2000); see also *infra* note 158; *Lucent Techs., Inc.*, 95 F. Supp. 2d at 530 (stating that “[t]he Judiciary Committee believed that including an *in rem* provision in the ACPA would alleviate the problem of anonymous cybersquatters”).

75. See 15 U.S.C. § 1125(d)(2); see also *infra* note 158.

76. See *Railo*, *supra* note 57, at 7.

77. See 15 U.S.C. § 1125(d)(2); see also *infra* note 158; *Harrods Ltd. v. Sixty Internet Domain Names*, 110 F. Supp. 2d 420, 422–23 (E.D. Va. 2000); *Heathmount A.E. Corp. v. Technodome.com*, 106 F. Supp. 2d 860, 862 & n.2 (E.D. Va. 2000).

78. See, e.g., *Caesars World, Inc. v. Caesars-Palace.com*, 112 F. Supp. 2d 505, 507–09 (E.D. Va. 2000) (stating that the ACPA “employ[s] unfamiliar concepts of *in rem* jurisdiction” and therefore overruling a motion for sanctions against the defendant’s counsel and the “sponsor of the litigation.” The defendant’s counsel had refused to identify the “sponsor of the litigation,” the person behind the web site, and to provide discovery answers.); *Harrods Ltd.*, 110 F. Supp. 2d at 423 (stating that because the defendant was not under *in personam* jurisdiction in the *in rem* proceeding, the “plaintiff cannot pursue any cause of action with the potential to impose personal liability”); *Heathmount A.E. Corp.*, 106 F. Supp. 2d at 861 (determining “what the plaintiff must prove to demonstrate the ‘absence’ of personal jurisdiction in order to proceed *in rem*”).

79. See *America Online v. Huang*, 106 F. Supp. 2d 848, 858–59 (E.D. Va. 2000) (stating that “mere registration of a domain name that is similar or identical to a trademark . . . is not a sufficient basis for personal jurisdiction in the trademark owner’s domicile”); see also *Heathmount A.E. Corp.*, 106 F. Supp. 2d at 866.

80. See Thomas R. Lee, *In Rem Jurisdiction in Cyberspace*, 75 WASH. L. REV. 97,

Another problem is that with all these new methods and remedies, a trademark owner must decide which method is best under its particular circumstances. Both the UDRP and the ACPA seem to address more of the issues concerning cybersquatting than NSI's dispute resolution policy and the FTDA. Do any of these methods address all of the issues? Is one better than the other? Does the question depend on the client, the circumstances, money, or something else? Examining the details of the UDRP and the ACPA will provide useful insight in addressing these issues.

III. WHAT LIES BENEATH ICANN'S UDRP

The purpose of the UDRP is to provide a mandatory means of resolving any disputes that may arise between a registered user of a domain name and a trademark owner.⁸¹ When an individual registers a domain name, that person agrees to follow ICANN's UDRP policy.⁸² Although the UDRP has only been available since November of 1999, it has been extremely active. Currently, there have been a total of 7245 proceedings concerning 11,690 domain names.⁸³ The efficiency of the UDRP is demonstrated by its disposition of 6725 proceedings, 5995 with decisions and 730 without decisions.⁸⁴ The reason for the quick resolution is the forty-five day time limit for decisions.⁸⁵ Another bonus is the low cost of conducting a Proceeding.⁸⁶

The UDRP has some advantages but its application is limited. The policy is limited to "disputes in which the

109–10, 113–26 (2000) (discussing the history of *in rem* jurisdiction and citing *Porsche Cars N. Am., Inc. v. Porsch.com*, 51 F. Supp. 2d 707, 710 (E.D. Va. 1999), and stating "that the district court lacked jurisdiction under the Trademark Dilution Act to entertain an *in rem* action"); see also Paine, *supra* note 52 (commenting that there probably will be "constitutional challenges" to the ACPA in regard to *in rem* jurisdiction); see also *Heathmount A.E. Corp. v. Technodome.com*, 60 U.S.P.Q.2d 2018, 2020–23 (E.D. Va. 2000) (holding that the ACPA "allows a properly narrow and constitutional exercise of that jurisdiction"); *FleetBoston Fin. Corp. v. Fleetbostonfinancial.com*, 138 F. Supp. 2d 121, 128–35 (D. Mass. 2001) (discussing the constitutionality of the *in rem* cause of action under the ACPA and limiting the *in rem* action to those specified in subparagraph (2)(A) of the ACPA).

81. See Hartje, *supra* note 57, at 38; see also Paine, *supra* note 52.

82. See ICANN Policy, *supra* note 50.

83. ICANN, *Statistical Summary of Proceedings Under Uniform Domain Name Dispute Resolution Policy*, at <http://www.icann.org/udrp/proceedings-stat.htm> (last visited Oct. 13, 2002).

84. *Id.*

85. See ICANN FAQs, *supra* note 57 (stating that the procedure is "designed to take less than 45 days").

86. See Hartje, *supra* note 57, at 38.

complainant asserts that the respondent has registered and is using a domain name in bad faith.”⁸⁷ The arbitration remedies that are allowed under the UDRP “are limited to the cancellation of the infringing domain name or the transfer of the domain name registration to the successful complainant.”⁸⁸ If the registrant or the complainant does not like the ruling of the arbiters, however, there is still the possibility of filing suit in court.⁸⁹ The policy “defers to the courts,” so long as a suit has been filed “before, or within 10 days after, the conclusion of an arbitration hearing.”⁹⁰ If the complainant or registrant has met the time limit, ICANN will stay any action until the court makes a decision on the matter.⁹¹

A. *Cost and the Arbitrators Behind the UDRP*

There are four organizations that may provide dispute resolution under UDRP.⁹² They are the WIPO, the National Arbitration Forum (“NAF”), the Disputes.org/eResolution Consortium (“DeC”), and the CPR Institute for Dispute Resolution (“CPR”) (known collectively as “Providers”).⁹³ Each organization charges a different fee for its services.⁹⁴ In addition, there are two different methods from which to choose under the UDRP, the single arbitrator or the three arbitrator panel.⁹⁵ The least expensive arbitrations are from the NAF and the DeC which charge \$750 for a single arbitrator and \$2250 and \$2200, respectively, for the panel of three arbitrators.⁹⁶ WIPO charges \$1000 for a single arbitrator and \$2500 for the three arbitrator panel.⁹⁷ CPR is even more expensive at \$2000 for a single and \$4500 for a panel.⁹⁸

87. *Id.*

88. *Id.*

89. *See id.*; see also Jeffrey M. Gitchel, *CyberWars: Domain Name Dispute Policy Provides a New Hope to Parties Confronting Cybersquatters*, INTELL. PROP. TODAY, Aug. 2000, at 34.

90. Hartje, *supra* note 57, at 38.

91. *See id.*

92. *See id.*

93. *See id.*

94. *See id.*

95. *See id.*

96. *See id.*

97. *See id.*

98. *See id.*

B. *Filing a Complaint Under the UDRP and the Arbitration Process*

When filing a complaint with ICANN, a complainant must assert the requisite allegations.⁹⁹ First, the “complaint must allege” the domain name is “‘identical or confusingly similar’ to a mark belonging to the complainant.”¹⁰⁰ Therefore, famous names that are not registered trademarks are excluded from the benefits of the UDRP, which includes the names of famous people who have not registered their names as trademarks.¹⁰¹ Second, the “complaint must allege . . . the registrant has no ‘rights or legitimate interests’ in the domain name.”¹⁰² Therefore, this appears to imply that if a registrant has a legitimate interest in the domain name (such as a common law right to a trademark), or if it is the registrant’s name, the arbitrators will not find in favor of the complainant.¹⁰³ Finally, the complaint must allege that the domain name was “registered [and being used] in bad faith.”¹⁰⁴

The UDRP helps the arbitrators define bad faith by providing a non-inclusive list of factors.¹⁰⁵ These bad faith factors include (but are not limited to):

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

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

99. See Paine, *supra* note 52, at 14.

100. *Id.*

101. See Railo, *supra* note 57, at 5.

102. Paine, *supra* note 52, at 14.

103. See *supra* notes 55–56 and accompanying text.

104. Paine, *supra* note 52, at 14.

105. See ICANN Policy, *supra* note 50, at ¶ 4(b).

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

(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.¹⁰⁶

Notwithstanding the above factors, each registrant has certain rights concerning the domain name he or she has registered.¹⁰⁷ The registrant will be found to have a "legitimate interest" in the domain name if (1) the registrant can show that the domain name was used "in connection with a 'bona fide offering of goods or services' before receipt of the dispute notice," (2) the registrant is "commonly known by the domain name," or (3) the registrant is "making a 'legitimate noncommercial or fair use' of the name with no intent of commercial gain, misleading or diverting consumers, or tarnishing the name."¹⁰⁸

To initiate a dispute, the complainant must file a complaint alleging the above mentioned indicia of bad faith to one of the ICANN approved Providers.¹⁰⁹ The complainant "must also send a copy of the complaint to the [domain name] registrant."¹¹⁰ The Provider then reviews the complaint and sends a formal notice to the registrant, who is known for arbitration purposes as the respondent.¹¹¹

Once the arbitration process has begun, the respondent has twenty days to file a response.¹¹² The response must specifically address the allegations set forth in the complaint and include "all bases for the respondent's contention that it is entitled to retain

106. *Id.*

107. *See* Paine, *supra* note 52.

