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38 *IDEA* 281

THE gTLD-MoU: A YELLOW FLAG FOR TRADEMARK OWNERS ON THE INFORMATION SUPERHIGHWAY

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I. Introduction

The Internet has evolved rapidly into today's most valuable resource for global commerce. In 1998, the Internet will be unencumbered by monopolistic government or registry control for the first time. The transformation from its U.S. roots into a global medium is cause for concern for trademark owners interested in domain name registration and trademark protection. To date, no single domain name system (DNS) reformation plan has received world-wide support or consensus. The most viable DNS plan envisioned for the Internet is a comprehensive proposal, entitled "The Memorandum of Understanding on the Generic Top Level Domain Name Space of the Internet Domain Name System" (gTLD-MoU), n1 adopted by the Interet Ad Hoc Committee (IAHC).
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[*282] This article discusses the gTLD-MoU, its problems and its legal implications for trademark owners.

Currently, registration and propagation of generic top level domain names n3 (i.e., ".com", ".org" and ".net") is performed by a single U.S. company, Network Solutions, Inc. (NSI). NSI's system for the registration of generic top level domain names (gTLDs) has been criticized by many Internet users for several reasons, including: providing NSI and the U.S. with a monopoly on domain names; n4 facilitating cybersquatters n5 or domain name pirates; n6 and providing an insufficient

[*283] number of top level domain names to keep up with demand. However, NSI's five year cooperative agreement with the National Science Foundation (NSF) of the U.S. Government ends March 31, 1998 n7 and will not be renewed. n8 Hence, the DNS as we know it today will change.

After nearly two years of debate and discussion, with various draft agreements and proposals circulated in the Internet community, n9 Internet service providers, telecommunication companies, and other Internet and legal organizations have formed an alliance, adopting the gTLD-MoU to restructure the Internet domain name registration system. n10 The gTLD-

[*284] MoU, which shifts control of the DNS from government to the private sector, is an ambitious plan with global implications and complexities, including self-regulation, global governance, increased generic top level domain name choices and a shared system of generic top level domain names.

II. The Proposal for the Internet's Future

Since its introduction in February 1997, the gTLD-MoU has been the most viable plan to restructure the Internet domain name system. Quite simply, its goal is "[t]o create a stable and predictable global commercial environment in the gTLDs." n11 Its infrastructure is designed to be an international governance framework with the flexibility to adapt to the continued evolution of the domain namesystem. The gTLD-MoU's more significant aspects include: (1) the creation of seven new generic level domain names, n12 with more to be added as the need requires; n13 (2) the creation of an unlimited number of new domain name registries located throughout the world, n14 working in cooperation and sharing a

[*285] domain name database; n15 (3) a procedure to publish all applications for domain name registration, allowing trademark owners to monitor and pre-screen infringement, dilution and other objectionable activity; n16 (4) an on-line alternative dispute resolution procedure administered under the rules of the World Intellectual Property Organization's (WIPO) Arbitration and Mediation Center, n17 providing traditional intellectual property rights protection; (5) resolving the multi-jurisdictional disputes arising from domain name registrations; and (6) governance based on global community oversight and consensus. n18

[*286]

The gTLD-MoU is a "voluntary" plan; public and private sector entities are invited to sign the gTLD-MoU. The signatories, n19 a significant number of whom are internationally respected companies and organizations, are the key participants in the domain name system governance and consultative framework. They agree to utilize the Internet's top level domain name space as a "worldwide public trust." Their aim is to participate in constructive improvement and development of the domain name system.

The following is a brief overview of the gTLD-MoU's five self-regulatory bodies and how each is envisioned to work:

Depository of the gTLD-MoU: the parties agree that the Depository of the gTLD-MoU shall be the Secretary-General of the International Telecommunications Union (ITU). n20 The Depository's role is to publish, maintain and circulate an updated list of signatories. n21

gTLD Policy Advisory Body (PAB): the parties may voluntarily participate in a PAB that periodically meets in person or on-line regarding general policy matters and other recommendations and amendment proposals. n22

gTLD Policy Oversight Committee (POC): The role of the POC is to change the number and names of the gTLDs, change the number of Registrars, establish new terms and conditions for Registrars, and make recommendations to the PAB. n23 POC members will be appointed by specific Internet and intellectual property organizations according to the terms of membership. n24

[*287]

Council of Registrars (CORE): CORE is composed of the newly recognized member Registrars for managing and sharing gTLDs. CORE is a association established under the laws of Switzerland by Articles 60-79 of the Swiss Civil Code. n25

Administrative Domain Name Challenge Panels (ACPs): ACPs adjudicate the second-level domain name dispute policy, n26 and all Registrars are obligated to honor decisions of the ACPs. n27 The WIPO Arbitration and Mediation Center will administer the procedures for creating the ACPs and for bringing challenges before the panels. n28 Panels will consist of one or three impartial members from the list of WIPO Arbitrators and Mediators. n29

As comprehensive and well-planned as the gTLD-MoU is, it nevertheless has its share of problems and criticism. n30 Andy Sernovitz,

[*288] President of the Association for Interactive Media, cautioned that there is danger "in focusing too narrowly on the IAHC [gTLD-MoU] plan as the only alternative to the DNS situation [domain name system]." n31 Sernovitz also remarked that members of the IAHC and iPOC are working to "complete their takeover of the domain name system before this committee and the administration can implement their own plans. They pretend to offer cooperation, yet they are actively setting up assets and infrastructure offshore to complete a takeover as soon as possible." n32 According to others, "[T]he make-up of the committee, the speed with which the plan has been implemented, the number of new TLDs planned plus a whole host of other issues have caused a rift to what can basically be described as the 'old' and the 'new' Internet community." n33 Despite the criticism, no other plan to transform the domain name system has received comparable support. In addition, the gTLD-MoU meets the objectives of the Clinton Administration n34 and reflects the common vision expressed in the U.S. Commerce Department's Request for Comments on the Registration and Administration of Internet Domain Names. n35

