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CYBERSQUATTING: THE LATEST CHALLENGE IN FEDERAL TRADEMARK PROTECTION

¶ 1 The explosion in Internet technology in the past decade has drawn the Lanham Act into the realm of electronic commerce. Trademark owners seeking to register domain names have recently found themselves entwined in a number of disputes, such as disputes involving claims to multiple domain names and disputes over whether the domain name registration system is fairly administered. One important legal issue that has recently come to the fore is over the practice of cybersquatting. Today, courts must contend with the cybersquatter, a speculator who reserves trademarks as Internet domain names for the sole purpose of selling or licensing them back to trademark owners willing to pay a considerable price for their use. Complicating matters, the most potent weapons in the Government's anticybersquatting arsenal--the Anticybersquatting Consumer Protection Act (ACPA) and Federal Trademark Dilution Act (FTDA)--each give rise to grave constitutional concerns.

¶ 2 This iBrief traces the evolution of legal remedies to cybersquatting. It first provides a summary critique of cases predating the recently enacted ACPA. Second, this iBrief thoroughly discusses the ACPA and how it has been construed. Lastly, this iBrief explores constitutional issues related to cybersquatting, analyzing the current regime and the features that cast doubt on its legitimacy.

Cybersquatting Under the Lanham Act

¶ 3 Cybersquatting is about beating the trademark holder to a domain name. For example, if a person registers the domain name "pepsi.com" in hopes that Pepsi Co. will later buy the domain name from her, she is cybersquatting. Since domain names are registered to only one person or entity at a time (although multiple domain names may point to the same website), the trademark holder's options are limited: pay or litigate.

¶ 4 Cybersquatting cases predating the ACPA demonstrate that the Lanham Act's trademark infringement and dilution provisions are ill-equipped to corral the ever-swelling ranks of cybersquatters. Consumer confusion as to the source of goods, the touchstone of trademark infringement,¹ is rare in cybersquatting cases. The cybersquatter usually forgoes commercial use

of the domain name, electing not to offer through his web site any goods or services that would lead consumers to believe that such goods and services have their source or sponsorship in the trademark owner's establishment.² Instead, the cybersquatter merely reserves the domain name for the purpose of selling it back to the trademark holder at a profit. Thus, regardless of the strength of the trademark holder's mark, the mark's similarity to the cybersquatter's domain name, and the cybersquatter's intent--all factors that normally weigh in favor of a finding of consumer confusion--³a trademark infringement claim against a cybersquatter will generally be defeated.

¶ 5 The Federal Trademark Dilution Act (FTDA),⁴ a subsection of the Lanham Act, has also struggled to keep cybersquatters in check. The FTDA eliminates the "likelihood of confusion" requirement of trademark infringement.⁵ As with trademark infringement, however, a court deciding dilution may not enjoin the use of a registered domain name unless the cybersquatter has used the domain name in commerce.⁶ Thus, a cybersquatter who merely holds a domain name cannot normally be held liable for trademark dilution.

¶ 6 Courts have nonetheless found cybersquatting to be a form of trademark dilution in cases like *Intermatic*⁷ and *Panavision*.⁸ These cases have drawn much criticism. In each case the cybersquatter was not using the domain name as a trademark *qua* trademark, i.e., for the bona fide purpose of identifying the source or sponsorship of goods and services circulating in the ordinary course of trade, but rather for extortionate ends.⁹ As discussed, the Lanham Act does not bestow an absolute property right in the mark: trademark protection forbids only *commercial* uses of a mark tending to dilute or engender confusion in the marketplace.¹⁰ As the cybersquatting in these two cases did not involve commercial use, it normally would not permit a finding of trademark dilution or infringement. Noting this, one commentator suggested (rather prophetically) that the answer to cybersquatting lay by analogy in state unfair competition laws providing *in rem*¹¹ proceedings against corporate names registered with the "fraudulent purpose of pirating the business of the corporation or with actual knowledge of the existence and name of the foreign corporation."¹²

¶ 7 Lest the reader be left with the misimpression that trademark infringement and dilution are impotent against cybersquatters, both doctrines are still very much alive in cyberspace. Where A has registered and commercially used "drpepper.com" to sell competing soft drink products, and consumer confusion (or a substantial potential therefor) results, A may be liable for both trademark dilution and trademark infringement. The shortcoming of these two causes of action is that they may be insufficient to deal with the many cybersquatters who do not actually

use domain names in commerce.