108. *Id.*; *see also* ICANN Policy, *supra* note 50, at ¶ 4(c).

109. *See* ICANN, *Rules for Uniform Domain Name Dispute Resolution Policy* ¶ 3(b), at <http://www.icann.org/udrp/udrp-rules-24oct99.htm> (last visited Jan. 11, 2002) [hereinafter ICANN Rules].

110. *Id.* at ¶ 3(b)(xii); Gitchel, *supra* note 89, at 34.

111. *See* Gitchel, *supra* note 89, at 34.

112. *See id.*

use of the domain name.”¹¹³ If the respondent does not respond within the twenty days (absent exceptional circumstances), a default judgment for the complainant will be entered.¹¹⁴

When the response has been received (or the due date for the response has passed), the Provider must appoint an arbitration panel.¹¹⁵ A single arbitrator will oversee the arbitration, unless the respondent or the complainant wants a three arbitrator panel.¹¹⁶ With a single arbitrator, the Provider has five calendar days to appoint the arbitrator.¹¹⁷ With a three arbitrator panel, the Provider must appoint the panel quickly, but is not subject to a specific date requirement.¹¹⁸ If the respondent elects to have a three arbitrator panel, he or she must split the costs of the arbitration with the complainant.¹¹⁹ If the complainant elects for a three arbitrator panel, the respondent is not required to share in the costs.¹²⁰ Unless there are exceptional circumstances, there are no in-person proceedings.¹²¹

The panel is expected to provide a decision in writing within fourteen days of the appointment of the panel.¹²² The Provider then communicates the decision to the complainant, respondent, the registrar, and ICANN within three days of the decision.¹²³ Either party may initiate court proceedings before or within ten days of the decision.¹²⁴

In determining the rights of the complainant, the panel will probably focus on whether the complainant has registered or used the mark and the similarity between the mark and the domain name.¹²⁵ The complainant will not prevail if the mark is not registered or in use, or if the mark and the domain name are not confusingly similar.¹²⁶

113. *Id.*

114. *See id.*

115. *See id.*

116. *See id.*

117. *See id.*

118. *See id.*

119. *See id.* at n.19; *see also* ICANN Policy, *supra* note 50, at ¶ 4(g); ICANN Rules, *supra* note 109, at ¶ 6(c).

120. *See* ICANN Rules, *supra* note 109, at ¶ 6(c) (stating the complainant pays the entire fee alone if he elects a three arbitrator panel).

121. *See* Gitchel, *supra* note 89, at 34; *see also* ICANN Rules, *supra* note 109, at ¶ 13.

122. *See* ICANN Rules, *supra* note 109, at ¶ 15(b), (d).

123. *See id.* at ¶ 16(a).

124. *See* ICANN Policy, *supra* note 50, at ¶ 4(k).

125. *See id.* at ¶ 4(a); *see also* Gitchel, *supra* note 89, at 35.

126. *See* ICANN Policy, *supra* note 50, at ¶ 4(a); *see also* Gitchel, *supra* note 89, at

C. Shortcomings and Advantages of the UDRP

Although there are several advantages associated with the UDRP, there are several drawbacks as well. For instance, the UDRP is probably not available to celebrities.¹²⁷ If a person's name does not qualify as a trademark (either through federal registration, state law or common law), then the person cannot use the UDRP.¹²⁸ The only legal relief available to these individuals is through the ACPA.¹²⁹ In addition, the UDRP is limited by the fact that it is only applicable to a "dispute involving top-level domains such ascom, .org, or .net."¹³⁰ Country codes such as .cc, .de, .uk, or .ca do not fall under the UDRP's reach.¹³¹ The only means for seeking a remedy in these cases is to go to court, which presents personal jurisdiction problems.¹³²

Other problems associated with the UDRP include the nature of the remedies available to the complainant, as well as the failure to address goodwill, warehousing, and reverse-cybersquatting. Under the UDRP, the only available remedies are the cancellation of the domain name or transfer of the domain name to the complainant¹³³—the UDRP does not give the arbiters the authority to grant injunctive relief.¹³⁴ In this instance, the ACPA appears more favorable because it gives courts the ability to grant temporary injunctive relief.¹³⁵ In addition, unlike the ACPA, the UDRP does not award money damages.¹³⁶ Another problem is that the UDRP fails to take into account the "goodwill" of the Internet. As commentators have argued, "[t]here is no better way to maintain a strong position in the marketplace than to build goodwill."¹³⁷ Likewise,

35.

127. See Railo, *supra* note 57, at 5.

128. See *id.*

129. See *id.*

130. See *id.* at 6.

131. See *id.* Country codes are top-level domains that represent specific countries. See *supra* note 25 and accompanying text.

132. See Railo, *supra* note 57, at 6.

133. See *id.*; see also ICANN Policy, *supra* note 50, at ¶ 4(i).

134. See Railo, *supra* note 57, at 6; see also ICANN Policy, *supra* note 50, at ¶ 4(i).

135. See Railo, *supra* note 57, at 6.

136. See *id.*; see also ICANN Policy, *supra* note 50, at ¶ 4(i).

137. Andrew J. Sherman, *Protecting Trademarks I: Definition*, at <http://www.entreworld.org/Content/EntreByline.cfm?ColumnID=178> (last visited Aug. 26, 2002). Goodwill is "[t]he favor which the management of a business wins from the public." BLACK'S LAW DICTIONARY 479 (Abridged 6th ed. 1991). See also Thomas G. Field, Jr., *Trademarks & Business Goodwill*, at <http://www.piercelaw.edu/tfield/Trademk.htm> (last visited Aug. 26, 2002).

warehousing and reverse-cybersquatting are also not accounted for in the UDRP.¹³⁸ Accordingly, these issues should be addressed in any future revisions.

Notwithstanding the shortcomings listed above, especially in regards to individuals who have famous names,¹³⁹ the UDRP can still provide substantial protection for others. One advantage of the UDRP is the lack of “distinction based on domicile of the alleged cybersquatter.”¹⁴⁰ By eliminating problems associated with personal jurisdiction, bringing a dispute under the UDRP is much simpler than bringing an action in federal court.¹⁴¹

Furthermore, the UDRP seems more in tune with traditional trademark law while still recognizing the complexity of the issues surrounding the Internet. For instance, unlike the ACPA, the UDRP merely requires that registrants possess a bad faith intent, and not a bad faith intent to *profit*.¹⁴² Also, the UDRP takes into consideration that some identical names may not always infringe, whereas some non-identical names may in fact infringe upon the trademark of another.¹⁴³ The policy also includes in its definition of bad faith the misdirection of consumers to an incorrect web site and keeping recognizable names off the Internet.¹⁴⁴

The UDRP also has several other advantages. First, the UDRP is inexpensive, only ranging from \$750 to \$4500, depending on the number of arbitrators and the Provider that is chosen.¹⁴⁵ Second, the UDRP is quick.¹⁴⁶ This quick and inexpensive proceeding, therefore, would appear to be an attractive option to trademark owners. As previously noted,

138. See *infra* notes 296–99 and accompanying text. Warehousing is the registration of words that are not trademarks or that no one has rights in. See Bednarek & Stewart, *supra* note 14, at C1. Reverse cybersquatting (or reverse domain name hijacking) occurs when a “trademark owner covets an existing domain name and seeks to gain possession of the domain name by launching a challenge” in court. Carl Oppedahl, *Recent Trademark Cases Examine Reverse Domain Name Hijacking*, 21 HASTINGS COMM. & ENT. L.J. 535, 543–44 (1999) (discussing three cases involving reverse cybersquatting; also stating that the outcomes in court opinions could result in a weakening of the trademark owners’ rights).

139. See Railo, *supra* note 57, at 5.

140. *Id.* at 6.

141. See *id.*

142. See ICANN Policy, *supra* note 50, at ¶ 4(a).

143. See *id.* at ¶ 4(a)(i)–(iii) (stating that the domain name must be “identical or confusingly similar to a trademark” and the registrant has “no rights or legitimate interests” in the domain name and the domain name was registered in bad faith).

144. See *id.* at ¶ 4(b)(iv) (stating that evidence of bad faith includes “attempt[ing] to attract, for commercial gain, Internet users”).

145. See Hartje, *supra* note 57, at 38.

146. See Sandra Edelman, *Cybersquatting Claims Take Center Stage*, 18 COMPUTER & INTERNET LAW. 1, 4 (2001).

however, the drawback is that no money damages are awarded.¹⁴⁷ Therefore, a trademark owner seeking monetary damages is well advised to take the registrant to court.¹⁴⁸ The option of going to court first instead of relying upon the UDRP also has the potential to be less expensive if the trademark owner is dealing with a litigious registrant who plans to appeal the panel's decision to a court of law anyway.¹⁴⁹ But in this situation, even if the trademark owner were to use the UDRP and then be taken to court through the ACPA, the trademark owner will only have the added expense of the UDRP Proceeding, which is nominal in the long run.

