New Way To Squat Without Getting Caught: The Case of the $750,000 Generic Domain Name – It's Time to Revamp the Internet Domain Name System.

Angela A. Stanton*

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Introduction

This note introduces the reader to many issues associated with TLDs, the most important of which is the artificial scarcity of domain names. The costs associated with this artificially created scarcity are high. Since 2003, the number of litigations has been steadily increasing; from 88 per month (average) in 2003 to 144 per month in 2005—a 60% increase in two years. The number of domain names disputed per litigation has been increasing at a more rapid pace in the same period. In 2003, 109 domain names were disputed per month (average) in the 88 litigations, which is 1.24 domain names per case, while in 2005, 343 domain names were litigated per month, which is 2.38 domain names per case. This represents a 100% increase in two years. To permanently remove the incentive from speculating on domain addresses, this note also introduces the reader to a solution looking at the domain name system the way we should have looked at it from the beginning: as a directory of international addresses, an electronic international telephone book equivalent. This paper argues that domain names are neither trademarks nor trademark equivalents and do not conduct commerce in any fashion but are sophisticated computer addresses that should be in international directory format with all members uniquely list-able—twins included. It is pretty much taken for granted that if a company, like McDonald's, has the McDonalds.com domain name, it is completely acceptable that Joe McDonalds or Sue McDonalds cannot have claim to an identical domain name. But why can't they? They can be listed in the telephone book without any copyright or trademark

infringement; why not on the Internet? The Internet is quite capable of accepting multiple identical-looking domain name registrations like that of phone book entries.

Litigating activity of domain names increases as new Top Level Domains (TLDs) are released. Many domain names within the new TLDs are kept on reserve for large trademark holders for a period of time. Some trademark holders have exclusive rights because of feared trademark infringements, even though technically a domain name is not a trademark. With each trademark holder reserving multiple TLD domains, adding additional TLDs does not widen the Internet Superhighway. For example, McDonald's may reserve McDolands.com, McDonalds.biz, McDonals.net, as well as any other domain names on non-restricted TLDs. This is one of the reasons why the number of domain names per dispute is increasing; each trademark-holder now holds more than one domain address based on its exclusive trademark rights.

Because there is value associated with domain names, buying and selling them is big business. To further exacerbate the problems, a new form of borderline criminal activity has surfaced on the Internet. For example, the domain name AsSeenOnTv.com was sold for $5.1 million because the expression can be copyrighted so long as there is <.TLD> at the end and can be associated with a trademark—if a company exists with that name. A creative person may copyright any expression taken from the dictionary, making it impossible for a legitimate firm to own a particular name unless a large price is paid; this is similar to piracy, called cybersquatting in Internet terminology. Although none of the words in AsSeenOnTv.com is copyrightable or trademarkable individually, combined they have value in the millions. According to active-

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domain.com, a domain name resale website, "some 97 per cent of the words in Webster's dictionary have already been registered."[1]

This paper recommends the redesign of the Internet with technological know-how to a simple directory that contains all information about each entrant to make each unique without any special treatment. Reserving domain names to trademark holders is discrimination against those without trademarks. Rather than continue the mounting legal procedures that do not and cannot work, lets redesign the Internet to be an efficient tool.

I. Issues

The debate over trademarks in the form of domain names on the Internet is not new but a good solution has not been forthcoming. The primary reason for this is that most legal commentators see the domain names as commerce themselves; not merely roads to commerce. From the perspective of technology though, they are only addresses that are necessary paths to web pages that may or may not have the function of commerce. When consumers visit the domain address of a company,[2] it is not the actual company that appears on the screen but a document in a variety of possible modes, which is a representation of the computer code. The image of this document may look similar to a colored brochure that the viewer can print and get a hard copy;

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[1] http://www.active-domain.com/resources/million-dollar-domains.htm last visited 1/13/06

[2] Visit Macy's Department Store's website at http://www.macys.com (Last accessed January 21, 2006)

or the visitor may look at it in the form of hundreds of lines of code.[3] Thus a webpage that is

located at a domain address is just a document. A company might not use its domain address to

sell anything per se; it is often used only to provide a store locator and advertisement.[4] Thus the

domain address does not function as commerce itself but is merely an address, not unlike that of

a street address in the city of Internet.