The Anticybersquatting Consumer Protection Act

¶ 8 The Lanham Act's perceived inadequacies in dealing with cybersquatting prompted Congress to observe that, as cybersquatters become more adept at avoiding liability, trademark holders will be "without adequate and effective judicial remedies."¹³ Answering the call, the Anticybersquatting Consumer Protection Act (ACPA) provides "clarity in the law for trademark owners by prohibiting the bad-faith and abusive registration of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks."¹⁴

¶ 9 Under the ACPA, a cause of action for cybersquatting lies where: (1) plaintiff's mark is "distinctive" or "famous" at the time of registration of the domain name; (2) the cybersquatter's domain name is (a) identical or confusingly similar to a distinctive mark, or (b) identical, confusingly similar to, or dilutive of a famous mark; *and* (3) the cybersquatter acted with a "bad faith intent to profit" from the mark.¹⁵ What is most striking about this statute is that it does not condition a cause of action on trademark infringement or dilution; it is enough that the domain name be identical or confusingly similar in appearance to a distinctive trademark. Further, unlike the FTDA, the ACPA does not require that a mark be famous to receive protection against dilution.¹⁶ No less important, the ACPA does *not* require formal commercial use of the trademark-domain name, but instead targets cybersquatters who merely register domain names, as well as cybersquatters who traffic in (i.e., sell, purchase, loan, pledge, license)¹⁷ or otherwise use domain names.¹⁸ By proscribing the bad faith registration of domain names, the ACPA prevents cybersquatters from exploiting the settlement value of cases against trademark holders wishing to avoid the expense of litigation.¹⁹

¶ 10 At this writing, *Sporty's Farm v. Sportsman's Mkt.* is the only case to interpret the ACPA at the federal appellate level. Consistent with the structure of the ACPA, *Sporty's* directs that a court must first determine whether a mark is "distinctive" or "famous" by weighing the non-exclusive criteria enumerated in the FTDA for assaying trademark dilution.²⁰ In this connection, the *Sporty's* court noted that distinctiveness and fame are separate concepts.²¹ A mark may be distinctive because of its inherent qualities, but not famous. Conversely, a non-distinctive mark may become famous by virtue of acquiring secondary meaning.

¶ 11 Second, a court must decide if the domain name and trademark at issue are identical, confusingly similar and/or dilutive.²² When examining a domain name, the court need not consider slight differences in punctuation, spacing or capitalization, because the strict format of

domain names does not accommodate such stylistic variations.²³ Accordingly, "sporty's" and "sportys.com" were adjudged confusingly similar for the purpose of assessing liability under the ACPA.²⁴ *Sporty's* further noted that confusing similarity under the ACPA is not measured by the *Polaroid* factors applied in trademark infringement cases.²⁵ To hold otherwise would effectively import trademark infringement as an added condition of a civil action under the ACPA. Also, by not articulating a test for determining confusing similarity, the court left the matter open for lower courts to decide.²⁶ It is a reasonable inference from the *Sporty's* decision, however, that between infringing marks under § 32 and 43 of the Lanham Act and confusingly similar marks under the ACPA, the latter focuses exclusively on the similar appearance of the marks in question, merely one of several *Polaroid* factors.²⁷

¶ 12 Third, a court must determine whether the cybersquatter acted with a "bad faith intent to profit" from use of the trademark holder's mark.²⁸ A cybersquatter may escape liability if he can show that he "believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful."²⁹ In *Shields v. Zuccarini*, for instance, the defendant insisted that he had registered the domain name in question with the legitimate expectation of establishing an Internet site for protesting plaintiff's gruesome cartoon depictions of brutality to animals.³⁰ The court rejected defendant's argument that he intended to use the domain names for political speech, noting that he had registered thousands of domain names confusingly similar to other famous marks for the obvious purpose of diverting Internet traffic to his own sites, that he had altered the content of his site only after the suit was filed against him, and that he had registered numerous other sites promoting activities he now claimed to be protesting.³¹