IV. THE ACPA'S UNDERPINNINGS

The purpose of the ACPA is to provide a method in the court system for trademark owners to sue registrants for damages and cancellation (or transfer) of a domain name.¹⁵⁰ Prior to the enactment of the ACPA, trademark owners had few options when dealing with cybersquatters.¹⁵¹ The trademark owners could use the NSI dispute resolution policy (prior to the UDRP), but not all domain names were within NSI's jurisdiction.¹⁵² Furthermore, as previously noted above, the NSI dispute resolution policy was ineffective in dealing with the full scope of cybersquatting.¹⁵³ The FTDA was also available to trademark owners, but this method likewise failed to fully address the impact of the Internet and cybersquatting.¹⁵⁴ As a consequence, on November 29, 1999, President Clinton signed the ACPA into law, making it the first statute specifically written to address the issue of cybersquatting and its effect on trademark law.¹⁵⁵

Although there have been many cases brought under the ACPA, the appellate case law on the subject is sparse.¹⁵⁶ The

147. *See id.*

148. *See id.*

149. *See id.* at 5 & n.13 (noting that UDRP proceedings are not "binding in subsequent court actions" and citing *Weber-Stephen Prods. v. Armitage Hardware*, 54 U.S.P.Q.2d 1766 (N.D. Ill. 2000)); *see also* ICANN Policy, *supra* note 50; ICANN Rules, *supra* note 109.

150. *See* Edelman, *supra* note 146, at 1.

151. *See supra* notes 35–44 and accompanying text.

152. *See supra* notes 35–38 and accompanying text.

153. *See supra* notes 35–38 and accompanying text.

154. *See supra* notes 39–44 and accompanying text.

155. *See* *Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 493–96 (2d Cir. 2000) (discussing how the ACPA became necessary in battling cybersquatters); *see also*, *Ritchenya A Shepherd, Cyberpirates Now May Have to Walk the Plank*, NAT'L L.J., Dec. 20, 1999, at B18.

156. *See* *Shepherd, supra*, note 155 (stating that a "flurry" of lawsuits were filed after

district courts have already started to address some of the issues posed by the law, including *in rem* proceedings.¹⁵⁷ As this statute matures and more cases are appealed, the appellate courts will have more opportunities to determine the full impact and constitutionality of the law.

False designations of origin and false descriptions are addressed in 15 U.S.C. § 1125, but the ACPA is only one subsection of 15 U.S.C. § 1125, subsection (d), cyberpriacy prevention.¹⁵⁸ The other three sections of 15 U.S.C. § 1125

the ACPA's enactment); *see also* Edelman, *supra* note 146, at 2 (listing and discussing several winning cases); Hartje, *supra* note 57, at 39 (stating that “[s]everal federal courts have already granted injunctive relief under the ACPA, directing the transfer of infringing domain names to the trademark holder”); Dartley, *supra* note 70, at S-7 (observing that “trademark owners have been quick to take advantage of the ACPA’s new protections”).

157. *See supra* note 78 and accompanying text; *infra* Parts IV.C. & D.1.

158. *See* 15 U.S.C. § 1125(d) (2000). This section provides that:

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

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

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

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

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

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

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

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

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

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

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

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

(VI) the person's offer to transfer, sell, or otherwise assign the

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

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

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

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

(ii) Bad faith intent described under subparagraph (A) shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.

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

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

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

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

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

(ii) the court finds that the owner—

(I) is not able to obtain *in personam* jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or

(II) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1) by—

(aa) sending a notice of the alleged violation and intent to proceed under this paragraph to the registrant of the domain

address false designation of origin and false descriptions under traditional trademark situations.¹⁵⁹ Section (a) provides the trademark owner with the right to bring a civil action against the infringer,¹⁶⁰ and enumerates general definitions of likelihood of confusion¹⁶¹ and misrepresentation.¹⁶² The Lanham Act in §

name at the postal and e-mail address provided by the registrant to the registrar; and
(bb) publishing notice of the action as the court may direct promptly after filing the action.

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

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

- (i) the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located; or
- (ii) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.

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

- (I) expeditiously deposit with the court documents sufficient to establish the court's control and authority regarding the disposition of the registration and use of the domain name to the court; and
 - (II) not transfer, suspend, or otherwise modify the domain name during the pendency of the action, except upon order of the court.
- (ii) The domain name registrar or registry or other domain name authority shall not be liable for injunctive or monetary relief under this paragraph except in the case of bad faith or reckless disregard, which includes a willful failure to comply with any such court order.

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

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

Id.

159. See *id.* § 1125(a)–(c).

160. See *id.* § 1125(a).

161. See *id.* § 1125(a)(1)(A).

162. See *id.* § 1125(a)(1)(B).

1125(b) addresses importation,¹⁶³ and in § 1125(c), it addresses the remedies available for the dilution of a famous mark.¹⁶⁴ Section (d) combines sections (a), (b), and (c) and language specifically geared toward the Internet and cybersquatters.¹⁶⁵

A. *The Nine “Bad Faith Intent to Profit” Factors*

After the trademark owner decides to pursue a civil action against the registrant, the trademark owner must file a complaint that alleges that the registrant had “a bad faith intent to profit from that mark . . . and registers, traffics in, or uses a domain name that . . . is identical or . . . confusingly similar to that mark”¹⁶⁶ Just as ICANN provided a non-inclusive list of factors that can be used to determine if the domain name was registered with a bad faith intent, the ACPA includes the following list of factors to determine bad faith intent to profit:

- 1) the trademark or other intellectual property rights of the person, if any, in the domain name;
- 2) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;
- 3) the person’s prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
- 4) the person’s bona fide noncommercial or fair use of the mark in a site accessible under the domain name;
- 5) the person’s intent to divert consumers from the mark owner’s online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating

163. See *id.* § 1125(b).

164. See *id.* § 1125(c).

165. See *id.* § 1125(d); see also *supra* note 158.

166. See 15 U.S.C. § 1125(d)(1)(A)(i)–(ii); see also *supra* note 158.

a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

- 6) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;
- 7) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;
- 8) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and
- 9) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of this section.¹⁶⁷

The factors listed above provide a guideline for courts.¹⁶⁸ The list includes some indicators of methods that cybersquatters have employed in the past when attempting to extort money from

167. See 15 U.S.C. § 1125(d)(1)(B)(i)(I)–(IX); see also *supra* note 158.

168. See *Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 498 (2d Cir. 2000) (stating that the court is "not limited to considering just the listed factors . . . [which are] indicia that 'may' be considered along with other facts" when determining whether there was cybersquatting); see also 15 U.S.C. § 1125(d)(1)(A); see also *supra* note 158.

trademark owners through the sale of the domain name.¹⁶⁹ Obviously, Congress could not foresee every possible tactic; therefore, the courts have to examine the circumstances of each case.

The nine factors can be split into two categories.¹⁷⁰ The first category is evidence of bad faith, while the other is evidence of lack of bad faith.¹⁷¹ Factors five through eight are evidence of bad faith on the part of the registrant, and factors one through four are evidence of the registrant's lack of bad faith.¹⁷² Factor nine fits either category depending on the extent to which the mark is distinctive and famous.¹⁷³

B. Other Requirements of the ACPA

When filing a complaint, the trademark owner is not required to plead that the registrant confused consumers because of the similarities between the goods and services offered in the commerce of the registrant and the trademark owner.¹⁷⁴ Instead, the only requisite pleading is the similarity between the mark and the domain name.¹⁷⁵ Thus, "there is no need to show the cybersquatter is actually using the name" for infringement to be found.¹⁷⁶ The ACPA also expands the scope of cybersquatting by including anyone who "registers, traffics in, or uses a domain name" that is confusingly similar to the mark.¹⁷⁷ This may mean that a trademark owner could potentially have two causes of action—one against the registrant and another against the owner of the domain name (*i.e.*, the person who purchased the domain name from the registrant).¹⁷⁸

169. See S. REP. NO. 106-140, at 9 (1999).

170. See H.R. REP. NO. 106-412, at 10 (1999) (stating that the first four factors demonstrate a lack of bad-faith, and the others indicate the presence of bad-faith); See S. REP. NO. 106-140, at 9 (stating that the list of factors "suggest bad-faith intent or a lack thereof").

171. See 15 U.S.C. § 1125(d)(1)(B)(i)(I)–(VIII); see also *supra* note 158. The factors that show lack of bad faith include factors (I)–(IV), and those that show bad faith are factors (V)–(VIII). See 15 U.S.C. § 1125(d)(1)(B)(i)(I)–(VIII).

172. See *supra* note 167 and accompanying text.

173. See *supra* note 167 and accompanying text.

174. See *infra* notes 292–94 and accompanying text.

175. See Dartley, *supra* note 70, at S-3.

176. Stuart H. Singer & Laurence Meyerson, *New Laws Help Protect Web Domain Names*, SUN-SENTINEL (Fort Lauderdale, FL), Jan. 24, 2000, (Your Business), at 8.

177. Dartley, *supra* note 70, at S-2 (quoting the Lanham Act).

178. See *id.* at S-3 (stating that the ACPA "applies to someone who did not register the domain name but instead purchased it from the original registrant").