Like a new Web site, the gTLD-MoU is still "under construction." n36 While the framework of the gTLD-MoU is essentially set in

[*289] place, significant details of the plan such as its dispute resolution policy and procedure remain unresolved. The iPOC continues to solicit public comments for consideration on certain domain name system issues, n37 with plans to modify or amend the gTLD-MoU accordingly. Fees for domain name registration under the gTLD-MoU still have not been announced, but are to be competitively set by the Registries themselves in the near future. n38 Other aspects of the plan are effectively developed and appear ready to be implemented. n39 The estimated start of operations for the shared gTLD registration system is February 15, 1998, anticipating a one month "shake out" period and a targeted two month period to reach "stable operations." n40 Whether or not the gTLD-MoU reaches fruition and becomes the global framework for the Internet remains to be seen. Much depends on iPOC's response to the concerns of the Internet and Trademark communities regarding domain name disputes. The one thing which is certain is the transformation of the Internet is fast approaching. n41 Trademark owners do not have the luxury of waiting to see what will happen with the Internet they must plan ahead, anticipating the changes that a new domain name system may bring and begin strategizing on ways to best protect their trademark rights for effective competition in the new global marketplace.

[*290]

III. The Legal Implications of the Proposal and its Potential Affect on Trademark Owners

The phenomenon of the Internet is that it allows any person or business to set up a "virtual storefront" to advertise and sell products around the globe. n42 To a large extent, the continued growth of commerce on the Internet depends upon the ease with which consumers find and access commercial interests. n43 Consumers accomplish the task of locating vendors on the Internet by using domain names. Domain names are important identifiers, and, like any other trademark or trade name, domain names can symbolize the company's goodwill and recognition in the marketplace. n44

For trademark owners, domain name registration is particularly important. Years spent developing a widely recognized trademark may be seriously undermined if that mark cannot be utilized in the new world of Internet commerce. Thus, trademark owners have the most to gain if the new domain name registration system can, as promised, develop a fair and consistent system for resolving domain disputes. n45

The gTLD-MoU contains many thorny issues which may affect U.S. trademark rights. n46 At the heart of the gTLD-MoU is the domain name dispute resolution policy. n47 Trademark owners and legal organizations alike continue to scrutinize this policy. n48 In fact, the gTLD-MoU's

[*291] future may rest solely on its organizers' ability to develop a clear and acceptable policy for resolving domain name disputes.

The gTLD-MoU's dispute resolution policy is contained within the iPOC Second Revised Draft of CORE- MoU's Substantive Guidelines Concerning Administrative Domain Name Challenge Panels ("Second Revised ACP Guidelines") which issued on October 2, 1997. A Request for Comments on this draft was extended until December 5, 1997, and these comments are now under review. n49 Until the next, and perhaps final, version of ACP Guidelines is published, the gTLD-MoU is without a clear or, as far as many in the Internet community are concerned, acceptable, dispute resolution policy.

Part of the problem is that the ACP Guidelines for dispute resolution must correlate with the underlying policies contained within the gTLD-MoU itself. The most recent version of the ACP Guidelines does not define or comport with one very important and unresolved gTLD-MoU policy: Section 2(f). This section states:

a policy shall be implemented that a second-level domain name in any of the CORE-gTLDs which is identical or closely similar to an alphanumeric string that, for purposes of this policy, is deemed to be internationally known, and for which demonstrable intellectual property rights exist, may be held or used only by, or with the authorization of, the owner of such demonstrable intellectual property rights. Appropriate consideration shall be given to possible use of such a second-level domain name by a third party that, for purposes of this policy, is deemed to have sufficient rights." n50

One can infer that the gTLD-MoU's Section 2(f) policy will be amended prior to the adoption of the final ACP Guidelines. This inference is drawn from the omission of the interpretation of the Section 2(f) policy in the Second Revised ACP Guidelines, n51 along with the "reserved" note contained in the Second Revised ACP Guidelines

[*292] regarding Section 2(f)'s interpretation. n52 The Second Revised ACP Guidelines replace the earlier May 23, 1997 Revised ACP Guidelines ("First Revised ACP Guidelines") in which the interpretation of Section 2(f) was originally incorporated. n53 The fundamental problem is that the only interpretation of Section 2(f) is contained within a set of guidelines which no longer exist. According to INTA, to first define ACP guidelines to interpret Section 2(f) and then subsequently modify Section 2(f) "seems akin, to use the old adage, to putting the cart before the horse." n54 In any event, unless or until Section 2(f) of the gTLD-MoU is amended or a different interpretation is proffered by the ACP Guidelines, n55 the dispute resolution's guidelines remain suspect.

Regardless of how Section 2(f) and/or the ACP Guidelines are amended, interpretation of the gTLD- MoU policy is bound to create an international body of administrative law relating to the right to register domain names. The ACPs will not have legal authority or jurisdiction over persons per se, or over the interpretation or enforcement of national or regional intellectual property laws. However, by assuming in rem or quasi-in-rem jurisdiction over the domain names themselves while making determinations as to what constitutes "identical," "similar," "internationally known," and "demonstrable intellectual property rights," the ACPs will create a body of administrative law with world-wide effect.