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[3] The following is a small sample of this code provided to help the reader see that a webpage is nothing more than a document. The code, called the "source" of any webpage can be seen instead of the picture-perfect page by selecting "View" and "Source" on the browser.

```
<script type="text/javascript" language="JavaScript">
        <!--
                                    cmSetProduction();
                cmCreateTechPropsTag(
                        "Macy*s (xx-xx-xx-xx.index)",
                        "xx-xx-xx-xx.index",
                        getMMCVendor(),
                        getMMCCategory(),
                        getMMCPlacement(),
                        getMMCItem(),
                        getLinkShareID(),
                        thisUser.getMachID(),
                        getReferrerURL());
                                //--></script>
                <div>
    <img border="0" src="http://assets.macys.com/img/spacer.gif" alt=""></div>
    <a name="top"></a><table id="topnavContainer" cellpadding="0" cellspacing="0" border="0" width="751">
        <tr>
```

These lines are a very small part of the nearly 20 pages of code instructing the computer to execute certain tasks as the customer is browsing and selecting items to purchase. In fact, what the customer does is equivalent to filling in an order form on a fancy paper and where the order form is automatically and immediately transferred to the company as an order. The order received by the company this way or on the phone or by fax is nearly identical. As we can see, the order is placed on the page and not on the domain address. The actual address of the order is not www.macys.com but www1.macys.com representing an intranet—a private segment of the Internet that is most likely secure.

[4] *E.g.* as example http://www.frys.com/ which is Fry's Internet address ; *see, e.g.* http://www.big5sportinggoods.com/productinfo.htm Big5 Sporting Goods Stores website (Last accessed on January 21, 2006)

To purchase something from a store, one may look in the phone book for the contact information

and place an order by phone or visit the store in person. The same is true for the Internet; one

may visit the website of the store to get the contact information and order by phone, visit in

person, or place an order online on the special pages that were formulated to be able to conduct

commerce. Commerce is not conducted *with* the domain address; rather it is conducted on pages

that are located on extensions of the domain address. Think of this as a business on the street.

The domain address is the street address of the business; commerce takes place inside the

business. The street address is incidental and not the focus of commerce. To use a domain

address for commerce, the address often grows to quite a length. For example, at macys.com,

wanting to make a purchase takes the shopper to a secure website with the following long

address:

http://www1.macys.com/bag/index.ognc?updateMsg=ItemAddedSucessfully&LinkType=EverG

reen&AtbVal=34.00&PseudoCat=18257&PseudoProdID=128914&trackingCat=18257. This

address bares little resemblance to the basic domain address of the company that has the World

Wide Web address of http://www.macys.com.

It is not documented who first explicitly associated commerce on the Internet with a domain

address rather then with the store that was located at that particular domain address. Nonetheless,

this misconception started the trademarking craze that continues today. As a result of this false

association, domain addresses have been labeled as trademark equivalents without actually being

trademarks. Fights for priority and exclusivity begun as the Internet community started to buzz

with eCommerce and companies realized the potential for business.

Interestingly we do not place trademark-infringement restrictions in the form of exclusivity and

priority listings in the phone book even though they are identical[5] to domain address listings on

the Internet. For example, Macy's Department Stores is listed in the telephone book and so are

Joe Macy's and Joe Macys' without any trademark confusion. But on the Internet, we currently

allow technology to only support one macys.com regardless how many Macy's or Macys

actually exist around the world. We now even reserve macys.biz to Macy's Department Stores

for a certain time period to ensure that if they wish to have that TLD, they can. This implies that

Macy's ® has priority treatment in an address that is similar to but not identical with its

trademark: an address that is not considered to be its trademark and Macy's Department Stores

had nothing to do with its creation. Joe and Jill Macys' family line might go back hundreds of

years longer than the department store of the same domain name[6] and they might prefer to have

the domain address macys.com. Since there are no restrictions on who may purchase and use the

<.com> TLD,[7] although it is supposed to indicate commercial use, anyone can purchase it for

non-commercial use.

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[5] Here by "identical" I am implying that domain names are addresses only and not commerce themselves. The difference between a domain address and an eCommerce website is discussed in greater detail later in paper.

[6] Although the name and the trademark of Macy's Department Stores is Macy's, on the Internet the apostrophe is not possible to be written as part of the domain name and necessarily Macy's.com becomes Macys.com. Further, a domain is not instructed to distinguish between upper and lower case letters, so Macys.com is actually macys.com.

[7] *See* the complete *Registry Listings* at http://www.icann.org/registries/listing.html, where the suggested use of the <.com> TLD is explained following way: "Unrestricted (but intended for commercial registrants)." In reality, there are no mechanisms in place to check if it is registered by commercial registrants. Indeed, a large number of <.com> domain addresses have nothing to do with commerce.