C. A Recent Case of Cybersquatting

In *Mattel, Inc. v. Internet Dimensions Inc.*,¹⁷⁹ the District Court for the Southern District of New York enjoined the defendants, Internet Dimensions and Benjamin Schiff, from use of the registered domain name “Barbiesplaypen.com” after holding that the defendants had infringed Mattel’s trademark and violated the ACPA.¹⁸⁰ First, the court determined that the mark BARBIE was distinctive and famous.¹⁸¹ In its analysis, the court considered factors such as:

- (A) the degree of inherent or acquired distinctiveness of the mark;
- (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
- (C) the duration and extent of advertising and publicity of the mark;
- (D) the geographical extent of the trading area in which the mark is used;
- (E) the channels of trade for the goods or services with which the mark is used;
- (F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks’ owner and the person against whom the injunction is sought;
- (G) the nature and extent of use of the same or similar marks by third parties; and
- (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.¹⁸²

179. 55 U.S.P.Q.2d 1620 (S.D.N.Y. 2000).

180. *See id.* at 1625.

181. *See id.* at 1623.

182. *See id.* at 1622 (quoting 15 U.S.C. § 1125(c)(1)).

These factors must be taken into consideration when deciding whether to pursue a cybersquatter under the ACPA because, if the mark is not distinctive or famous, the ACPA will not apply.¹⁸³ Next, the court determined that the domain name was “confusingly similar” to BARBIE.¹⁸⁴ Although the court stated that the domain name and the mark were not “identical,” the two were similar enough to be confusing.¹⁸⁵ Finally, the court weighed the nine factors for bad faith intent to profit and determined that the defendants had the requisite intent.¹⁸⁶ The court examined each of the nine factors separately and determined that only one of the nine factors, the sixth factor (offering to sell the domain name), weighed in favor of the defendants.¹⁸⁷ The court awarded Mattel a permanent injunction preventing defendants’ “commercial use and infringement” of the Barbie trademark, but left the request for money damages and attorneys’ fees for a supplemental memorandum, if required.¹⁸⁸ Importantly, the court specifically disapproved of the defendants providing improper registration information and then changing the registration information to a foreign address where they never had a place of business.¹⁸⁹ The court viewed this as a means for the defendants to avoid service of process.¹⁹⁰

D. In Rem Jurisdiction and Celebrities Under the ACPA

The ACPA has other noteworthy provisions in addition to those already discussed. First, the ACPA establishes an *in rem* cause of action available in cases when the registrant cannot be found, and especially in cases when the registrant has provided false information to the registrar.¹⁹¹ Furthermore, the ACPA

183. See 15 U.S.C. § 1125(d)(1)(A)(i)–(ii) (2000) (stating that the ACPA specifically requires that the registrant have a bad faith intent to profit and that the domain name is distinctive or famous, or is a “trademark, word, or name protected by reason of section 706 of title 18 or section 220506 of title 36”); see also *supra* note 158.

184. See *Mattel, Inc.*, 55 U.S.P.Q.2d at 1623.

185. *Id.* (listing the similarities between the domain name and the trademark, including “(1) both contain the name ‘barbie;’ (2) the name ‘Barbie’ on the front page of the web site and the logo BARBIE both have approximately the same font, slant, size, etc.; (3) both BARBIE and ‘barbiesplaypen.com’ are inextricably associated with the verb ‘play,’ in the broad sense of the term”).

186. See *id.* at 1623–25.

187. See *id.*

188. See *id.* at 1628.

189. See *id.* at 1625.

190. See *id.*

191. See 15 U.S.C. § 1125(d)(2) (2000); see also *supra* note 158.

grants protection to living persons whose names have been registered without their consent.¹⁹²

1. The ACPA and *In Rem* Jurisdiction

One circumstance in which *in rem* jurisdiction can be invoked under the ACPA is when the trademark owner has failed to locate the registrant after exercising due diligence.¹⁹³ As outlined in the Senate Report No. 106-140, cybersquatters frequently “register domain names under aliases or . . . provide false information in their registration applications in order to avoid identification and service of process.”¹⁹⁴ Other registrants might have legitimate reasons for providing false information, such as to protect themselves and preserve their anonymity on the Internet.¹⁹⁵ Accordingly, the ACPA:

alleviate[s] . . . [these problems], while protecting the notions of fair play and substantial justice, by enabling a mark owner to seek an injunction against the infringing property in those cases where, after due diligence, a mark owner is unable to proceed against the domain name registrant because the registrant has provided false contact information and is otherwise not to be found.¹⁹⁶

Another situation where *in rem* jurisdiction may be used is when the registrant is from another country, which precludes the trademark owner from establishing *in personam* jurisdiction.¹⁹⁷

Because the ACPA provides a means to establish *in rem* jurisdiction, courts are able to reach registrants who cannot be located and thus would normally be unreachable. One case addressing this issue under the FTDA underscores concerns as to whether *in rem* jurisdiction is consistent with the language of the

192. See 15 U.S.C. § 1125(d)(1)(A); see also *supra* note 158; Singer & Meyerson, *supra* note 176, at 8.

193. See 15 U.S.C. § 1125(d)(2)(A)(ii)(II); see also *supra* note 158.

194. See S. REP. NO. 106-140, at 10 (1999).

195. See *id.* at 11.

196. *Id.* at 10.

197. See 15 U.S.C. § 1125(d)(2)(A)(ii)(I); see also *supra* note 158. *In personam* jurisdiction is defined as the “[p]ower which a court has over a defendant himself in contrast to the court’s power over the defendant’s interest in property (*quasi in rem*) or power over the property itself (*in rem*).” BLACK’S LAW DICTIONARY 544 (Abridged 6th ed. 1991).

FTDA.¹⁹⁸ The court in *Porsche Cars North America, Inc. v. Porsch.com*,¹⁹⁹ determined that since the FTDA specifically referred only to a “person” with regard to remedies and damages, that Congress did not intend for *in rem* actions against marks violating the FTDA.²⁰⁰ The ACPA, though, specifically allows for an *in rem* action.²⁰¹ Under the ACPA, the decisions concerning *in rem* jurisdiction have varied depending on the circumstances.²⁰²

In *Lucent Technologies, Inc. v. LucentSucks.com*,²⁰³ the District Court for the Eastern District of Virginia was asked to determine whether the plaintiff had complied with the requirements of the ACPA by satisfying the due diligence clause concerning *in rem* causes of action.²⁰⁴ The registrant in this case had moved just after he had registered “LucentSucks.com” with NSI and did not leave a forwarding address with NSI.²⁰⁵ The plaintiff’s first attempt to reach the registrant was by Federal Express, but the letter was returned as undeliverable.²⁰⁶ The plaintiff mailed a second letter via the United States Postal Service.²⁰⁷ The same letter was also sent by e-mail.²⁰⁸ The letter sent from the Post Office was delivered, but the e-mail was returned as undeliverable.²⁰⁹ The plaintiff waited eight days after the second letter was mailed to file an *in rem* action against the domain name.²¹⁰ Thirteen days after the second letter had been sent, the registrant contacted the plaintiff’s outside counsel and allegedly discussed releasing the domain name for a sum of money a day later.²¹¹ The offer was rejected but the registrant

198. See Lee, *supra* note 80, at 117–18 (citing *Porsche Cars N. Am., Inc. v. Porsch.com*, 51 F. Supp. 2d 707, 712 (E.D. Va. 1999)).

199. 51 F. Supp. 2d 707 (E.D. Va. 1999).

200. See *id.* at 712–13 (analyzing 15 U.S.C. § 1125(c)(1) & (2)).

201. See 15 U.S.C. § 1125(d)(2)(A); see also *supra* note 158.

202. See *e.g.* *Harrods Ltd. v. Sixty Internet Domain Names*, 110 F. Supp. 2d 420 (E.D. Va. 2000) (holding that there is no *in rem* cause of action under the ACPA when plaintiffs did not plead bad faith); *Heathmount A.E. Corp. v. Technodome.com*, 106 F. Supp. 2d 860, 863 (E.D. Va. 2000) (granting plaintiff’s motion when plaintiff showed that personal jurisdiction could not be obtained over the defendants); *Lucent Techs., Inc. v. LucentSucks.com*, 95 F. Supp. 2d 528, 536 (E.D. Va. 2000) (dismissing plaintiff’s *in rem* action under the ACPA when plaintiff instituted action too quickly after only mailing and e-mailing notice to defendant).

203. 95 F. Supp. 528 (E.D. Va. 2000).

204. See *id.* at 531 (dismissing plaintiff’s action because *in personam* jurisdiction was possible and the due diligence clause was not satisfied).