In the only interpretation of Section 2(f) published to date, that of the First Revised ACP Guidelines, "internationally known" is defined as an "entry level standard" to qualify for the ACP challenge procedure. n56 The term internationally known represents a new world-wide standard with a different set of criteria than famous marks must meet under national laws. The gTLD-MoU automatically deems a mark to be internationally known if it is registered in thirty-five countries in at least four "geographical regions," without regard to its commercial signifi-

[*293] cance, or lack thereof, in those countries. n57 The gTLD-MoU also provides subjective criteria that ACPs may use to determine whether a particular mark is internationally known. n58 The First Revised ACP Guidelines define an internationally known mark as one that is "known beyond a local area . . . in a number of countries, the exact number depending on the population and market size of the countries." n59 Additional evidence that may be considered by the ACPs include a combination of the following factors: third party recognition, advertising, uniqueness, use, capital value of the intellectual property right, and survey evidence. n60 ACPs can also decide whether a challenger's mark is or is not internationally known "based on actions of the domain name holder" such as evidence of bad faith or spontaneous attempts to sell or rent the domain name by the holder. n61 Finally, the First Revised ACP Guidelines provide objective standards and criteria for the terms "demonstrable intellectual property rights" and "identical or closely similar." n62

While the First Revised ACP Guidelines are needed to lend "some" interpretation to the gTLD-MoU Section 2(f) policy, as noted above, the earlier guidelines are superseded by the Second Revised ACP Guidelines. These revised guidelines offer an entirely different approach for settling domain disputes. n63 The new approach does not employ objective standards and criteria for challenges; in its stead is a list of factors to be considered in making domain name challenge determinations. n64 These factors include: a first-come first served principle, the intellectual property right of the challenger, rights and interests of the domain name holder, bad faith (including trafficking), similarity of the second-level domain name, use being made of the domain name, potential impact on the domain name holder and the challenger, and third party rights. n65

The new ACP process of settling disputes includes mandatory but non-binding on-line mediation and optional expedited binding on-line

[*294] arbitration for Internet second-level domains names registered under the CORE-gTLD. Challenges can be invoked by a trademark owner at any time. However, if the challenge is lodged in the first thirty days after the domain name is registered, then the challenged domain name is automatically suspended. n66 Challengers may seek relief in the form of a specific exclusion, general exclusion, or transfer, provided that demonstrable intellectual property rights can be made in at least one country. n67 ACPs will make their determination based on a balancing of all circumstances of the case, including, in particular, a number of specifically listed factors. n68 According to WIPO ACP Rules, the Panel hearing the challenge shall decide the substance of the challenge in accordance with the ACP Guidelines and shall transmit to the WIPO Center a copy of each order or decision creating a public record of decisions and a body of publicly accessible precedents. n69 No monetary damages will be awarded by the ACPs. n70

The gTLD-MoU's substantive guidelines concerning its dispute resolution policy has five key parts: (1) Challenges, (2) Petitions, (3) General Exclusions, (4) Appeals, and (5) Publication and Implementation of ACP Determinations. n71 The latest ACP guidelines represent a radical departure from the first draft and raise a host of new questions and issues including "the proper judicial role for ACPs and the ease at which domain name holders can prove 'demonstrable intellectual property rights.'" n72 While the latest domain dispute policy has received general disfavor, the section regarding challenges is especially troubling for would-be supporters of the gTLD-MoU.

The principle difference between the first and second guidelines for ACP challenges is the "factors" listed in the Second Revised ACP Guidelines that will be considered and balanced in making challenge determinations. As noted above, these factors include:

First-Come First-Served Principle: This is the basic rule and philosophy for allocation of domain names with an exception given

[*295] to cancellation of domain names due to conflict with an intellectual property right. n73

The Intellectual Property Right of the Challenger: Challenges must be based on rights already granted and not expired having effect in at least one country in which the challenger resides, has an effective business or carries on non-trivial business activities. ACPs shall also consider the rights relative to the goods or services, the extent of the rights and the uniqueness of the rights. n74

Rights and Interests of the Domain Name Holder: The ACP shall consider a list of factors in determining the rights and interests of the domain name holder including: intellectual property rights, good faith and continual use of the domain name. Two years of continual good faith use on the Internet is entitled to a rebuttable presumption of entitlement to continued use. n75

Bad Faith, Including Trafficking: Bad faith, alone, may be sufficient for the ACP to make a determination against that party. n76

Similarity of the Second-Level Domain Name and the Alphanumeric String That is the Subject to the Intellectual Property Right: Whether the domain name is identical or so closely similar to the challenger's intellectual property right is determined by the identity of the punctuation, changes in punctuation, translation and/or other ways which would be misleading. n77

Use Being Made of the Domain Name: The ACP shall consider the use that is being made of the domain name on the Internet including its association with goods or services and whether the domain name is being used commercially or non-commercially. n78

Potential Impact on the Domain Name Holder and the Challenger: The ACP shall consider the impact of the use of the domain name by its holder on the challenger's business, on the challenger's visibility on the Internet, and on the customers of the challenger. n79

Third Party Rights: Third party rights shall be considered where appropriate. n80

[*296]

Without more specific or familiar criteria, such as confusion or dilution of a particular mark, or guidance as to how such factors will be weighed, the outcome of challenges with these new guidelines is unpredictable. The ACP Challenge Procedure requires a fact-intensive inquiry and assessment of a number of specific factors similar to complex trademark infringement analysis. The significant difference here, however, is that trademark infringement situations have an applicable body of national and international law whereas the ACPs will be operating in absence of any prior trademark law. Hence, ACPs will be creating and developing an international common law of trademarks n81 as applied to domain name registrations. If this occurs, INTA feels that ACPs will "make decisions having, perhaps large, economic significance . . . outside the bounds of an established legal system." n82

While some trademark owners may view the ACP domain name dispute policy as an opportunity for a quick and inexpensive way to combat cyber pirates, n83 as a way to solve difficult jurisdictional issues, n84 or as a way to deal with trademark problems on the Internet while nations contemplate the best global legal solutions, n85 others are not so pleased with its legal implications. The AIPLA, for example, is concerned that the Second Revised ACP Guidelines "do not appear to adequately, if at all, recognize common law trademark rights as sufficient to support a challenge to a domain name registration (reference to Paragraphs 12 and 15) . . . [and] place an impossible burden on small entities and individuals who have not established worldwide intellectual property rights." n86 CASIE has expressed its concerns in the fact that "the Guidelines remain unacceptably vague about how the courts will interact with the ACPs." n87