It is for this reason alone that recommendations for improvement come from the legal field and not of technology. Harm made possible by restrictions on technology should be resolved by lifting those restrictions and allow technology to repair the damage. The problems we now have are serious and diverse. In addition to the thousands of litigations each year, more and more domain names are added without any order or enforced rules and with the continued belief that domain names should be treated as trademarks or at least be protected under trademark law, there is now also a new form of squatting that has gone undetected. I call it time-shifted squatting with intent.

Official registrars, assigned by ICANN to administer domain names, and private individuals reserve domain names that are not yet trademarked and hold them for ransom for future speculative sale. Here is how it works: think up a generic word that would make a great name for a business or a funny name that a club may buy for anger-venting, say "ballot," pay about $10 for registration as a <.com> or <.net> or any other un-sponsored TLD, place a picture, a quote, or anything on the page to show intent for active use for a short period, and place it up for sale at any of the companies specializing in selling domain names in escrow, such as at greatdomains.com for $200,000[8] and voila, you got yourself a golden egg in waiting—a time-shifted speculation on a future trademark, also known as squatting.

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[8] *See* http://www.greatdomains.com/en-def-64aa8b782ad5/cgi-bin/make_offer.cgi?mF=XB8qrr3Fzac7KSmyCEpU8QFaHq1GE1idVgxGceHVV2x3g4yOJUZN1UVH2BLXkd4k&mS=L_nmJA for the details of this particular domain for sale and to make an offer. The list of all domain names for sale can be found at http://www.greatdomains.com/en-def-64aa8b782ad5/index.shtml and by clicking on "more" under any TLDs, the visitor can see all available TLDs for sale in that particular segment. At the time this note was written, ballot.com was owned by the registrar INAMEPRO DBA DYNADOT. (last accessed on August 14, 2005.)

If you want to starts the business Message Co., you will have to come up with $750,000 to purchase the message.com domain name.[9] This particular domain name is owned by Network Solutions ® (VeriSign Inc.,) who is "the original domain name registrar."[10] While neither "message" nor ".com" is trademarkable now because they are both generic terms, if you own the company Message.com Inc., after a year of business, the name will become trademarkable. Therefore, the reservation and sales of "message.com" under these conditions should count as speculation with the names of trademark holders—albeit time-shifted but with a clear intent of squatting.

All these activities can be prevented by applying the right technology. Improvements are possible and aren't hard to implement. In fact, a workable solution is very similar to what the telephone companies did when they first switched area codes of existing users. A couple of decades ago, the city of Los Angeles had its telephone area code changed, from the 213 to 213 and 818, dividing the city into two parts. When the change was announced, everyone whose area code was to change panicked! The users thought that the confusion and chaos from not being able to know who is under which area code will be unbearable and calls will not be placed because of confusion; but a couple of weeks after the change the dust settled, everyone relaxed,

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[9] *See* http://www.greatdomains.com/domain_browse_com.shtml?HHbrowse=all and scroll down to "message.com;" you will see it nested between "menmarket.com" for $25,000 and "metabolics.com" for $15,000; "my.com" is also $750,000 and you will find domain names that recently sold, like "petworld.com" and "bbguns.com" without prices shown that they sold for. (Last accessed August 14, 2005.)

[10] http://www.networksolutions.com/about-us/index.jhtml (Last accessed on August 20, 2005.)

and business returned to normal. Since then, such area code splits have become very common and now most people hardly notice when one is announced.

The reorganization of the Internet into a directory system of logical domain addresses would be just as simple and painless as changing area codes. Splitting a city into two area codes releases congestion by doubling the available phone numbers. Duplicating the number of top level domains (TLDs) by adding to the most popular <.com> another TLD like <.net>, forced many <.com> owners to purchase <.net> TLD domain as well.[11] And this makes things worse because it clutters rather than expands. In order for the directory system to grow in capacity, order must be restored by technology that is able to control who gets and what domain name.