¶ 13 If the three foregoing elements of the ACPA are satisfied, a court may order general injunctive relief, including the forfeiture, cancellation or transfer of the domain name to the trademark owner, even if the domain name was registered prior to the enactment of the ACPA.³² On this point, the *Sporty's* court reasoned that, consistent with the US Supreme Court's decision in *Landgraf v. USI Film*,³³ injunctive relief respecting domain names registered prior to the enactment of the ACPA is not impermissibly retroactive because such relief prevents continuing future harm from the use of such domain names.³⁴ The trademark holder may also recover monetary damages, but only for domain names registered after the date of enactment--³⁵ a policy that arguably offers inadequate compensation to certain trademark holders whose marks are registered by a cybersquatter prior to the ACPA. For example, in *Sporty's*, the court affirmed the grant of injunctive relief against Sporty's Farm, but was unable to award damages because "sportys.com" was registered prior to the enactment of the ACPA.³⁶ However, the court held that the ACPA does not preclude recovery of damages under pre-existing law, including the

trademark infringement and dilution provisions of the Lanham Act.³⁷ In other words, the ACPA does not remove the doctrines of trademark infringement and dilution as available remedies.

¶ 14 In brief, if an offending domain name is commercially used to identify products and services in commerce, the doctrines of trademark dilution and infringement will apply. Otherwise, the ACPA governs use of the domain name and will interdict only those domain names registered in bad faith, regardless of whether the domain name tends to dilute or create confusion as to the source or sponsorship of the corresponding trademark.

Constitutional Concerns

¶ 15 As noted, the Lanham Act (including the FTDA) and the ACPA raise grave constitutional concerns. Some critics assert that the Lanham Act and ACPA are prior restraints on speech protected under the First Amendment. Others assert that a trademark owner should not be able to use intellectual property rights to exclude others from markets that the trademark owner has not chosen to exploit. Finally, there are policy concerns about the fairness of existing approaches to cybersquatting.

Freedom of Speech

¶ 16 At bottom, the Lanham Act is a prior restraint on commercial speech. Trademarks are commercial speech insofar as they propose commercial transactions; to wit, they convey messages about the origin and quality of goods and services for the purpose of influencing consumer spending.³⁸ Although Congress' power to regulate commercial transactions implies a "concomitant power to regulate commercial speech that is 'inextricably linked' to those transactions,"³⁹ Congress retains less regulatory authority where the restriction "strikes at 'the substance of the information communicated' rather than the 'commercial aspect of it.'"⁴⁰ The commercial speech doctrine thus represents an accommodation between the right to speak and hear *about* goods and services and the right of government to regulate the sales *of* such goods and services.⁴¹ Where the restriction "entirely prohibits" truthful and nonmisleading commercial speech for reasons unrelated to the fair bargaining process, a court applying heightened scrutiny must determine whether regulation advances its asserted interest to a material degree⁴² and in a manner that is no more extensive than necessary.⁴³

¶ 17 To the extent the Lanham Act forecloses misleading or untruthful commercial communications involving trademarks, it is consonant with First Amendment jurisprudence. By labeling trademarks as commercial speech, however, courts also allow their non-commercial

aspects to be regulated, thus suppressing noncommercial, nonmisleading expression and ideas that are ordinarily entitled to full protection.⁴⁴ For example, domain names are sometimes used by their owners to express artistic, political, or social statements through parody of that mark.⁴⁵ Further, inasmuch as offensive or indecent speech, as distinct from obscene speech, is protected under the First Amendment,⁴⁶ domain names that dilute by virtue of their foulness or offensiveness may be protected speech as well.

¶ 18 Moreover, it is argued that decisions under the Lanham Act that regulate the content of speech,⁴⁷ as opposed to the mere time, place or manner in which the speech can be delivered,⁴⁸ should be reviewed by courts under the heightened scrutiny standard applied to noncommercial speech. Under this view, the expressive elements of domain names justify full First Amendment protection against blanket prohibitions on all misleading commercial speech.⁴⁹ With anti-dilution in particular, the argument goes, regulation of offensive names is unnecessary because market forces will eliminate domain names the public finds offensive, thus preserving the marketplace of ideas.⁵⁰