[*297]

While ACP decisions are administrative in nature and are supposed to co-exist with national courts, n88 the guidelines provide no clear reference and/or guidance for how this important interaction will occur. The following is a sample from the "Request for Comments of Submissions to Notice-97-03 of the questions that remain unanswered:

"[W]hat will be the effect of ACP rulings with respect to concepts such as res judicata, stare decisis and collateral estoppel?" n89

"[D]oes the process have legal standing?" n90

"Can the ACPs enforce their decisions?" n91

"What legal standard is used to determine 'relative harm' being suffered by the domain name holder or the challenger?" n92

"What [will] the effect of the ACP process be on those jurisdictions in which binding arbitration creates tensions with local laws, such as Belgium or Germany?" n93

"Will the ACP process have jurisdiction to decide disputes over domain name applications in those countries?" n94

"What effect will a local court's decision on the merits have if the disgruntled party later starts an administrative challenge?" n95

"[W]ill the courts be part of the appellate process referred to in the Guidelines?" n96

"[W]hat entity(ies) will review the decisions of the ACPs? The local courts, or another administrative level, or a combination of both? What decisions will be appealable?" n97

Provided that the iPOC can resolve these and other on-going concerns, the gTLD-MoU does have the potential to benefit trademark owners in many ways, including: (1) increasing the available pool of

[*298] second-level domain names and creating greater access to the domain space; (2) providing a renewal process to reduce unused domain names; (3) making it easier to monitor trademark infringement and other questionable activity by publishing second-level domain name applications on a public Web site with detailed disclosure of the domain name applicants; (4) establishing a cost-efficient on-line process for contesting particular domain names; (5) resolving the jurisdictional issue by establishing both personal and subject matter jurisdiction over the challenged domain name holder; (6) eliminating the Registry's involvement, discretion and liability in disputes; and (7) providing a single system for resolving international domain name disputes. n98

Even with a fair and efficient dispute resolution policy, the gTLD-MoU contains numerous potential pitfalls for trademark owners, including: (1) the burden of policing for infringement or other questionable activity in seven additional top-level domains; (2) forcing trademark owners to obtain additional registrations in order to prove demonstrable intellectual property rights; (3) requiring the development of new marketing strategies for the transition from the current gTLDs to the newly created ones; (4) creating inequitable justice for small businesses due to the requirements for increased registrations and understanding global legal complexities; (5) increasing adjudication if the losing party in an ACP proceeding seeks to have its rights adjudicated in a national court; and (6) more non U.S. courts adjudicating domain disputes around the world where CORE Registrars are located or where global commerce is being conducted.

Trademark owners should prepare for the inevitable change to the Internet in several ways: (1) stay abreast of the very latest information regarding Internet DNS reformation; n99 (2) procure registrations in as many countries as economically feasible in order to be prepared to prove "demonstrable intellectual property rights," "internationally known" or whichever new standard for superior and/or exclusionary rights is defined in the next ACP Guidelines; and (3) register trademarks in as many gTLDs as possible while they are still available. n100

[*299]

IV. Conclusion

The Internet as we know it today is about to undergo a significant transformation. Whether the gTLD-MoU will become the new global framework for the Internet domain name system remains to be seen. The gTLD-MoU's success depends on its ability to establish an equitable, efficient and sustainable domain name system which includes a dispute resolution policy that prevents conflicts rather than creates more. During this transition period, trademark owners should not delay in preparing for the changes and challenges that the new Internet domain name system will bring. The ability to compete in the Internet's electronic global marketplace depends upon it.

Editor's Note

As this issue was going to press, the U.S. Department of Commerce (DOC) released a "green paper" detailing a proposal to improve the technical management of the Internet domain name registration system. n101 The proposal calls for the current registration system to be transferred to a new non-profit corporation which will oversee the creation of up to five new domain name registries. The registries, which may in turn be operated by for-profit companies, will each control one new gTLD and will compete against each other in the marketplace. The plan would gradually transfer existing registry functions from NSI to the new non-profit corporation, with primary responsibility transferred as early as September, 1998. Additionally, the U.S. government, while overseeing the early operation of the new non-profit corporation, plans to phase out of its involvement with the Internet by September, 2000.

The system recommended by the green paper is quite different in many respects from the CORE plan and has consequently received some criticism. n102 As of this writing, the DOC was taking comments on the proposed changes in order to formulate the final plan.

[*300]

[SEE TABLE IN ORIGINAL]

n1 Adopted Feb. 28, 1997. See The Generic Top Level Domain Memorandum of Understanding (hereinafter gTLD-MoU) (visited Dec. 15, 1997) <<http://www.gtld-mou.org/gTLD-MoU.html>>.

n2 See Internet International Ad Hoc Committee (hereinafter IAHC) (visited Dec. 15, 1997) <<http://www.iahc.org>>. The IAHC was dissolved May 1, 1997 when the gTLD-MoU was signed. The IAHC was a coalition of participants from the broad Internet community, working to enhance the Internet's global domain name system. The IAHC was comprised of representatives from the Internet Assigned Numbers Authority (IANA), Internet Society (ISOC), Internet Architecture Board (IAB), International Telecommunications Union (ITU), National Science Foundation (NSF) of the U.S. Government, World Intellectual Property Organization (WIPO) and the International Trademark Association (INTA). The IAHC has no real authority over the Internet; however, the IANA currently decides which companies will serve as domain name registries. The Interim Policy Oversight Committee (iPOC) was formed to carry out the mission begun by the IAHC.

n3 Domain names correspond to unique Internet Protocol (IP) numbers that are used to address computers and route traffic on the Internet, and are read from right to left. For example, a typical domain name like "www.aol.com" has three parts. The first, "www", is the host name of the specific computer at the "aol" site. In this case, the host name refers to the World Wide Web server. The second, "aol", is the second-level domain name and identifies the site of the organization. This is where trademark disputes arise. Here, "aol" is the name by which many identify with the company America On-Line. The third, ".com", is the top-level domain name and describes the purpose of the registered name. In this case, the purpose is commercial and thus, "com".