A single domain address to each person or company must be enforced by adopting standards that are similar to listing in the telephone book. In the phone book, there is no incentive for a firm or a person to list speculatively names and addresses in far away geography, or in trades that do not belong to them. For example, McDonalds Inc. has no incentive to place a directory listing under the trade of non-profit organizations or networks while a Joe Smith living in Los Angeles does not have the incentive to place his name, address, and phone number in the New York phone

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[11] For a striking example, the following domain names all owned by one company and all associated domain names have been purchased: bestcialisnow.com, buyingcialisonline.com, buyonlinecialis.com, buyonlinecialis.net, buyonlinecialisinusa.com, cialisandmore.com, cialisandmore.net, cialisinstant.com, cialis-instantly.com, cialis-instantly.net, cialisnowonline.com, cialisnowstore.com, cialisonlinenow.com, get-cialis-now.com, get-cialis-now.net, getcialisonlinenow.com, instantcialis.net, instant-cialis.net, mycialisnow.com, onlinecialisinusa.com, onlinecialisorder.com etc. What a waste it is to have a single product clutter domain space with these many reservations that lead to two websites both selling the same merchandise. Information about who own and what website can be found in the WhoIs database that can be found at each registrar's website. This information was taken from http://www.internic.net/whois.html on August 13, 2005 Also, yahoo.com, yahoo.net, yahoo.org are all reserved by Yahoo! ®

book. Not only is there no incentive but "fake" listing is not possible because of the strong standards adopted by the telephone directory listing companies.

Why should McDonalds Inc., have the right to reserve McDonalds.com, McDonalds.org, McDonalds.net, etc.? This is equivalent to placing McDonald's Inc., in the telephone directory under: commercial business, non-profit organization, and network provider and such duplicate registrations prevent Joe and Jill McDonalds, for example, to have the domain name mcdonalds.com. What happened to their rights? In any telephone directory one may find many McDonalds:' Joe McDonald, Mary McDonald, and maybe even Joe McDonald's Plumbing. Shouldn't they also be able to have a web address that is listed under their own names and trades?

A legitimate terra firma trademark owner might not be able to own the domain name associated with its mark because, as the technology is set up today, only one mark per domain is allowed. If there are 100 companies named Joe Blow Inc., and each wants to have its own JoeBlow.com domain address, what will happen with the 99 who cannot get it? Shouldn't they each be able to have JoeBlow.com? As the technology is set up today, they cannot; but we can change that.

This note introduces the reader to some of the inconsistencies in the current system. It looks into what makes trademarks and domain names so ambiguously different and similar at the same time by analyzing their dimensional differences in their scope and degree. Further, it recommends a re-thinking of what the Internet really is and suggests that the Internet should be considered as a phone-book-equivalent directory in which each entry is fully and uniquely defined by detailed

geographic and trade identifiers. But we cannot stop there. Our goal in the reorganization of the

Internet should be to retain its ease of use. Having to memorize long domain addresses is not the

way to do it, as other commentators have suggested.[12] There are ways in which we can organize

the Internet without requiring memorization or any changes to the habits of the users.

First, we must organize things in a practical way. Consider a company titled Porn Inc., for the

sake of demonstration. As it is today, here is a sample of domain addresses this company may

purchase: Porn.com, Pron.net, Porn.org, Porn.biz, Porn.tv, Porn.name, porn.info, Porn.cc,

Porn.us, Porn.int, Pron.pro, and many international domains. Would you rather see Porn under a

recognizable TLD for sex such as Porn.sex or under Porn.org, which, to your child, might look

very invitingly harmless? Aside from not knowing the trade when we use an unconnected TLD

like <.net> for Porn, there is also the consideration of the misuse of the trade. For example,

<.net> is meant for non-profit organization.[13] If Porn.net is allowed, there is intent to mislead that

Porn.net is a network provider. <.org> is for non-profit organizations, so Porn.org would also

mislead, and so on.

Domains should be restricted according to trade. We do have restricted domains; they are called

"sponsored" TLDs. These currently are <.gov>, <.mil>, <.aero>, <.museum>, <.jobs>, and

<.edu>. The registration in these TLDs for companies or individuals that do not meet the

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[12] *E.g.* Deborah Howitt, *War.Com: Why the Battles Over Domain Names Will Never Cease*, HASTINGS COMM. &
ENT. L.J. 19: 719, 749 (1997), in which she discusses that the users would prefer not to have to remember long IP
addresses; *see also* Brian McWilliams, *Land Rush Is Near for .INFO and .BIZ.* INTERNETNEWS.COM. (2001).who
discusses the memorization of long domain names.