205. See *id.* at 530–31.

206. See *id.* at 530.

207. See *id.*

208. See *id.*

209. See *id.*

210. See *id.* at 531.

211. See *id.*

provided the attorney with his new address and the attorney sent the registrant a copy of the complaint to the new address.²¹² The plaintiff continued to pursue the *in rem* proceedings in spite of having obtained the registrant's address.²¹³

The court determined that the plaintiff had not met the ACPA's requirement of due diligence for *in rem* causes of action.²¹⁴ The plaintiff was not basing *in rem* jurisdiction on subpart I, but on subpart II of the ACPA.²¹⁵ Subpart II applies when a plaintiff cannot locate a registrant.²¹⁶ In this case, the plaintiff "knew the location of the registrant."²¹⁷ The court determined that the registrant was "a person who would have been a defendant in a civil action under paragraph (1)" of the ACPA.²¹⁸ The court stated that a "waiting period of merely eight days" was insufficient to meet the requisite due diligence and that notice should be "more than a 'mere gesture.'"²¹⁹

The court then addressed two other arguments that the registrant posed, that domain names are not property and that violation of the plaintiff's trademark rights would infringe on the registrant's free speech rights.²²⁰ The court dismissed the first argument by quoting that "[t]here is no prohibition on a legislative body making something property. Even if a domain name is no more than data, Congress can make data property and assign its place of registration as its situs."²²¹ But the court recognized that if the registrant could demonstrate successfully that LucentSucks.com is an "effective parody and/or cite of critical commentary," the plaintiff's cause of action would be "seriously undermine[d]."²²²

212. See *id.*

213. See *id.*

214. See *id.* at 532.

215. See *id.* at 531-32 (stating that the plaintiff "rest[ed] its case on Section 1125(d)(2)(A)(ii)(II)"). See 15 U.S.C. § 1125(d)(2)(A)(ii)(I) & (II) (2000). Under subpart I, the court must find the trademark owner was "not able to obtain *in personam* jurisdiction over a person." *Id.* § 1125(d)(2)(A)(ii)(I). Under subpart II, the court must find the trademark owner could not find the person after due diligence. See *id.* § 1125(d)(2)(A)(ii)(II).

216. See 15 U.S.C. § 1125(d)(2)(A)(ii)(II); see also *Heathmount A.E. Corp. v. Technodome.com*, 106 F. Supp. 2d 860, 862 (E.D. Va. 2000).

217. *Lucent Techs., Inc. v. LucentSucks.com*, 95 F. Supp. 2d 528, 530-31 (E.D. Va. 2000) (discussing the efforts Lucent Technologies, Inc. made in locating the defendant).

218. See *id.* at 532 (citing 15 U.S.C. § 1125(d)(1)(A)).

219. *Id.* at 532-33.

220. See *id.* at 534-36.

221. *Id.* at 535 (quoting Judge Bryan in *Caesars World, Inc. v. Caesars-Palace.com*, 112 F. Supp. 2d 502, 504 (E.D. Va. 2000)).

222. *Id.* at 535-36. The determination of whether free speech is a defense to cybersquatting is beyond the scope of this article.

In *Heathmount A.E. Corp. v. Technodome.com*,²²³ the District Court for the Eastern District of Virginia was faced with “the first opportunit[y] . . . to apply the *in rem* proceeding established” under the ACPA.²²⁴ The specific issue the court analyzed was what the plaintiff’s burden of proof was regarding the absence of *in personam* jurisdiction in order to establish *in rem* jurisdiction.²²⁵ The court had to determine whether the registration of the domain name constituted sufficient minimum contacts for personal jurisdiction.²²⁶ In this case, the plaintiff knew the identity of the defendant but the defendant was a resident of Ontario, Canada, and therefore, the defendant was outside the district court’s jurisdiction.²²⁷ The court determined that the plaintiff must prove by a preponderance of the evidence the absence of personal jurisdiction.²²⁸ The court made an interesting observation regarding the “disincentive for plaintiffs” to establish personal jurisdiction.²²⁹ The court recognized that many plaintiffs merely want to transfer or cancel the infringing domain name and are not seeking monetary damages.²³⁰ For these plaintiffs the *in rem* proceeding would be the preferred option because it is “likely to be quicker and less costly,” but still provide the plaintiff with the desired effect.²³¹ This is the incentive to quickly conclude there is no personal jurisdiction and file an *in rem* proceeding.²³²

In *Harrods Ltd. v. Sixty Internet Domain Names*,²³³ the court faced an issue concerning whether the bad faith intent to profit was required in an *in rem* action under the ACPA.²³⁴ The court determined that bad faith intent to profit is a required element of both an *in personam* and an *in rem* cause of action.²³⁵ This case is

223. 106 F. Supp. 2d 860 (E.D. Va. 2000).

224. *See id.* at 861 (finding that plaintiff met the burden to proceed with the *in rem* action).

225. *See id.*

226. *See id.*

227. *See id.*

228. *See id.* at 862.

229. *See id.* at 862–63.

230. *See id.* at 863.

231. *See id.*

232. *See id.*

233. 110 F. Supp. 2d 420 (E.D. Va. 2000).

234. *See id.* at 421, 427 (dismissing action because pleadings insufficiently pled bad faith, which is an element of an *in rem* action under the Anti-Cybersquatting Act).

235. *See id.* at 423–27 (noting that the court in *Broadbridge Media v. Hypercd.com*, 106 F. Supp. 2d 505, 511 (S.D.N.Y. 2000), interpreted the ACPA to include bad faith intent to profit as a necessary element of an *in rem* cause of action). In *Harrods Ltd. v. Sixty Internet Domain Names*, 302 F.3d 214 (4th Cir. 2002), the Fourth Circuit, affirming in part, reversing in part, and remanding, determined that an *in rem* action against

representative of issues that future courts will face concerning the interpretation of the ACPA, especially in *in rem* causes of action.

In *Caesars World, Inc. v. Caesars-Palace.com*,²³⁶ the District Court for the Eastern District of Virginia considered whether discovery requests can be made of the “sponsors of the litigation” in an *in rem* proceeding.²³⁷ Essentially, the court had to interpret the ACPA in terms of *in rem* jurisdiction.²³⁸ The sponsors of the litigation had hired attorneys and filed an answer to the plaintiff’s complaint on behalf of the domain name.²³⁹ The plaintiff made discovery requests that were not answered, and therefore moved for a finding of contempt and sanctions against the defendant and the attorneys.²⁴⁰ The court had recently determined that “*in personam* jurisdiction cannot be based merely on an appearance in an *in rem* action.”²⁴¹ Because the ACPA did not specify the procedures for claimants to follow in an *in rem* action, the court determined that the sponsors of the litigation have a duty to respond to the discovery requests. However, the court granted the sponsors of the litigation additional time due to the confusion surrounding how to proceed in the *in rem* action.²⁴² The court noted that knowledge of *in rem* proceedings is “not widespread” and that under the circumstances the defendant’s attorneys’ approach to the plaintiff’s discovery requests was not “totally unreasonable.”²⁴³

In *Nutrisystem.com, Inc. v. Easthaven, Ltd.*,²⁴⁴ the District Court for the Eastern District of Pennsylvania held that the registrant’s telephone call and e-mail to the plaintiff concerning the sale of the domain name “sweetsuccess.com” created enough specific contacts to confer personal jurisdiction over the

domain names under 15 U.S.C. § 1125(d)(2) can be based on infringement and dilution, and not just on bad faith.

236. 112 F. Supp. 2d 505 (E.D. Va. 2000).

237. *Id.* at 509 (dismissing the action because the ACPA did not specify a procedure for claimants in an *in rem* proceeding). In the case, the “sponsors of the litigation” were whomever was “asserting the right or duty to speak on behalf of the domain name.” *Id.* at 507.

238. *See id.* at 507–09 (stating that “[t]he ACPA does not address discovery matters arising from the new causes of action it created,” and therefore a review of “traditional *in rem* jurisprudence” was necessary).

239. *See id.* at 507.

240. *See id.*

241. *Id.* at 509 (construing *Harrods Ltd. v. Sixty Internet Domain Names*, 110 F. Supp. 2d 420 (E.D. Va. 2000), which held that personal jurisdiction over the owner of the property at issue is not obtained just by bringing an *in rem* action against the property).

242. *See id.* at 509.

243. *See id.*

244. 55 U.S.P.Q.2d 1160 (E.D. Penn. 2000).

defendants.²⁴⁵ The court did not address whether mere registration was sufficient to confer specific jurisdiction, but the opinion illustrates that at least one court considers these minimum activities (e-mail and a telephone call) to be sufficient specific contacts.²⁴⁶

In a more recent case, *FleetBoston Financial Corp. v. Fleetbostonfinancial.com*,²⁴⁷ the District Court of Massachusetts held that registration of a domain name was insufficient contact to hail a Brazilian resident into a United States court.²⁴⁸ The court held that the ACPA's *in rem* cause of action is limited to a "judicial district in which 'documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.'"²⁴⁹

These cases represent the current evolving state of the law. It will be interesting to see how future courts deal with *in rem* causes of action and whether these causes of action will decrease or increase in number. Another consideration is that the *in rem* action can only be "brought against a domain name in the judicial district where the domain name registry is located" and where *in personam* jurisdiction over the defendant is unavailable.²⁵⁰ Therefore, if "the domain name was registered with a foreign registrar" and *in personam* jurisdiction cannot be obtained by some other means, the ACPA is not applicable.²⁵¹

2. Celebrities and Their Rights Under the ACPA

The ACPA also provides for the protection of personal names that are covered under "section 706 of title 18 or section 220506 of title 18" or protected as a mark.²⁵² However, cybersquatters have attacked more than just trademark owners, they have attacked famous people who do not have trademark protection of their name.²⁵³ Congress addressed this concern by extending ACPA protection to "living persons" who do not consent to the domain name registration of their name.²⁵⁴ The Lanham Act does

245. See *id.* at 1160.

246. See *id.* (determining that an e-mail and telephone call were "sufficient to confer specific jurisdiction" under Pennsylvania's long-arm statute without addressing whether registration alone would be considered a specific contact).