n4 See Internet Domain Names and Trademarks, Hearing on Internet Domain Name Protection: Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary, 105th Cong. (1997) (available in *1997 WL 14152895*) (statement of Bruce A. Lehman, Assistant Secretary of Commerce and Commissioner of Patents and Trademarks). Mr. Lehman stated NSI is in sole control of the Internet's most valuable name space '.com' creating a situation that is not acceptable to many in the Internet community and one which could be especially problematic if NSI were to keep its control of the '.com' domain upon expiration of the NSF/NSI cooperative agreement. Continued treatment of the Internet as a 'U.S. asset' could also have a negative effect on foreign governments, businesses and consumers. See *id.* See also Nick Patience, Internet Stumbles Towards Domain Name Consensus, *Network Wk.*, Aug. 15, , 1997, available in *1997 WL 12598065* ("Network Solutions, Inc. of Herndon, Virginia has the exclusive right to register the three most popular gTLDs: .com, .net and .org."); David B. Nash, Orderly Expansion of the International Top-Level Domains: Concurrent Trademark Users Need a Way Out of the Internet Trademark Quagmire, *15 J. Marshal J. Computer*

& Info. L. 521, 542 (1997) ("[T]he United States federal government owns both the number space and name space of the Internet.")

n5 "Cybersquatter" is a coined term used to refer to entities that warehouse domain names containing others' trademarks, with an intent to force the legitimate trademark owners to pay a sum of money to acquire the domain name. See *Panavision International, LP. v. Toeppen*, 938 F. Supp. 616 (C.D. Cal. 1996). See also *Intermatic, Inc. v. Toeppen*, 41 U.S.P.Q.2d (BNA) 1223 (N.D.M. 1996).

n6 "Domain name pirates" is a coined phrase used to refer to entities who use a domain name which infringes or creates conflict with another's legitimate trademark rights. See Some Trademark Problems that Need Solution (visited Dec. 15, 1997) <<http://www.gtld-mou.org/docs/acps/tsld005.htm>>.

n7 See NSF Cooperative Agreement (visited Dec. 15, 1997) <<http://www.rs.internic.net/nsf/agreement/>>. The NSF/NSI Cooperative Agreement has an optional six month "ramp-down" period which ends September 30, 1998.

n8 See DNS Move to Private Sector Still Looks Slow, Unsteady, Rep. on Electronic Commerce, Oct. 7, 1997, available in 1997 WL 8582816 (statement of Joseph Bordogna, acting Deputy Director of the NSF) ("The National Science Foundation is proactively trying to get everyone to see that the end is coming and that NSF is not the proper place to have oversight [for the DNS].")

n9 See AlterNIC.NET (visited Dec. 15, 1997) <<http://www.alternic.net/info/drafts>> (list of draft proposals). See also Multimedia Developments of Note, Multimedia Strategist, July, 1997, at 6 (The U.S. Commerce Department issued a Request for Comments July 1, 1997-August 18, 1997 on domain name registration systems); Internet Domain Names and Trademarks, 1997, Cong. Testimony, Nov. 5, 1997, available in 1997 WL 14152895 (statement of Bruce A. Lehman) (As of November 5, 1997, the U.S. Commerce Department has received 430 comments amounting to 1500 pages of diverse perspectives on future proposals for the Internet. Comments can be seen at: National Telecommunications & Information Administration (last modified Sept. 27, 1997) <<http://www.ntia.doc.gov>>.); Stuart D. Levi & Jose Esteves, The Domain Name System And Trademarks, 482 PLI/Pat 123, 127 (June 1997) ("The Enhanced Domain Name System (eDNS) was recently formed in an effort to provide an alternative to the DNS."). However, there are potential problems with the eDNS, and an alternative exists: Since issuing its alternative plan, eDNS has been internally unstable, and its commitment to the plan is now uncertain. The second proposal with significance to trademark holders comes from NSI. On April 10, 1997, in a paper entitled 'Internet Administration and Competition in Domain Naming Services,' NSI argued that, in addition to unlimited gTLDs, each gTLD registrar should be able to develop its own administrative procedures independently, including dispute policies. Sally M. Abel & Marilyn Tiki Dare, Trademark Issues in Cyberspace: The Brave New Frontier, 488 PLI/Pat 65, 85 (Sept. 1997).

n10 See Will A. Foster et al., Who Governs the Internet?, Comm. ACM 15, Aug. 1, 1997, at 15, 19-20 (IANAs' President, Jon Postel, Internet pioneer and currently working at the University of Southern California, proposed a new gTLD plan in the spring of 1996. The Internet Society agreed in June 1996 to adopt Postel's proposal, and four

months later the IAHC was created to resolve issues surrounding Postel's proposal. On February 4, 1997, IAHC announced the creation of the gTLD-MoU). See also Internet Domain Names and Trademarks, 1997, Cong. Testimony, Nov. 5, 1997, available in *1997 WL 14152895* (statement of Bruce A. Lehman) (The IAHC issued a draft plan on December 6, 1996, generating 6000 comments which were considered while drafting the gTLD-MoU.)

n11 See The Real Problem that Needs Solution (visited Dec. 15, 1997) <<http://www.gtld-mou.org/docs/acps/tsld008.htm>>.