[13] *See* the designations of all the TLDs at http://www.icann.org/registries/listing.html where .net is defined as
"Unrestricted (but intended for network providers, etc.)."

qualifications of the sponsor is not possible. What this demonstrates is that we have the ability to restrict and control when we choose to do so. Shouldn't we apply the same scrutiny to all TLDs? For the phone book, the registration mechanism itself contains the institutions required to ensure singular registration and as a result listings appear with twins without trademark infringements. We can create this on the Internet and we can make the long addresses so inconspicuous that knowledge about them would not even be necessary. The goal should be to reach the same level of neutrality with the Internet as we have with the phone book, without making the Internet into a phone book.

This note provides some guidelines on how this might be accomplished seamlessly and without resistance by current domain name holders whose domains may change—though not more painfully than when a new phone area code is introduced and half a city's phone numbers change. This note argues that by reorganizing the Internet into restricted and controlled domains, time-shifted squatting activities and all trademark litigations will automatically come to an end.

II. Limiting Factors of the Internet

History is a series of events that happened in the past. While most past events have some connection to the present, they rarely set boundaries to the present. The Internet is a group of computers tied together to form networks that allow certain activities based on the underlying hardware and evolving code. Although the basic network, hardware, and code that were established at the time the Internet was first developed has changed and expanded, the way in

which it operates set a boundary that puts a limit to current activities on the Internet—unless we change it, of course.

Based on all the things that we are able to do on the Internet, it is very easy to forget what it actually is and how far it is capable of going without some sort of adjustment to its environment or to the environment of the society that is using it. And both of these are quite possible to do. Domain names were not meant to be valuable intellectual properties but only addresses that were easier to remember than phone numbers.[14] We basically have two options: mold the Internet to fit our society or mold the society to fit the Internet—I believe the first to be the easier one to apply. We need to fathom what this electronic tool is in order to understand its limitations for our use and so we may regulate some order successfully into its existence. To bring the point home by analogy, if the United States Military decided that it wanted to release its Stealth Bombers for private use as "old military discard," would that instantly make these war machines into something utterly useful for private industries without major adjustments? Sure, it can fly but in order for it to be useful for private industry, a Stealth Bomber would need to be adapted to private use. Yet this is precisely what we did not do with the Internet; our expectations were for it to function as the perfect information superhighway for both the public and private sectors equally and be able to become an instant commerce tool without any adaptation for new uses by new types of people and organizations for their vastly new activities.

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[14] Adam Goldstein, *ICANNSUCKS.BIZ (And Why You Can't Say That): How Fair Use Of Trademarks In Domain Names Is Being Restrained.* 12 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1151, 1153 (2002).

The Internet was developed for military use over half a century ago[15] and it took off in the 80s

via gateways using Internet protocols that we are familiar with today. TCP/IP—the protocol

standard—was officially defined in 1982, and by 1983 there were so many computers hooked up

to the Internet that it was impossible to follow the routes each packet took going from point to

point to be reassembled at their final destination. In 1986, the power of this new communication

media was discovered by private industries, and in 1990, commercial use of the Internet became

a reality with world.std.com, the first online provider. However, the true www (World Wide

Web) phenomena only hit us in 1993.[16]

Along the timeline of the development of the Internet and its release to private use, there were

very few stops to reflect on what was actually happening in the invisible networks. While

officially the first virus was developed in the late 1960, the first real virus that was actually

called a virus, spread its virulence of dancing numbers and letters on the screen in 1989.[17] The

spreading of viruses on the Internet is a wide-spread epidemic, whose potential was not

considered when the Internet was released to the public. Having new viruses manufactured daily

and sent around the world unstoppably just for fun, although considered to be a criminal activity,

should tell us that purely legal means are not very useful in modifying and controlling a complex

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[15] Vinton Cerf, as told to Bernard Aboba, *How The Internet Came To Be*. 1993. This article appears in Bernard Aboba , The Online User's Encyclopedia, Addison-Wesley, November 1993, http://www.netvalley.com/archives/mirrors/cerf-how-inet.txt (Last accessed January 21, 2006.)

[16] *See* D Marsh. *History of the Internet.* 1997. http://www.netvalley.com/archives/mirrors/davemarsh-timeline-1.htm and *see also* Gregory R. Gromov, *History of Internet and WWW: The Roads and Crossroads of Internet History* at http://www.netvalley.com/netvalley/intval.html and follow the variety of links there for more information. (Last accessed January 21, 2006.)