¶ 19 The absence of a commercial use requirement in the ACPA similarly heightens the risk of suppressing constitutionally protected speech.⁵¹ In theory, the bad faith requirement of the ACPA protects persons who use their domain names for legitimate purposes, including political, religious, or artistic expression sacrosanct under the First Amendment. In practice, however, courts solicitous of trademark holders may be inclined to construe bad faith where it is not.⁵² As one commentator noted, "the cybersquatting precedents are already being used by trademark owners to take domain names away from arguably legitimate users, such as people who want to register their last names as Internet domains and those who build a gripe site to complain about a specific product or company."⁵³

Intellectual Property Rights

¶ 20 It is also debated whether the right of trademark should effectively clear the way for trademark owners to prevent others from commercially exploiting the mark in markets (electronic or otherwise) the owner has yet to enter. Should the right of trademark sweep within its zone of protection markets and media of expression yet to be exploited? In the realm of brick-and-mortar commerce, a private corporation wishing to build a shopping center on your land must persuade you to sell; otherwise, no shopping center. In the realm of eCommerce, by contrast, a private corporation wishing to use your registered domain name can take it from you without compensation. And what of markets or modes of communication yet to be established or

discovered? Does the Nike corporation, for example, reserve the exclusive right to "Nike" in say, virtual reality, if and when it becomes a viable marketing tool? In a similar and not too far-fetched vein, is the Nike corporation currently entitled to exclusive use of the Nike swoosh in interplanetary commerce a hundred or more years from now?

¶ 21 To a degree, trademark owners enjoy the right to exclusive commercial use in markets they have yet to exploit. The trademark is a comparatively weak property right, however, limited to protection against harmful commercial uses by third parties.⁵⁴ Thus, until the trademark holder commercially enters the field, there is no risk of infringement or dilution, and hence no reason to enjoin third-party use of the mark. Nevertheless, the trademark owner is afforded a protective zone of natural market expansion against "the use of [his] mark on any product or service which [at the time of the intervening user's appearance] would reasonably be thought by the buying public to come from the same source, or thought to be affiliated with, connected with, or sponsored by, the trademark owner."⁵⁵ Indeed, in assessing the potential for consumer confusion, courts consider the likelihood of the plaintiff entering the defendant's market--one of the classic *Polaroid* factors.⁵⁶

¶ 22 The ACPA takes a position less friendly to trademark owners. Rather than reserve to the trademark owner an absolute preemptive right to claim domain names that fall within his natural zone of expansion, the ACPA merely interdicts the registration and use of domain names with intent to trade on the goodwill of similar and confusingly similar trademarks. By allowing any person acting in good faith and with full knowledge of prior trademark use to register or sell that mark as a domain name, even where consumers naturally expect the domain to belong to the trademark owner, Congress has made it considerably easier to exploit the Internet in advance of trademark holders. The ACPA, then, perceives an unfairness in ordering a domain name owner, who has registered, sold, licensed, or otherwise managed his domain names in good faith, to surrender his domain name to a covetous trademark owner. Accordingly, under the ACPA, anyone may register and traffic in a domain name, trademark or not, and if so however popular, for reasons other than wanting to exploit the mark's goodwill. This holds true even if the domain name causes dilution of a corresponding trademark or consumer confusion as to the domain name's source or sponsorship. This accommodation of the ACPA undoubtedly favors the property and free speech interests of good faith domain name owners over the interests of trademark holders seeking unobstructed expansion into eCommerce.

Policy Considerations

¶ 23 It remains to be seen whether persons who register and traffic in domain names for the express purpose of trading on the goodwill of trademarks should be enjoined (and perhaps punished) as matter of sound public policy. To be sure, cybersquatting--whether for ransom, poaching another's goodwill or merely to hinder another's use of the domain name--can be harmful. The costs to the trademark holder may be quite severe: consumers weary of searching for the trademark owner's web page will either give up in frustration, choose competing web sites, resort to non-Internet means to acquire the desired products, or, if they finally manage to find the web site, be so peeved that they refuse to purchase out of spite.⁵⁷ Furthermore, while blackmail may serve a beneficial moral enforcement function in some contexts, the brand of commercial blackmail employed by most cyberpirates has no socially redeeming value.⁵⁸

¶ 24 In addition to the aforementioned risk of suppressing constitutionally protected speech, there is a compelling disparate treatment argument that favors limiting protections against cybersquatting. Despite a growing consensus that a democratic international governing body is vital to the effective and efficient functioning of the Internet, some still insist the Internet should remain a "cooperative association with no centralized control" by any individual or government agency.⁵⁹ While not essential, the absence of government control would make it substantially easier for the cybersquatter to reprise the role of the erstwhile frontiersman who shrewdly stakes his claim to unsettled territory with an eye to lawfully arbitrating it to the first railroad company to pass his way. It is curious indeed that cybersquatters are singled out among legions of arbitrageurs who continue to ply their trades with minimal constraint in the realm of real property. As property speculation has long kept the wheels of commerce turning at a steady clip, one wonders why it should be any different with trademarks in eCommerce.