n12 See Frequently Asked Questions 2.1 (visited Dec. 15, 1997) <<http://www.gtld-mou.org>> (The new gTLDs are: ".firm" (businesses, companies or firms), ".shop" (businesses offering goods to .firm .shop purchase), ".web" (entities emphasizing World Wide Web activities), ".nom" (individuals' Web sites), ".web .nom .arts" (cultural and entertainment activities), ".rec" (recreation activities), ".info" (information .arts .rec .info services)). See also supra note 1, gTLD-MoU Section 10(a) ("Pending the expiration or appropriate amendment of the Cooperative Agreement under which the '.com', '.org' and '.net' gTLDs are presently administered, the '.com', '.org' and '.net' gTLDs shall not be subject to the provisions of this MoU.")

n13 See supra note 1, gTLD-MoU Section 9(b).

n14 See Registrar Selection Results (visited Dec. 15, 1997) <<http://www.gtld-mou.org>> As of November 26, 1997, 87 entities have qualified to become a Registrar under the gTLD Registrar Selection Process, including the well-known U.S. trademark search firm of Thomson and Thomson, as well as France Telecom and Deutsche Telecom. The first set of new gTLD Registrars were selected through an application process open from July 18, 1997 through October 16, 1997. Potential Registrars pay a refundable US \$ 10,000 applicable fee, submit proof of liability insurance of no less than US \$ 500,000, a letter of credit from a bank indicating a minimum of US \$ 300,000 liquid capital available and an application to the Internet Council of Registrars (CORE). Once these Registrars are working and stable, the application process is to be reopened, perhaps with entirely new qualification criteria. Entities wishing to become a Registrar should see the gTLD-MoU application form to qualify to sign the CORE-MoU at <www.gtld-mou.org/dics/application.htm>. Each application is reviewed by an independent auditing agency.

n15 See News and Press Releases (visited Dec. 15, 1997) <<http://www.gtld-mou.org>>. On November 4, 1997, Emergent Corporation, professional services firm in the area of scalable application design and development, signed a contract with CORE to build and operate the new Internet Domain Name Shared Registry System (SRS).

n16 See (Second Revised) Substantive Guidelines Concerning Administrative Domain Name Challenge Panels Section IV(7)(c) (visited Dec. 15, 1997) <<http://www.gtld-mou.org/docs/sracps.htm>> (A publication period for comment will take place before determinations are made in the context of a challenge to a domain name).

n17 See International Telecommunications Union (visited Dec. 15, 1997) <<http://www.itu.int>>. On May 1, 1997, Dr. Arpad Bogsch, Director General of the World Intellectual Property Organization, stated "The Director General of the World Intellectual

Property Organization (WIPO) hereby declares that the WIPO Arbitration and Mediation Center is available for administering procedures for the settlement of disputes concerning second level domain names in the gTLDs covered by the gTLD-MoU."

n18 See, e.g., supra note 17. On June 6, 1997, Thomas E. Leavey, Director General of the Universal Postal Union, stated The Universal Postal Union (UPU), with its headquarters in Berne, Switzerland, is the Specialized Agency of the United Nations that regulates world-wide postal services. The postal services of our 189 member countries and 210 Postal Enterprises form the largest physical distribution network in the world. Some 6.1 million postal employees working in over 700,000 Post Offices all over the world handle an annual total of 450 billion correspondences. On behalf of our member Postal Enterprises, the UPU hereby officially signs this letter as a 'Related Statement' to the gTLD-MoU to support the attempts to balance the management of the Internet domain name system (DNS). On behalf of our member Postal Enterprises, the UPU hereby requests your acceptance of this letter as an explicit recognition of the need to formalize the consultative policy framework for continued evolution of the Internet DNS, and as an explicit statement of our support. We are prepared to offer our support to the development of an international governance framework in which policies for the administration and enhancement of the Internet's global domain name system are developed and deployed. See id.

n19 See List of Signatories (visited Dec. 15, 1997) <<http://www.itu.int/gtld-mou/signat.htm>>. As of December 15, 1997, 188 entities had signed the gTLD-MoU, including a few major carriers, such as MCI and Deutsche Telekom. Organizations wishing to take part should see information on becoming a signatory to the gTLD-MoU at the above Website.

n20 See supra note 1, gTLD-MoU Section 4 (Depository).

n21 See supra note 17. On May 1, 1997, Dr. Pekka Tarjanne, Secretary-General of ITU, stated "The Secretary-General of the International Telecommunication Union (ITU) hereby agrees to act as the Depository of the gTLD-MoU and to carry out the roles included therein."

n22 See supra note 1, gTLD-MoU Section 5 (gTLD Policy Advisory Body (PAB)).

n23 See supra note 1, gTLD-MoU Section 6 (gTLD Policy Oversight Committee (POC)).

n24 Members of the POC will be appointed by each group as follows: Internet Assigned Numbers Authority (IANA)-2, Internet Society (ISOC)-2, Representatives of the Depository of the MoU-1, Internet Architecture Board (IAB)-2, Council of Registrars (CORE)-2, International Telecommunications Union (ITU)-1, World Intellectual Property Organization (WIPO)-1, and International Trademark Association (INTA)-1. As of this writing, the POC has issued a request for comments on a proposal to expand the POC to include eight members from the Policy Advisory Board (PAB).

n25 See supra note 1, gTLD-MoU Section 7 (CORE). See also, Articles of Association of Council of Registrars (CORE) Association (visited Dec. 15, 1997) <<http://www.gtld-mou.org/docs/core-ass.htm>>. >

n26 See supra note 1, gTLD-MoU Section 8 (Administrative Domain Name Challenge Panels (ACPs)).

n27 Cf. supra note 1, gTLD-MoU Section 8(c). The IAHC states No decision of an ACP shall inhibit, affect or prevent the power of the appropriate national or regional courts to hear cases interpreting and enforcing intellectual property rights that fall within their jurisdiction. Likewise, nothing in this Section shall prevent any party, at any time, from bringing any case before such national or regional courts that could otherwise be brought, nor from initiating arbitration or mediation procedures that are otherwise available. See id.

n28 See also WIPO Supports Domain Name Mediation, Multimedia Daily, Oct. 7, 1997, available in *1997 WL 7069176*.