[17] *See The History Of Computer Viruses* posted online by viruScan Software at http://www.virus-scan-software.com/virus-scan-help/answers/the-history-of-computer-viruses.shtml (Last accessed January 21, 2006.)

technological environment, such as the Internet. We are not only dealing with technological

development but a complex social development as well through the use of our technology. And

social development requires functioning and effective institutions with solid foundation and

standards. In so far as the Internet is a leading cause of a new social development, we need to

consider creating institutions that are consistent, stable, and easy to apply.

There have been few social controls developed as the Internet kept on growing and none with the

goal of making the system function better. Internet Corporation for Assigned Names and

Numbers (ICANN) was formed to create institutions that are able to regulate activity on the

Internet. However, the extent to which ICANN can regulate the Internet is very limited. It is

responsible for managing and coordinating the Domain Name System (DNS) to ensure that

every address is unique. ICANN is also responsible for accrediting domain name registrars, set

minimum standards for the performance of registration functions, recognize persons or entities

meeting those standards, and to enter into accreditation agreements that sets forth the rules and

procedures applicable to the provision of Registrar Services.[18] In other words, the function of

ICANN is to maintain rather than to invent and update.

The first hint that we might be facing some serious social issues with public use on the Internet

was noted in 1994 by a National Research Council report entitled "Realizing The Information

Future: The Internet and Beyond."[19] This was the first report anticipating issues associated with

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[18] *What is ICANN* at http://www.icann.org/faq/#WhatisICANN (Last accessed January 21, 2006.)

[19] *See* Vint Cerf, *A Brief History of the Internet,* version 3.32 Last revised 10 Dec 2003 at
http://www.isoc.org/internet/history/brief.shtml written by the founders of the Internet: Barry M. Leiner, Vinton G.
Cerf, David D. Clark, Robert E. Kahn, Leonard Kleinrock, Daniel C. Lynch, Jon Postel, Larry G. Roberts, and

intellectual property rights, ethics, and the need for regulation of the Internet. Since then more

than a decade passed without much effort in improvement. Let us now start the process of

understanding where the problems are and how to improve upon them by dissecting the

functions of trademark and domain names.

III. Functional Issues

A. Trademark or Not?

Trademark was defined so that there would be no room for confusion in the consumers' mind

about the source and the quality associated with the mark. Trademark laws were established

prior to the concept of the Internet. In general, most existing laws were not designed to regulate

activity on the Internet for the protection of trademarks, copyrights, and others, such as freedom

of speech. By its very nature, the Internet is perfectly capable of functioning without geographic

or trade boundaries, the very things that are necessary to create functioning trademarks. Indeed,

when the first domain names were offered for sale, the thought that they might ever become

subjects of trademark-battles was not in anyone's mind.

A domain name, by definition, is an electronic address on the Internet; not a product, not a store,

not a person, and not a trademark, only an address, similar to a street address as listed in address

directories. But similarly to what we see in printed directories, such as a phone book, a domain

address may contain the written form of a trademark. For example, in the domain address

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Stephen Wolff (Last accessed January 21, 2006.)

Kodak.com, the address itself contains the word Kodak, which is the written form of the

trademark Kodak.[®] The Kodak.com domain address could be considered as the *terra firma* street

equivalent to Kodak Avenue[20] in Los Angeles, which also contains the same word. However,

many people may set up residence on Kodak Avenue in LA but only one at Kodak.com. As a

result, a domain address behaves differently from a street address; because of its unique singular

nature, it is considered to be an extension of the trademark. In some cases, the particular domain

name that bears exactness to the mark can be reserved by the most famous trademark's exclusive

owner but more often than not, the battle ends up in litigation because of geographic or trade

duplicated marks—also called twins—that are allowed everywhere except on the Internet.

Lawsuits abound for and against the rights of trademark owners and clashes between twins—

often international twins.[21]

B. Cyber-Squatter or Not?

Another issue of importance about domain addresses surrounds the old definition of cyber-

squatter and what now might be considered to be a new form of this activity. The old definition

equated people or companies to squatters if they made speculative purchases of trademark-

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[20] Tamara Audi, *Now Showing in L.A.: Future of Detroit Cops*. DETROIT FREE PRESS, June 23, 2003.
http://www.freep.com/news/locway/kroll23_20030623.htm