247. 138 F. Supp. 2d 121 (D. Mass. 2001).

248. *Id.* at 122-23.

249. See *id.* at 124 (quoting 15 U.S.C. § 1125(d)(2)(C)(ii)).

250. Edelman, *supra* note 146, at 1-2.

251. See *id.* at 2.

252. 15 U.S.C. § 1125(d)(1)(A)(III) (2000); see also *supra* note 158.

253. See Dartley, *supra* note 70, at S-4.

254. See 15 U.S.C. § 1129(1)(A) (2000). Section 1129(1)(A) states that:

not provide for protection of personal names unless the name is trademarked.²⁵⁵ The ACPA makes it possible for a person to bring suit against a registrant for registering the person's name, but the ACPA does not require that the person's name be famous or be a trademark.²⁵⁶ The extent of the protection given to people's names is unclear at this time because the Department of Commerce has been instructed to study the issue.²⁵⁷

Brad Pitt filed a suit three days after the enactment of the ACPA against two domain name holders that had been offering to sell the domain names to the actor for up to \$50,000.²⁵⁸ Others who also filed suits include "Harvard University, the National Football League and Quokka Sports, Inc. [the operator of the official America's Cup Website]."²⁵⁹

However, there are limitations to this provision of the ACPA. First, the "specific intent to profit requirement [under §1129] appears to be narrower than the *bad faith*" intent to profit standard under §1125.²⁶⁰ Furthermore, the protection granted under the ACPA is only for domain names registered after the enactment of the law.²⁶¹ Although statutory damages are not available, court costs, attorney's fees, and injunctive relief can be awarded.²⁶² Next, the ACPA is limited to living persons, which is in conflict with many state laws that have "post-mortem right to publicity" statutes.²⁶³ Whether these limitations detract from the effectiveness of this portion of the ACPA is unknown, but there is consolation in the fact that at least some individuals have a remedy against cybersquatters who register personal names.

Any person who registers a domain name that consists of the name of another living person, or a name substantially and confusingly similar thereto, without that person's consent, with the specific intent to profit from such name by selling the domain name for financial gain to that person or any third party, shall be liable in a civil action by such person.

Id.

255. See Dartley, *supra* note 70, at S-4.

256. See Paine, *supra* note 52, at 14; see also Dartley, *supra* note 70, at S-4.

257. See Shepherd, *supra* note 155, at B18.

258. See *id.*

259. *Id.* Brad Pitt settled his case against a cybersquatter. Howard Siegel & Steven R. Doran, *Chasing Down Cybersquatters Who Register Celebrity Domain Names*, ENT. LAW & FIN., Mar. 2000, at 1, 4. Quokka Sports, Inc. was granted a temporary restraining order in December 1999. See *Quokka Sports, Inc. v. Cup Int'l Ltd.*, 99 F. Supp. 2d 1105 (N.D. Cal. 1999).

260. See Dartley, *supra* note 70, at S-4; see also 15 U.S.C. § 1129(1)(A) (2000) (stating that a specific intent to profit from registering another living persons name as a domain name is required for a civil action under the section). *But see* 15 U.S.C. § 1125(d)(1)(A)(i) (requiring bad faith intent to profit).

261. See 15 U.S.C. § 1129(4).

262. See *id.* § 1129(2); see also Dartley, *supra* note 70, at S-4.

263. See Paine, *supra* note 52, at 14.

E. *Defenses for the Registrant Under the ACPA*

There are two ways a court may find that the registrant did not violate the ACPA. First, the court may determine, by weighing all nine factors, that the registrant did not have the requisite bad faith intent to profit required under the ACPA.²⁶⁴ Second, the ACPA provides that if the registrant has a reasonable belief that the “use of the domain name was a fair use or [was] otherwise lawful” then the requisite bad faith intent to profit cannot be found, and consequently the registrant would not be in violation of the ACPA.²⁶⁵

F. *Remedies and Relief Available Under the ACPA*

The remedies that are available to the trademark owner under the ACPA are substantial. The remedies available include those that are available under the Lanham Act.²⁶⁶ Among these remedies are injunction, actual damages, recovery of the defendant’s profits, enhanced damages of up to three times the actual damages, costs, and attorney’s fees (in exceptional cases), or election by the trademark owner to recover statutory damages between \$1000 and \$100,000 in lieu of the actual damages.²⁶⁷ The ACPA applies to all domain names registered prior to and after the enactment of the law, but money damages are only available for domain names registered after the law was enacted.²⁶⁸ In the case of an *in rem* action, the remedies are limited to the cancellation or transfer of the domain name.²⁶⁹

In *Diller v. Steurken*,²⁷⁰ the New York County Supreme Court was faced with whether to award attorney’s fees and costs to a successful plaintiff.²⁷¹ The court determined that under New York law, the plaintiffs were not entitled to attorney’s fees or other “out-of-pocket” expenses.²⁷² The court also addressed the issue of attorney’s fees under the ACPA and held that while

264. See *supra* notes 166–73 and accompanying text.

265. See 15 U.S.C. § 1125(d)(1)(B)(ii); see also Paine, *supra* note 52, at 14; Dartley, *supra* note 70, at S-3 to S-4.

266. See Dartley, *supra* note 70, at S-4.

267. See *id.*; see also 15 U.S.C. § 1125(d)(3) (2000); 15 U.S.C. § 1117(d).

268. See Singer & Meyerson, *supra* note 176, at 9; see also H.R. REP. NO. 106-412, at 4 (1999); S. REP. NO. 106-140, at 4 (1999).

269. See 15 U.S.C. § 1125(d)(2)(D)(i); see also *supra* note 158.

270. 712 N.Y.S.2d 311 (N.Y. Sup. Ct. 2000).

271. See *id.* at 314–15 (granting a permanent injunction because the ACPA recognized domain name transfers, but finding attorneys’ fees were not justified because the case was “pre-ACPA”).

272. See *id.* (quoting Pub. L. No. 106-113, Div. B, § 1000[a][9], 113 Stat. 1536 (1999), reprinted following 15 U.S.C. § 1117).

Congress intended for an award of attorney's fees to be available, this award did not apply to cases regarding "registration, trafficking or use of a domain name that occurs before the date of the enactment of [the ACPA]."²⁷³ Therefore, the client should be advised that if statutory damages do not apply to the domain name, neither do attorney's fees or costs.²⁷⁴

G. *Shortcomings and Advantages of the ACPA*

The ACPA has several advantages, but, like the UDRP, the ACPA has its shortcomings. First, there is the issue of metatags, which are embedded into the HTML code of a web site and help search engines properly explore the Internet.²⁷⁵ On September 25, 2000, the District Court for the Southern District of New York held that the ACPA "does not apply where the operator of a [web] site has used another person's trademark in the metatags of the site but not in the domain name."²⁷⁶ The court relied upon the plain language of the statute to arrive at its decision.²⁷⁷ The court further held that using the trademark in the metatags qualified as a fair use and there was no likelihood of confusion based on "affiliation, connection, or association" between the web site and the trademark owner.²⁷⁸ The court concluded that the ACPA only applies to the use of a trademark in the domain name of a web site and not to the trademark's use in metatags.²⁷⁹

The court's conclusion in this case seems to diminish the strength of the ACPA because it fails to account for how metatags function on the Internet. Metatags are used by web site builders in the HTML code of the web site.²⁸⁰ Search engines scan the metatags located in the web site.²⁸¹ When the results of a search are displayed, the search engine may index files based on the information in the metatags, which in turn may prescribe how the results are displayed.²⁸² Therefore, if a cybersquatter

273. *Id.* at 315.

274. *See id.*

275. *See* Websearch, *Glossary: Metatags*, at <http://websearch.about.com/library/glossary/bldef-metatag.htm> (last visited Aug. 16, 2002) [hereinafter Websearch]; *see also* Oratz, *supra* note 7.

276. *Court Rules Anticybersquatting Law Does Not Apply to Mark Used in Web Page Metatags*, 5 ELECTRONIC COM. & L. REP. 1015, 1015 (2000) (citing *Bihari v. Gross*, 119 F. Supp. 2d 309 (S.D.N.Y. 2000)).

277. *See id.*

278. *See id.*

279. *See id.*

280. *See* Websearch, *supra* note 275; *see also* Oratz, *supra* note 7.

281. *See* Websearch, *supra* note 275; *see also* Oratz, *supra* note 7.

282. *See* Websearch, *supra* note 275; *see also* Oratz, *supra* note 7. Search engines

incorporates a trademark into the metatags of his or her web site, an Internet user can be redirected away from the trademark owner's web site.²⁸³

Another issue regarding the ACPA is the expansion of the Internet.²⁸⁴ There are concerns that in an international world with an international Internet, the ACPA does not address the lack of "national boundaries and laws."²⁸⁵ An *in rem* cause of action under the ACPA is only applicable if the registrar is located in the United States.²⁸⁶ Therefore, the ACPA is not applicable when a court cannot obtain personal jurisdiction over a registrant and the registrar is not in the United States.