n29 See Draft WIPO Rules for Administrative Challenge Panel Procedures Concerning Internet Domain Names, ch. III, art. 17 (visited Dec. 15, 1997) <<http://www.wipo.int/eng/arbit/acprules.htm>>. >

n30 See Internet Domain Names and Trademarks, 1997, Cong. Testimony, Nov. 5, 1997, available in *1997 WL 14152895* (statement of Bruce A. Lehman) (The IAHC plan has been criticized for being exclusive. However the iPOC has responded to these criticisms by inviting further public input on important aspects of the gTLD-MoU, employing a formal notice and comment procedure.). Not only that, Michael K. Kirk, Executive Director of the American Intellectual Property Law Association (AIPLA), states We believe that there must simply must be greater involvement by a wider constituency in designing the future of the Internet than has been the case to date. The Internet Society, the Internet Assigned Numbers Authority, the International Ad Hoc Committee, and the Interim Policy Committee have all worked very hard to address the problems which are presented for trademark owners. However, we fear that the process has not been sufficiently inclusive of all affected interests and particularly that there has been insufficient involvement by the United States Government and a broad spectrum of U.S. interests in overseeing and guiding this process. [O]ne needs only look at the list of signatories for the gTLD-MoU to see that it is essentially devoid of any signatures of the United States and other industrialized countries as well as the representatives of any major industries in the United States, Europe and Japan. Internet Domain Names and Trademarks, 1997, Cong. Testimony, Nov. 5, 1997, available in *1997 WL 14152894* (statement of Michael K. Kirk).

n31 See DNS Move to Private Sector Still Looks Slow, Unsteady, Rep. on Electronic Commerce, Oct. 7, 1997, available in *1997 WL 8582816*.

n32 Id.

n33 See Nick Patience, Internet Stumbles Towards Domain Name Consensus, Network Wk., Aug. 15, , 1997, available in *1997 WL 12598065*.

n34 See Internet Domain Names and Trademarks, 1997, Cong. Testimony, Nov. 5, 1997, available in *1997 WL 14152895* (statement of Bruce A. Lehman) ("The Clinton Administration supports the continued privatization and commercialization of the Internet and is committed to completing the transition to private sector governance." The U.S.

views the gTLD-MoU as essentially a private-sector instrument even though one government has signed the MoU.)

n35 Id. (Comments reflect overwhelming support for two things: private sector governance of, and increased competition in, domain name systems). See also *supra* note 9.

n36 Eric T. Fingerhut & P.L. Skip Singleton, Jr., *We're Entering a New Domain*, *Legal Times* 6 (Oct. 6, 1997).

n37 See Request for Comments (visited Dec. 15, 1997) <<http://www.gtld-mou.org/docs/rfcs.html>>. Recent requests include: Notice-97-01: Review of Representation of Constituencies in the POC (Request for comments closed October 13, 1997 and is now under review); Notice-97-02: Review of new gTLDs (Request for comments closed October 13, 1997 and a partial result of this request for comments is available.); and Notice-97-03: Proposed Trademark Dispute Resolution: Draft Substantive Guidelines for ACPs (Request for Comments open from October 2, 1997-December 5, 1997 and is now under review). See Request for Comments Index of Submissions to Notice-97-03 for a listing of submissions under review.

n38 See *supra* note 12 Frequently Asked Questions 2.10 (It is also conceivable that some Registrars might bundle domain name registrations for free with other services.)

n39 See *supra* note 1 (The gTLD-MoU was adopted on February 28, 1997 and has remained unchanged); but see *infra* note 53 (Section 2(f) policy may be amended). See also *supra* note 15 (News and Press Releases-The final version of the CORE-MoU is now available and supersedes the July 17, 1997 draft. The final version was signed on October 18, 1997 by the Chairman of the iPOC).

n40 See Events Calendar (visited Dec. 15, 1997) <<http://www.gtld-mou.org>>. See also *supra* note 12 Frequently Asked Questions 2.4.

n41 See *Internet Domain Names and Trademarks, 1997, Cong. Testimony, Nov. 5, 1997*, available in *1997 WL 14152895* (statement of Bruce A. Lehman) (President Clinton supports efforts to make the governance of the domain name system private and competitive and to create a contractually based self-regulatory system that deals with conflicts between domain name usage and trademark laws on a global basis. "This directive has the highest priority at the Department of Commerce and throughout the Executive Department.")

n42 See David B. Nash, *Orderly Expansion of the International Top-Level Domains: Concurrent Trademark Users Need a Way Out of the Internet Trademark Quagmire*, 15 *J. Marshall J. Computer & Info. L.* 521, 527 (1997).

n43 Id. at 522.

n44 See Sally M. Abel & Marilyn Tiki Dare, *Trademark Issues in Cyberspace: The Brave New Frontier*, 488 *PLI/Pat* 65, 67 (Sept. 1997).

n45 See *supra* note 36.

n46 See *Internet Domain Names and Trademarks, 1997, Cong. Testimony, Nov. 5, 1997*, available in *1997 WL 14152894* (statement of Michael K. Kirk) ("While the

AIPLA applauds, in principle, efforts to facilitate global harmonization of domain name registration and conflict resolution, certain of these proposals may exacerbate the protection and enforcement problems for trademark owners.")

n47 See supra note 36.

n48 See supra note 37, Request for Comments Index of Submissions for Notice-97-03: Proposed Trademark Dispute Resolution: Draft Substantive Guidelines for ACPs (Request for Comments open from October 2, 1997-December 5, 1997 and is now under review.) (Of particular note are comments from INTA, Coalition for Advertising Supported Information and Entertainment (CASIE)-a coalition of the Association of National Advertisers, Inc. and the American Association of Advertising Agencies, and a group which calls themselves the Private Sector Working Group (PSWG) comprised of a diverse group of companies and associations representing many of the leading trademark holders throughout the world, including, but not limited to, America On-Line, AT & T, Bell Atlantic, Nabisco, and Microsoft.). See also supra note 46 (The AIPLA expressed, inter alia, that its primary concern with the gTLD-MoU is the impact of the dispute resolution policy contained within the guidelines for ACPs.)