[21] *See* Deborah Howitt. *WAR.COM: Why the Battles Over Domain Names Will Never Cease*. HASTINGS COMM.
& ENT. L.J. 19: 719, 740, (1997) with detailed discussion of this subject and comments about the "inability of
United States trademark law to adequately account for the Internet's global nature (even after the Trademark
Dilution Act), along with the fact that only one of each domain name may be registered, leads to the conclusion that
no realistic measures are presently available to prevent domain name disputes"; *see also* Heather A Forrest. 2001.
Drawing a Line in the Constitutional Sand Between Congress and the Foreign Citizen "Cybersquatter". WILLIAM AND
MARY BILLOF RIGHTS JOURNAL 9: 461, for comments on a Canadian 'cybersquatter;' defendant Northern Lights Club
being haled into the Massachusetts court by an American business, Northern Light Technology.

equivalent domain names that did not belong to them, used them in commerce (the mere

purchase of the domain even without the intent of commercial use counts as commerce),[22] and

offered them for sale to the mark-holder at a premium, i.e. ransom. It has not been made

completely clear at what point a person or company became a squatter; not every trademark is

protected so vigorously, only the famous ones are and what it means to be famous-enough is not

defined. Also, a mark as domain address does not have to be used in actual commerce to show

the intent of dilution because a TLD may automatically imply commerce by what it is, e.g.

<.com> signifying <.commerce> seems to imply automatic squatter status.

While all <.com> domain addresses are assumed to be commerce-conducting websites even if

they are not and squatting is implied automatically, other, non-commerce websites might have

prevalent squatting as well. Further, a new form of squatting-activity is completely eluding

recognition by hovering below radar in a clever disguise. Some of the companies that

subcontract with ICANN to be official registrars (sellers) of domain addresses are in the business

of reserving, speculating, selling, escrowing, and transferring domain names at astronomically

high rates. These domain names do not contain trademarks; they are made up of generic words

that are not trademarkable in and of themselves—at the moment. However, in combination with

specific TLDs they have the chance of becoming trademarks once purchased, because the

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[22] What constitutes the use of a mark in commerce is defined by the Lanham Act, § 43(d), 15 U.S.C. § 1125(d)
(Supp. I 1999) (B)(i):
 (I) the trademark or other intellectual property rights of the person, if any, in the domain name;
…
(IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;

purchaser might take on the domain name with the TLD as its later trademarkable name, such as

Amazon.com Inc has amazon.com a trademark. For example, at the time this note is written,

<watching.tv> is for sale at GreatDomains.com for $100,000. While neither of the words

watching or tv can become trademark, the expression <watching.tv> acts as though it might if

there will be a company named watching.tv Inc. This time-shifting is discussed further *infra*.

There have been other instances of unusual domain name selling activities that could very well

have been called squatting.[23] The case of Network Systems offering a lottery-based competition,

in which trademark holders were encouraged to pay $2 per entry, and enter repeatedly with

additional $2 payments[24] in order to increase their odds of receiving their desired domain name

with no refund if they did not win, is a fascinating example.

C. Legal Battles

Because the Internet was originally created for military purposes, its governing principles were

simple: safety and accuracy from the military's point of view. There was no trade, no tax issues,

and no domain names of importance. Further, it was only available in the US so there was no

need to think about international boundaries and the resolution of cultural issues. In general, it

was a benign and unnoticed system by all.

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[23] *Id* at (VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;

[24] *See* the news release by Jim Wagner, *.Biz Lottery Losers File Class Action Suit,* internetnews.com (2001) found at www.internetnews.com/xSP/article.php/809641 (Last accessed on August 15, 2005); *see also '.BIZ' Domain Name Operators Settle Suit* (2003), at http://www.bizreport.com/print/4001/ (Last accessed on January 21, 2006).

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So we took this military tool, and without much modification at all, commercialized and privatized it in a very short time. Some of the issues we face today, such as domain names versus trademarks, freedom of speech in written and published form, and freedom of information versus copywriting the very information freely available for all to view on the Internet, stem from the unplanned evolution of this ex-military tool in public use.

Discussion over trademarks in Cyberspace is equivalent to discussion over domain addresses because the current reservation system implies that a domain address is some form of trademark. Among experts, opinions vary widely about applicable trademark laws to the Internet. In addition to cyber-squatting battles, there have been many fights over who should own the right to particular domain addresses. There is no clear pattern to which side may win; often the least likely party does. Because there are several thousand disputes each year over domain addresses as trademarks, it is not possible to list them here.[25] What is important to note is that as long as clear and distinct regulations don't exist, opinions will sway justice in many directions, often without rhyme or reason. And clear and distinct regulations cannot exist until the Internet itself does not become clearly and distinctly defined.

