

Digital Transactions: Part Two: Assignment 4

ICANN UDRP

- Checking mechanisms on those implementing UDRP decisions over domain names
 - Built into the system's document ("creational")
 - External - national courts
 - Internal – compare to traditional arbitration panelists
- Standardization of procedures for challenging panelist partiality?
- External review by national courts
 - 10 days
 - Cause of action under local law?
 - Review jurisdiction by national court?
 - Unlikely to develop expert courts as registry companies disperse
 - Automatic enforcement w/out national courts
- Internal review
 - Selection of panelists
 - Published opinions

Wal-Mart Stores, Inc. v. Richard Macleod d/b/a For Sale (WIPO) (Sept. 19, 2000)

- www.wal-martsucks.com registered at Register.com by MacLeod
- After arbitration request by Wal-Mart, proceed to arbitration action
- Wal-Mart's burden:
 - (a) That the domain name registered by the Respondent is identical or confusingly similar to a trademark or service mark in which the Complainant has rights;
 - (b) That the Respondent has no rights or legitimate interests in respect of the domain name; and
 - (c) The domain name has been registered and used in bad faith.

Where, as here, a domain name registrant does not use a site for protest but instead offers it for sale for substantially more than the costs of registration, the site does not further the goal of legitimate protest; rather, it constitutes trademark piracy.

Advance Magazine Publishers Inc. v. MSA, Inc. (WIPO) (Feb. 22, 2008)

- www.wired.com registered by MSA via Moniker privacy service
 - The Domain Name resolves to an advertising directory website headed with the Domain Name and the tag line "Find the Stuff You're Looking for." The landing page features a "sponsored link" to a page on another advertising directory website at "www.smarter.com," which in turn displays links to online sources for "Magazine Wired" and for subscriptions to other magazines, as well as for a mailorder shopping catalogue, bookshelves, file folders, and . . .
- Complainant is owner of Wired magazine
- Panel treatment
 - Identical or Confusingly Similar
 - The nature of Policy proceedings—providing a swift administrative remedy with no hearings, no evidentiary discovery, and a limited factual and legal record—militates against such analysis. Rather, Panels have routinely held that the question under paragraph 4(a)(i) of the Policy is simply whether the alphanumeric string comprising the challenged domain name is identical to the Complainant's mark or sufficiently approximates it, visually or phonetically, so that the domain name on its face is "confusingly similar" to the mark
 - Rights or Legitimate Interests
 - Registered and Used in Bad Faith

AntiCyberSquatting Consumer Protection Act (ACPA)



- McCarthy: “new category of ‘dilution’”
- Problems of LofC, dilution and unfair competition law with respect to domain names
- ACPA:
 - Bad faith registration liability for registrant, not registrar
 - In rem action
 - Statutory damages
 - New cause for registering non-TM name of others w/out consent w/ intent to profit by resale
- Just domain names, i.e., those registered, whether second level or more

ACPA

- 15 U.S.C. 1125(d)(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) . . .

ACPA

- Nine bad faith factors (nonexclusive list)
 - I. Trademark or other IP rights in the domain name
 - II. Extent of domain name use to identify a legal person
 - III. Bona fide offering of goods or services
 - IV. Bona fide noncommercial or fair use of the mark in a site accessible under the domain name
 - V. Intent to divert customers from the mark's owner online location to a goodwill-harming site
 - VI. Offer to sell without having made bona fide use
 - VII. Material and misleading false contact information when applying for the mark
 - VIII. Keeping multiple domain names and knowing that they are identical or confusingly similar to others' marks
 - IX. Extent to which the mark incorporated into the domain name is or is not distinctive or famous

ACPA

- Safe harbor
 - Believed and had reasonable grounds to believe that use was fair use or otherwise lawful
- Remedies
 - Pre-enactment
 - Post-enactment
- Intent analysis
 - Circumstantial evidence
 - Direct evidence

Dluhos v. Strasberg 321 F.3d 365 (3d Cir. 2003)

- Does UDRP dispute resolution receive FAA extremely deferential standard of judicial review?
- Dluhos registered www.leestrasberg.com
- District court applied FAA standards to arbitration
 - Circuit court disagreed
- UDRP action
 - Rather than participating in the dispute resolution process to which he had agreed when he registered the domain name with NSI a year earlier, Dluhos submitted a letter of limited appearance to the NAF to explain that he would not submit to dispute resolution because he contested the NAF's jurisdiction over the matter. He added that he would instead file a complaint in federal court.
- FAA standards to vacate an arbitration award: (1) §10(a)(2)-10(a)(3); and (2) judicially created "manifest disregard of the law" standard
- "In our view, the UDRP's unique contractual arrangement renders the FAA's provisions for judicial review inapplicable."
- The ACPA creates a federal cause of action to challenge a UDRP decision



Lamparello v. Falwell 420 F.3d 309 (4th Cir. 2005)

- Reverend Jerry Falwell
- Lamparello registered www.fallwell.com in response to Falwell interview
- Dist. Ct. gave summary judgment to Falwell
- Commercial speech issue . . .
- But, Circuit Ct. thinks no likelihood of confusion
 - Reverend Falwell's mark is distinctive, and the domain name of Lamparello's website, www.fallwell.com, closely resembles it. But, although Lamparello and Reverend Falwell employ similar marks online, Lamparello's website looks nothing like Reverend Falwell's; indeed, Lamparello has made no attempt to imitate Reverend Falwell's website. Moreover, Reverend Falwell does not even argue that Lamparello's website constitutes advertising or a facility for business, let alone a facility or advertising similar to that of Reverend Falwell. Furthermore, Lamparello clearly created his website intending only to provide a forum to criticize ideas, not to steal customers.
 - Most importantly, Reverend Falwell and Lamparello do not offer similar goods or services. Rather they offer opposing ideas and commentary . . .
- Initial interest confusion issue . . . viability of that doctrine in the 4th circuit
- ACPA claim by Falwell – bad faith intent element not proved



Shields v. Zuccarini 254 F.3d 476 (3d Cir. 2001)

- Zuccarini, a “wholesaler” of domain names, registered various variants of Shield’s Joe Cartoon web site
- Dist. Ct. awarded Shields statutory damages and attorney fees
- Shields burden:
 - (1) "Joe Cartoon" is a distinctive or famous mark entitled to protection;
 - (2) Zuccarini's domain names are "identical or confusingly similar to" Shields's mark; and
 - (3) Zuccarini registered the domain names with the bad faith intent to profit from them
- Dist. Ct. determination was sufficient to support statutory damages
- Dist. Ct. determination that the case was exceptional for purposes of attorney fees is correct



Assignment Four Problems

- 4.1 & 4.2
- 4.4
- 4.3 & 4.5