n49 See supra note 37.

n50 See supra note 1, gTLD-MoU Section I(2)(f) (Emphasis added).

n51 Cf. supra note 16 (Oct. 2, 1997 Second Revised Draft ACP Guidelines-II. Interpretation of the gTLD-MoU policy deleted the policy explanation and interpretation in its entirety.)

n52 Id. (Second Revised Draft ACP Guidelines-II. Interpretation of the gTLD-MoU policy "RESERVED: Depending on the final approach adopted for these Substantive Guidelines, the gTLD-MoU policy (Section 2(f)) may have to be amended. Therefore, these two introductory sections will be revisited after the initial comment period on the substantive portion of the Guidelines is completed.")

n53 See [Revised] Substantive Guidelines Concerning Administrative Domain Name Challenge Panels (visited Dec. 15, 1997) <<http://www.gtld-mou.org/ndocs/racps.htm>>.

n54 See supra notes 37 & 48 (Request for Comments Index of Submissions to Notice-97-03: INTA's Dec. 2, 1997 comments) .

n55 To date, the gTLD-MoU remains unchanged from its February 28, 1997 adoption (including the Section 2(f) policy discussed here).

n56 See supra note 51 (Interpretation of the gTLD-MoU).

n57 Id. Section IV(A) (Objective Standards and Criteria).

n58 Cf. supra note 16 (The October 2, 1997 Second Revised ACP Guidelines deletes any reference to "The Objective Standards and Criteria" as seen in the May 23, 1997 Revised ACP Guidelines.)

n59 See supra note 51 (Interpretation of the gTLD-MoU).

n60 Id. Section IV(A) (Objective Standards and Criteria).

n61 Id.

n62 Id. Section IV(C) (Objective Standards and Criteria).

n63 See supra note 16 (Second Revised ACP Guidelines).

n64 Id. Section IV(C) (Factors To Be Considered In Making Determinations).

n65 Id.; see also infra notes 73-80.

n66 See supra note 16, Second Revised ACP Guidelines Section (IV)(2)(3).

n67 Id.

n68 See supra note 65.

n69 See supra note 29, ch. VI, art. 52-54.

n70 Id., ch. IV, art. 8.

n71 See supra note 1, gTLD-MoU Sections IV-VII.

n72 See supra notes 37 & 48 (Request for Comments Index of Submissions to Notice-97-03: PSWG's (undated) comments)

n73 See supra note 16, Second Revised ACP Guidelines Section IV(C)(a).

n74 Id. Section IV(C)(b).

n75 Id. Section IV(C)(c).

n76 Id. Section IV(C)(d).

n77 Id. Section IV(C)(e).

n78 Id. Section IV(C)(f).

n79 Id. Section IV(C)(g).

n80 Id. Section IV(C)(h).

n81 See supra notes 37 & 48 (INTA's comments).

n82 Id. (INTA endorses a process, in line with the gTLD-MoU and the earlier draft of the ACP Guidelines, that limits ACP jurisdiction to "clear-cut cases" where a quick and efficient decision can be made without an in-depth factual examination and assessment.)

n83 See supra note 4 (statement of Bruce A. Lehman, Assistant Secretary of Commerce and Commissioner of Patents and Trademarks).

n84 See Some Trademark Problems that Needs Solution (visited Dec. 15, 1997) <<http://www.gtld-mou.org/docs/acps/tsld007.htm>>.

n85 Id.

n86 See supra note 46 (statement of Michael K. Kirk, Executive Director of AIPLA).

n87 See supra notes 37 & 48 (Request for Comments Index of Submissions to Notice-97-03: CASIE's Dec. 5, 1997 comments, submitted by Douglas J. Wood, Esq., counsel to CASIE).

n88 See Why ACPs Are A Good Idea (visited Dec. 15, 1997) <<http://www.gtld-mou.org/docs/acps/tsldo22.htm>>. >

n89 See supra notes 37 and 48 (Request for Comments Index of Submissions to Notice-97-03: PSWG's (undated) comments).

n90 Id.

n91 Id.

n92 Id.

n93 Id.

n94 Id.

n95 See supra notes 37 and 48 (Request for Comments Index of Submissions to Notice-97-03: CASIE's Dec. 5, 1997 comments, submitted by Douglas J. Wood, Esq., counsel to CASIE).

n96 Id.

n97 Id.

n98 See supra note 36.

n99 See infra Glossary of Acronyms and Web Sites for Web Site information.

n100 See Frequently Asked Questions 2.12 (visited Dec. 15, 1997) <<http://www.gtld-mou.org>>. (Holders of a domain name in ".com" or in another gTLD will not be able to assert some right to the identical second-level domain under another TLD. One of the reasons for adopting additional gTLDs is to allow others to use some of the "good" names in the new gTLDs, even if they are already registered by someone else in the ".com". However, registering a domain name which embodies an existing trademark or other intellectual property right of another may be challenged and is subject to cancellation. Second-level domains in the new gTLDs that embody existing trademark rights may be held only by the owner of the trademark rights.)

n101 A Proposal to Improve Technical Management of Internet Names and Addresses, Discussion Draft 1/30/98, (Jan. 30, 1998) <<http://www.ntiaa.doc.gov/ntiahome/domainname/dnsdrft.htm>>. >

n102 The chairman of CORE's executive committee, Alan Hanson, stated that the proposal "appears to carve out a U.S.-centric process designed to better serve the vested interests of NSI rather than the broader interests of the world Internet community." Commerce Calls for Competing Registries to Manage gTLDs, Rep. on Electronic Com., Feb. 10, 1998 at 3.