¶ 25 The rebuttal to the disparate treatment argument is that under certain circumstances the ACPA *does* permit the arbitrage of domain names. Importantly, the ACPA applies only to trademarks that were distinctive at the time of registration of the identical or confusingly similar domain name.⁶⁰ Thus, a cyberpirate may lawfully trade on the goodwill of a mark that becomes distinctive subsequent to registration of an identical or confusingly similar domain name.⁶¹ For example, if the domain name "ihop.com" is registered prior to International House of Pancakes' trademarks becoming famous by acquiring secondary meaning, the owner could lawfully sell, license, or loan ihop.com. to International House of Pancakes.

¶ 26 As the foregoing indicates, trademarks are proactive but not retroactive. As discussed earlier, the trademark owner enjoys advance protection against commercial use of his mark within a zone of natural market expansion, but a mark not distinctive at the time of registration

of a corresponding domain name does not entitle its owner to expropriate the domain name once the mark becomes distinctive. This principle of non-retroactivity is reflected in the Lanham Act's concurrent registration provision, under which a prior geographically remote user may continue commercial use of a trademark even though another person has registered that mark, provided the prior use was made in good faith,⁶² i.e., without actual or constructive knowledge of the registrant's use or intent to use the mark.⁶³ Likewise, since the ACPA applies only to trademarks that are distinctive at the time a corresponding domain name is registered, the fact that the domain name was registered in good faith prior to the corresponding trademark (distinctive or not) forecloses the right of the trademark holder to claim the domain name.⁶⁴ That this is so further evinces Congress' intent to accommodate exploitation of the Internet by domain name holders against trademark owners.

A Peek Into The Future

¶ 27 The paucity of cases interpreting the ACPA as of this writing means that there is no easy prognosis. Whatever can be said about the ACPA, its enactment could be construed as Congress' latest step in the direction of trademarks conceived as absolute property rights. Section 1125 of the Lanham Act marks an unmistakable evolution from conceptualizing trademarks as mere rights against commercial uses tending to cause consumer confusion, to rights against dilution in the absence of confusion or direct competition between the parties in suit, to rights against cybersquatting in the absence of confusion, direct competition, dilution, and commercial use of the mark. Arguably, Congress is steadily stripping away the time-honored requirements of trademark protection, effectively expanding such protection in a manner consistent with popular notions of trademarks as real property. The ACPA may represent but a small step in the direction of trademarks conceived as real property. This possibility is suggested by the fact that trademark owners under the ACPA enjoy a right to exploit their marks in cyberspace. The right is far from absolute: the ACPA's prohibitions are directed exclusively toward predatory uses of established trademarks. Domain names that predate trademarks and domain names employed in good faith still rest safely beyond the preemptive grasp of trademark owners. Nonetheless, it may be that the enactment of the ACPA shows a strengthening of trademark protection that will continue in the future. If so, elimination of the ACPA's bad faith requirement, given its difficulty of proof and function as the last toehold for confusingly similar and dilutive domain names, would not come as too great a surprise.

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Footnotes

1. Courts differ on the exact determination of confusion. Many use the criteria established in *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961). The *Polaroid* factors include (1) the strength of the mark; (2) the degree of similarity between marks; (3) the proximity of the parties' products; (4) the likelihood of plaintiff's bridging the gap or entering defendant's market; (5) actual confusion; (6) the junior user's good faith in adopting the mark; (7) the quality of the respective goods; and (8) the sophistication of the relevant buyers. *See Polaroid*, 287 F.2d at 495. Importantly, a mere showing of the likelihood of confusion, as opposed to actual confusion, fulfills the statutory requirement for infringement. *See Lanham Trademark Act* §32, 15 U.S.C. §1114 (2000), available at http://caselaw.lp.findlaw.com/scripts/ts_search.pl?title=15&sec=1114 (last visited Feb. 6, 2001).