Another issue concerning the ACPA relates to traditional trademark law.²⁸⁷ Under traditional trademark law, different businesses may use the same or similar marks for different products or in different geographical regions.²⁸⁸ The Internet is not capable of allowing multiple users of the same mark as a domain name because the IP addresses require each domain name to be unique.²⁸⁹ Although trademarks do not have to be exclusive, domain names are required to be unique and therefore exclusive.²⁹⁰ As a consequence, this aspect of the ACPA detracts from trademark protection. Moreover, while the test for trademark infringement is "whether the public is likely to be deceived or confused by the similarity of the marks," the ACPA test focuses on whether the mark and the domain name are identical.²⁹¹ The ACPA also focuses on whether the domain name

"that use metatag data generally filter out misleading or repetitive material" used in the HTML code of the web site. Websearch, *supra* note 275. Google, for example, "bases its results on the number of relevant links to a site rather than the metatags involved." See Real Business, *You're in charge: Is someone keeping tabs on you?* (June 5, 2001), at <http://www.real-business.co.uk/june-2001/yic5.shtml> (last visited Aug. 16, 2002).

283. See *Court Rules Anticybersquatting Law Does Not Apply to Mark Used in Web Page Metatags*, *supra* note 276, at 1015. Although the court held that metatags would not cause confusion in the instant case, the discussion in the article infers that redirection is possible. *Id.*

284. See Hartje, *supra* note 57, at 39.

285. See *id.* at 40.

286. See Edelman, *supra* note 146, at 2.

287. See *id.* at 1.

288. See *id.*

289. See *supra* notes 21–28 and accompanying text.

290. See *Brookfield Communications, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999) (explaining that "[e]ven where there is precise identity [between the marks] there may be no consumer confusion – and thus no trademark infringement – if the alleged infringer" is located in a different area or is in a different industry); *supra* notes 21–28 and accompanying text.

291. *Acad. of Motion Pictures Arts & Scis. v. Creative House Promotions, Inc.*, 944 F.2d 1446, 1454 (9th Cir. 1991) (quoting "the ultimate test" from *New W. Corp. v. NYM Co. of Cal., Inc.*, 595 F.2d 1194, 1201 (9th Cir. 1979)); 15 U.S.C. § 1125(d)(1)(A)(ii)(I) & (II)

and the trademark are confusingly similar but does not take into consideration whether the goods or services offered by the registrant and the mark owner are similar.²⁹² Accordingly, the ACPA appears to expand trademark rights by allowing the trademark owner the ability to control the use of the word as a domain name that is equivalent to the trademark.²⁹³ This apparent expansion of trademark rights can result in findings of infringement whereas, under traditional trademark law, there would be no infringement.²⁹⁴ Although the ACPA differs from traditional trademark law in many respects, the departure from tradition may be necessary to address the unique situations that are posed by the Internet.

There is also concern that the ACPA may encourage “reverse cybersquatting,” which occurs when a large company uses its trademark rights to prevent a smaller entity from using the mark because the company does not approve of the smaller entity’s use of the mark, or simply because of the larger entity’s monopolistic spirit.²⁹⁵ Under these circumstances, a large company, by using the ACPA to its advantage, can hurt smaller entities as well as the consuming public.

The ACPA also does not address “warehousing.”²⁹⁶ Warehousing is the registration of words that are not trademarks or in which no one has rights in, with the “intent to sell . . . later . . . for a profit.”²⁹⁷ The ACPA appears to be consistent with American capitalism because the ACPA provides registrants with a means of capitalizing on other people’s lack of registration, provided they lack bad faith intent to profit.²⁹⁸

Although the ACPA has numerous shortcomings, its advantages are substantial. The ACPA provides a legal method

(2000) (disregarding the goods or services involved but stating that the domain name is “identical or confusingly similar” to the mark).

292. See 15 U.S.C. § 1125(d)(1)(A) (stating that a person is liable “without regard to the goods or services of the parties”); see also 15 U.S.C. § 1125(d)(1)(B)(i)(VIII) (stating that one of the factors in determining bad faith intent to profit includes the registration of domain names that are “confusingly similar to marks of others”); *supra* note 158.

293. See 15 U.S.C. § 1125 (d)(1)(A) & (B)(i)(VIII); see also Gregory B. Blasbalg, *Notes and Comments: Masters of Their Domains: Trademark Holders Now Have New Ways to Control Their Marks in Cyberspace*, 5 ROGER WILLIAMS U. L. REV. 563, 599 (2000).

294. Compare 15 U.S.C. § 1125(d) (stating that the person is liable without regard to the goods or services involved) with 15 U.S.C. § 1125(a)(1)(A) (stating that for a person to be liable in a civil action, there must be a likelihood of confusion in connection with the goods or services).

295. See *supra* note 138.

296. Bednarek & Stewart, *supra* note 14, at C20.

297. *Id.*

298. See 15 U.S.C. § 1125(d)(1)(B)(ii) (stating when bad faith intent should not be found).

for addressing cybersquatting.²⁹⁹ Statutory damages are available, *in rem* causes of action are permissible, and personal names are protected.³⁰⁰ In these ways, the ACPA is superior to the UDRP. Another distinct advantage of the ACPA is that injunctive relief may be granted.³⁰¹ However, it should be noted that the cost of litigating an ACPA claim is higher than the dispute resolution fees under the UDRP.³⁰²

V. COMPARING THE UDRP AND THE ACPA

The UDRP and the ACPA both attempt to address the issue of cybersquatting in the most effective way possible. Unfortunately, neither completely addresses all of the intricate issues that pervade the Internet and cybersquatting. Depending on the client's particular situation, the ACPA, the UDRP, or sometimes both, may be necessary to fully address a client's situation.

A. Complaint Requirements and Applicability

Both the UDRP and the ACPA require complaints and an allegation of some form of bad faith intent.³⁰³ The UDRP requires a showing of bad faith intent on the part of the registrant.³⁰⁴ The ACPA adds an additional factor to the bad faith intent by requiring that the registrant have a bad faith intent to profit.³⁰⁵

The UDRP's complaint method is less complex than filing a civil action in the United States legal system.³⁰⁶ The UDRP requires that the complaint filed with ICANN allege three things:

- (1) that the domain name and the trademark are either identical or confusingly similar;

299. See *id.* § 1125(d)(1)(A) (providing for a civil action that can be brought by the trademark owner).

300. See *id.* § 1125(d); see also 15 U.S.C. § 1129.

301. See Railo, *supra* note 57, at 6; see also 15 U.S.C. § 1125(d)(3).

302. See Gitchel, *supra* note 89, at 34 n.6 (stating that in the author's experience "pursuing a cybersquatting case through to its conclusion costs well in excess of \$10,000, between attorney's fees and other costs attendant to litigation"); see also *supra* notes 96–98, *infra* notes 314 and 318–22 and accompanying text.

303. See *supra* Parts III.B. & IV.A.

304. See ICANN Rules, *supra* note 109; see also Paine, *supra* note 52, at 14.

305. See 15 U.S.C. § 1125(d)(1)(A)(i).

306. The ACPA makes available to a registrant a civil action against a cybersquatter. See § 1125(d)(1). The civil action is governed by the Federal Rules of Civil Procedure. See David Wotherspoon et al., *Domain Name Disputes: Navigating Through the Uniform Domain Name Dispute Resolution Policy and the Anticybersquatting Consumer Protection Act*, 3 E-COM. L. REP. 9 (July 2001).

- (2) that the registrant does not have any rights to the domain name; and
- (3) that the registrant registered the domain name in bad faith.³⁰⁷

Next, the registrant has an opportunity to reply, and the arbitrators are chosen.³⁰⁸ Before filing a complaint, however, the complaining party should keep in mind that the UDRP does not apply to personal names.³⁰⁹

The ACPA, on the other hand, requires a complaint to be filed with the court.³¹⁰ The complaint must allege that the registrant registered a domain name that is identical or confusingly similar to either a mark or personal name with a bad faith intent to profit.³¹¹ The presence of bad faith intent to profit can be determined by applying the nine non-inclusive factors contained in the ACPA.³¹² Also, the ACPA allows for *in rem* causes of action against domain names and grants an individual whose personal name has been registered without consent the right to bring a civil action against the cybersquatter.³¹³

Neither procedure appears to be difficult, although the overall cost of the UDRP will probably be less than the cost of a federal civil action under the ACPA even though there may be more billable hours for drafting a UDRP complaint.³¹⁴ The UDRP's complaint process is quick and appears to be fairly simple.³¹⁵ Unfortunately, the UDRP is only available for top-level domain names.³¹⁶ The ACPA is applicable to any domain name, provided that jurisdiction can be established (*in rem* or *in*

307. See *supra* Part III.B.

308. See ICANN Rules, *supra* note 109; see also Gitchel, *supra* note 89, at 34.

309. See ICANN Rules, *supra* note 109; see also Railo, *supra* note 57, at 5.

310. See 15 U.S.C. § 1125(d)(1)(A) (stating "[a] person is liable in a civil action"); FED. R. CIV. P. 3 (requiring that "[a] civil action is commenced by filing a complaint with the court").