2. *See* Jennifer Golinveaux, *What's in a Domain Name: Is "Cybersquatting" Trademark Dilution?*, 33 U.S.F. L. REV. 641, 652 (1999).

3. *See Polaroid*, 287 F.2d at 495.

4. Lanham Trademark Act §43(c), 15 U.S.C. §1125(c) (2000), available at http://caselaw.lp.findlaw.com/scripts/ts_search.pl?title=15&sec=1125 (last visited Feb. 6, 2001).

5. Lanham Trademark Act §45, 15 U.S.C. §1127 (2000), available at http://caselaw.lp.findlaw.com/scripts/ts_search.pl?title=15&sec=1127 (last visited Feb. 6, 2001).

6. 15 U.S.C. §1125(c)(1) (see URL link *supra*, note 4).

7. *Intermatic Inc. v. Topppen*, 947 F. Supp. 1227, 1236-1239 (N.D. Ill. 1996).

8. *Panavision Int'l v. Toeppen*, 141 F.3d 1316, 1326-27 (9th Cir. 1998), available at <http://caselaw.lp.findlaw.com/scripts/getcase.pl?court=9th&navby=case&no=9755467> (last visited Feb. 6, 2001).

9. See Golinveaux, *supra* note 2, at 654-71; Lisa Carrol, *A Better Way to Skin the Cat: Resolving Domain Name Disputes Using State Unfair Competition Law*, American Bar Association Section of Intellectual Property Law Newsletter (Winter 2000).

10. 15 U.S.C. §1125 (see URL link *supra*, note 4).

11. See Thomas Lee, *In Rem Jurisdiction in Cyberspace*, 75 WASH. L. REV. 97, 110-13 (2000). In order to establish personal jurisdiction over the parties in a lawsuit concerning a piece of property or status, a court may acquire *in rem* jurisdiction, or jurisdiction over the thing (or *res*) that is the subject of the lawsuit). *In rem* actions seek to establish title to the property and to foreclose any future claims to it--as against "all the world," as opposed to specifically identified individuals (*quasi in rem*)--rather than impose personal liability on wrongdoers. See *id.*

12. Carrol, *supra* note 9, at 7.

13. S. Rep. No. 106-140, at 7 (1999).

14. *Id.*

15. 15 U.S.C. §1125(d) (see URL link *supra*, note 4).

16. 15 U.S.C. §1125(d)(1)(A).

17. 15 U.S.C. §1125(d)(1)(E) (defining "traffic").

18. 15 U.S.C. §1125(d)(1).

19. See Jeffery Look, *The Virtual Wild, Wild, West (WWW): Intellectual Property Issues in Cyberspace*, 22 U. Ark. Little Rock L.J. 49, 64 (1999).

20. See *Sporty's Farm LLC v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 497 (2d Cir. 2000); see also 15 U.S.C. §1125(d)(1)(A).

21. See *Sporty's*, 202 F.3d at 497.

22. See *id.*

23. See *id.* at 498.

[24.](#) *See id.*

[25.](#) *See id.*

[26.](#) *See id.* at 498, n.11.

[27.](#) *See Polaroid*, 287 F.2d at 495.

[28.](#) *See Sporty's*, 202 F.3d at 498. The ACPA lists non-exclusive factors that may be considered in determining bad faith, including, but not limited to (1) the trademark or other intellectual property rights, 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 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. *See* 15 U.S.C. §1125(d)(1)(B) (see URL link *supra*, note 4).

[29.](#) 15 U.S.C. §1125(d)(1)(B)(ii).

[30.](#) *See Shields v. Zuccarini*, 89 F. Supp. 2d 634, 640 (E.D. Pa. 2000).

[31.](#) *See id.* at 640-642.

[32.](#) See *Sporty's*, 202 F.3d at 1578 (quoting Pub. L. No. 106-113, §3010 (1999)); see also 15 U.S.C. §1125(d)(1)(C).

[33.](#) *Landgraf v. USI Film Products*, 51 U.S. 244, 273 (1994) ("application of new statutes passed after the events in suit is unquestionably proper in many situations. When the intervening statute authorizes or affects the propriety of prospective relief, application of the new provision is not retroactive.").