311. See 15 U.S.C. § 1125(d)(1)(A).

312. See *id.* § 1125(d)(1)(B); see also *supra* Part IV.A.

313. See 15 U.S.C. § 1125(d)(2)(A); see also *id.* § 1129.

314. See Wotherspoon et al., *supra* note 306 (stating that "to resolve the matter for the lowest cost and in the shortest amount of time, then the UDRP should generally be favored," but that the UDRP process *might* be more expensive than the ACPA due to the gathering of all evidence at the outset, which is not required in a civil action); Edelman, *supra* note 146 (stating that "there are attorney fees involved in preparing the complaint [for the UDRP] which is usually more detailed than a federal court complaint," but "total costs" are less than "litigating a federal court action").

315. See *supra* Part III.B.

316. See ICANN Rules, *supra* note 109; see also *supra* note 130 and accompanying text.

personam).³¹⁷ Therefore, although the ACPA's complaint process appears more difficult, it applies to a larger number of domain names.

B. *Time and Cost Under the Two Methods*

Two issues that concern clients are the cost and time for legal services.³¹⁸ The UDRP appears to be the least expensive method of resolving a cybersquatting issue.³¹⁹ But the drawback to the lower cost is that no money damages are available to the complainant.³²⁰ The cost of a legal battle under the ACPA, on the other hand, is similar to any other civil action.³²¹ Of course, the statutory damages available may compensate for some of the higher costs.³²²

Time is another issue that is of increasing importance in the technological world. The UDRP is extremely quick and results in a final decision in forty-five days.³²³ Injunctive relief is not available under the UDRP; therefore, in cases where forty-five days is too long for a client to wait, the ACPA may become a more attractive choice.³²⁴ The time frame for the ACPA is similar to that of any civil litigation and could greatly exceed forty-five days.³²⁵

C. *Remedies Available*

Another factor that can influence clients in choosing between the ACPA and the UDRP is the remedies available under each

317. See 15 U.S.C. § 1125(d); see also *supra* note 191 and accompanying text.

318. See Gitchel, *supra* note 89, at 34 n.6 & n.7 (noting that time is extremely important to trademark owners and that litigation is costly).

319. See Hartje, *supra* note 57, at 38. See also Edelman, *supra* note 146, at 4 (stating that "there are attorney fees involved in preparing the complaint which is usually more detailed than a federal court complaint" and that the filing fees for the arbitration are higher than filing a federal court complaint; the total costs will not exceed "mid-to-high four figures" which is "a lot less expensive than litigating a federal court action"). But see Wotherspoon et al., *supra* note 306 (stating that since all of the evidence has to be presented up front in a UDRP action, it can be more expensive than an action under the ACPA because the costs of collecting the evidence could be high).

320. See *supra* notes 133–36 and accompanying text.

321. See *supra* note 302 and accompanying text.

322. See Paine, *supra* note 52, at 14 (stating that statutory damages range from \$1,000 to \$100,000 per domain name).

323. See *id.*; see also *supra* Part II.B.

324. See Railo, *supra* note 57, at 6.

325. See 15 U.S.C. § 1125(d)(1)(A) (2000) (stating that the person is liable in a civil action); Wotherspoon et al., *supra* note 306 (stating that an action under the ACPA is governed by the Federal Rules of Civil Procedure, including the discovery rules and timetables).

alternative. The UDRP is less costly and quicker than the ACPA, but the only remedy available to the trademark owner is cancellation or transfer of the domain name.³²⁶ There are no other available remedies.³²⁷ The ACPA has several remedies available to successful trademark owners including transfer or cancellation of the domain name, injunction, actual damages, recovery of the registrant's profits, enhanced damages, attorney's fees, and statutory damages.³²⁸ Therefore, the remedies the client desires should be taken into account when determining how to proceed.

VI. CONCLUSION

The ACPA and the UDRP provide two separate and distinct methods for resolving domain name disputes. Because both methods are continuing to be developed and understood, their futures remain unknown. Both show promise in the fight against cybersquatting. Both alternatives have many critics and proponents, but the true value of each will ultimately be determined by how well each combats cybersquatting. Separately, the UDRP and the ACPA will probably work well to defuse most of the cybersquatting that is currently invading the Internet. Where the two show special promise is when they are used in conjunction with each other. Together, the UDRP and the ACPA can be a cost saving and effective way to prevent cybersquatting with the top-level domain (UDRP) and with the new country codes that are surfacing (ACPA). Nonetheless, neither is specifically tailored to be more effective for any one client, but each one provides noticeable benefits to different types of clients.

Because the UDRP is less expensive than litigation, ICANN's UDRP is probably best suited for small businesses and trademark owners that are merely attempting to stop the use of their trademark. This method will also be helpful to those trademark owners who are fighting registrants that registered their domain names prior to the enactment of the ACPA, because under the ACPA, the trademark owners would not be able to receive damages.

326. See Railo, *supra* note 57, at 4–5, 6.

327. See Railo, *supra* note 57, at 6; see also ICANN Policy *supra* note 50, at ¶ 4(i).

328. See 15 U.S.C. § 1117; see also Dartley, *supra* note 70, at S-4.

Litigation under the ACPA will be better suited for famous individuals, *i.e.*, Tom Cruise, Brad Pitt, etc., and for large companies seeking damages. Also, the *in rem* proceeding seems enticing, but the well-advised counselor should note that this proceeding is used only in very specific circumstances.

In either case, the client must make the final decision. The best advice an attorney can provide in this situation is to explain each method and its benefits and downsides. The most pressing issue to one client may be minimal to others and therefore, as in other areas of law, there is no one course of action suitable to every situation. The UDRP and the ACPA are both new and it is yet to be seen whether any changes will be made to either of them. The courts are free to interpret the ACPA as more cases develop and these interpretations may vary from district to district. As the body of case law expands, so will the knowledge that attorneys will be able to pass on to their clients.

As additional legal issues concerning the Internet surface, Congress may amend the ACPA to reflect these changes. As for the UDRP, future revisions may be made to address any new obstacles that become apparent in the use of the Internet and in the process itself. Also, the fact that ICANN has expanded the number of top-level domains will have some effect on the UDRP. With an increase in the number of domain names available, there may also be an increase in the time and cost of the UDRP process. Currently, the information that needs to be conveyed to the client in order for the client to make an informed decision is extensive, and as the ACPA and the UDRP age, the information will grow. Perhaps as case law develops and more ICANN decisions become available, there will be stronger support for advice given to a client.

If speed and cost efficiency are the two most desirable objectives for the client, then the UDRP is the best alternative. If these two objectives are not the primary concerns, then the ACPA may be a better alternative. These two simple answers will not be applicable in all situations, but, as a general rule,

they are reliable guides. This conclusion is summarized in Table 2 and included for reference purposes.³²⁹

Another consideration focuses on when the domain name was registered. If the registration date is prior to the enactment of the ACPA then statutory damages are unavailable, making litigation appear uneconomical. The UDRP applies to domain names registered prior to the ACPA, but the UDRP only applies to top-level domain names. Country code domain names are not covered under the UDRP and, in those cases, the ACPA is the only option. If the client merely wants the domain name transferred or cancelled, then the UDRP makes more sense economically (so long as the domain name is a top-level domain name). The ACPA provides for transfer and cancellation, but these remedies are only available once the client has gone through the legal process and thus, accrued attorney fees and court costs. If the client is a famous person or the domain name contains a personal name, the ACPA is the only avenue available to the client. Also if the registrant is unavailable or cannot be found, then the ACPA is the only remedy that is available to the client. It can be argued that the UDRP has a comparable method because when a registrant does not respond to the complaint the proceeding continues and judgment is rendered without a response.

329. **Table 2: Quick Rule-of-Thumb Concerning Which Method is Best for Some General Circumstances**

	UDRP	ACPA	Both
Registration before ACPA			X
Registration after ACPA			X
Expense – low cost	X		
Expense – does not matter			X
Length of Time – short	X		
Length of Time – no limit			X
Famous Person/Mark		X	
Registered Mark			X
In rem		X	
Top-Level Domain			X
Country-Specific Domain		X	
Damages – yes		X	
Injunctive Relief		X	
Transfer/Cancellation – yes			X

Of course if damages are important, the ACPA is the appropriate method for battling the cybersquatter. If time is most important and no injunction is necessary, then the UDRP may be more appropriate. If time and money are not important and the client does not care whether he receives damages or not, then either may be chosen.

It is interesting how a simple choice between two options can become a complicated decision. This underscores the fact that there are no absolutes in the law and that advising a client regarding which avenue to take when battling a cybersquatter is no exception. When advising a client about which method should be used in combating cybersquatters, attorneys should also remember that other Lanham Act remedies are available if there is a likelihood of confusion or dilution.³³⁰ The UDRP and the ACPA may provide new options to clients, but the old standards are still available and equally effective.

Diane L. Kilpatrick

330. See Edelman, *supra* note 146, at 5.