[34.](#) See *Sporty's*, 202 F.3d at 502.

[35.](#) See *id.*

[36.](#) See *id.* at 500.

[37.](#) See *id.*

[38.](#) See John V. Tait, *Trademark Regulations and the Commercial Speech Doctrine: Focusing on the Regulatory Objective to Classify Speech for First Amendment Analysis*, 67 FORDHAM L. REV. 897, 930-31 (1998) (quoting *Virginia Pharmacy v. Virginia Consumer Council*, 425 U.S. 748, 771 n.24 (1975)).

[39.](#) *Liquormart, Inc. v. Rhode Island*, 517 U.S. 484, 499 (1996) (quoting *Friedman v. Rogers*, 440 U.S. 1, 10 n.9 (1979)).

[40.](#) See *Liquormart*, 517 U.S. at 499 (quoting *Linmark Associates, Inc. v. Willingboro*, 431 U.S. 85, 96 (1977)).

[41.](#) See *id.* (quoting L. Tribe, AMERICAN CONSTITUTIONAL LAW §12-15, 903 (1988)). As articulated in *Central Hudson Gas*, the doctrine provides that commercial speech may be restricted if: (1) the speech concerns lawful activity and is non-misleading; (2) the government interest is substantial; (3) the regulation advances the asserted governmental interest; and (4) the restriction is no more extensive than necessary to serve the asserted governmental interest. See *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447 U.S. 557, 566 (1980).

[42.](#) See *Liquormart*, 517 U.S. at 505.

[43.](#) See *id.* at 507.

44. See Tait, *supra* note 38, at 930-6.

45. See *id.* at 932-4.

46. See *Miller v. California*, 413 U.S. 15 (1973) (promulgating the Court's time-honored test for distinguishing obscene speech); *accord Reno v. American Civil Liberties Union*, 521 U.S. 844, 874 (1997) (holding that indecent sexual expression, as opposed to the obscene type, is protected under the First Amendment).

47. See *R.A.V. v. City of St. Paul, Minn.*, 505 U.S. 377, 395 (1992) (applying strict scrutiny to content-based restrictions).

48. See *Clark v. Community for Creative Non-Violence*, 468 U.S. 288, 298 n.8 (1984) (applying intermediate scrutiny to time, place, and manner restrictions).

49. See Tait, *supra* note 38, at 930-38.

50. See *id.* at 936-38.

51. See Vindictive, *Cybersquatting Double Standard*, at <http://www.unquietmind.com/cybersquat.html> (last modified August 2000).

52. See *id.*

53. Maureen O'Rourke, *Evaluating Mistakes in Intellectual Property Law: Configuring the System to Account for Imperfection*, 4 J. SMALL & EMERGING BUS L. 167, 177 (2000) (quoting Mark Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1703 (1999)).

54. See *id.*

55. *Carnival Brand Seafood Co. v. Carnival Brands Inc.*, 187 F.3d 1307, 1315-16 (11th Cir. 1999) (applying *Tally-Ho, Inc. v. Coast Community College*, 889 F.2d 1018, 1223 (11th Cir. 1989)).

56. See *Polaroid*, 287 F.2d. at 495.

57. See John D. Mercer, *Cybersquatting: Blackmail on the Information Superhighway*, 6 B.U. J. SCI. & TECH. L. 11 (2000), at <http://www.bu.edu/law/scitech> (last visited Feb. 6, 2001).

58. See *id.* at *21-42.

59. Brian Berlandi, *"It's Our Way or the Highway": American Ruling Cyberspace - A Look Back at Bad Policy and a Look Ahead at New Policy*, 3 J. TECH. L. & POLICY 2, 12-13.

60. 15 U.S.C. 1125(d)(1)(A) (see URL link *supra*, note 4).

61. 15 U.S.C. 1125(d)(1)(A).

62. 37 C.F.R. ■ 2.42, 2.99.

63. 15 U.S.C. ■ 1052, 1115, *available at* http://caselaw.lp.findlaw.com/scripts/ts_search.pl?title=15&sec=1052 ; http://caselaw.lp.findlaw.com/scripts/ts_search.pl?title=15&sec=1115 (last visited Feb. 6, 2001).

64. 15 U.S.C. 1125(d)(1)(A).