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[25] For the list of disputes organized by date, visit http://www.icann.org/udrp/proceedings-list.htm

IV.Definitions

A. What is a Trademark?

The Lanham Act (Federal Trademark Act) and the 1988 Trademark Law Revision Act defined

trademark as "any word, name, symbol, or device or any combination of thereof adopted and

used by a manufacturer or merchant to identify and distinguish his goods, including a unique

product, from those manufactured or sold to others, and to indicate the source of the goods, even

if that source is unknown."[26] Trademarks, in the United States, can be state or federal (national)

registered, although registration is not required if the mark is unique enough—and this

represents a problem in cyberspace.

One key element of trademark is that it must be identical to what the public associates with the

product and the company that manufactures that product. Thus while the term Coca-Cola ® is a

trademark of the Coca-Cola Co., coca-cola.com is not, because it is not verbatim equivalent to

the trademark. Technically one could make the argument that coca-cola.com is a combination of

words acting as a symbol that is adopted and used by a manufacturer to identify and distinguish

his goods specifically in cyberspace but that would mean that a product can have two trademarks

associated with it. Thus since Coca-Cola.com does not represent the product that the Coca-Cola

Company is in the business of producing, coca-cola.com cannot be a trademark. For companies,

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[26]   C.E. Bagley, <u>Managers And The Legal Environment: Strategies For The 21st Century</u>. Third Edition ed.
        WEST EDUCATIONAL PUBLISHING. 1999

such as Amazon.com Inc., whose actual name contains a <.com>, amazon.com can represent the

actual trademark:

> A mark composed of a domain name is registrable as a trademark or service mark only
> if it functions as a source identifier. The mark as depicted on the specimens must be
> presented in a manner that will be perceived by potential purchasers as indicating
> source and not as merely an informational indication of the domain name address used
> to access a web site. …In Eilberg, the Trademark Trial and Appeal Board held that a
> term that only serves to identify the applicant's domain name or the location on the
> Internet where the applicant's web site appears, and does not separately identify
> applicant's services, does not function as a service mark…. if applicant's law firm name
> were, say, EILBERG.COM and were presented prominently on applicant's letterheads
> and business cards as the name under which applicant was rendering its legal services,
> then that mark may well be registrable. [27]

The name of a product or service becomes a trademark over a period of time (minimum one year

of active business) during which it may earn fame in the minds of customers and may become

well known. If a company registers its trademark in one state, another company bearing the same

name and providing the same service may use the same trademark in a geographically distinct

location, like in another state or country. Several companies can own the same trademark in the

same state, city, street, or even in the same building as long as their products are distinct enough

from each other's products so as not to cause confusion to the customer. Jessica Litman gives an

example for this by the trademark ACME, which she found to have hundreds of different

trademark registrations and many more listings in her local phone book.[28] While a federally

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[27] *See Marks Composed, In Whole Or In Part, Of Domain Names* <u>EXAMINATION GUIDE NO. 2-99</u> UNITED
STATES DEPARTMENT OF COMMERCE PATENT AND TRADEMARK OFFICE OFFICE OF ASSISTANT
COMMISSIONER FOR TRADEMARKS (1999) at <u>http://www.uspto.gov/web/offices/tac/notices/guide299.htm</u>

[28]   Jessica Litman, *The DNS Wars: Trademark and the Internet Domain Name System*. 4 J.
    SMALL & EMERGING BUS. L. 149. (2000).

registered trademark provides protection that covers the entire US, it still allows identical

trademarks owned by many companies as long as their trade of business is distinct enough from

each other. International trademark protection is much more complicated because not all

countries have the same law. As a result, the protection of a trademark in all countries of the

world might be impossible and duplications might exist. Thus having the capability of only one

"trademark.com" in the world is very problematic.

i. Trade and Geography Basis of Trademark

Legally a trademark is defined as something intangible that people associate with the product

and the source of the product but it is not the product or the source itself. It is good name, good

will, and fame, but it itself does not exist. A trademark is also very specific. It must distinctly

represent the product and its source. As a result, a trademark has two basic defining elements:

trade and geography. Trade defines the type of product or service while geography places a

boundary to the reach of protection of the trademark. For example, the trademark "Coca-Cola"

represents the trade of beverages with the sub-trade of soft drinks with geography of protection

as arranged by the company. However, it is not necessary to register a trademark geographically

but if registration is sought, in the US, there is a choice between state and federal (national)

registration. International registration is limited by purchasing individual country registrations

wherever it is offered. Hence, if the trade and geography associated with the product or service

cannot be defined, there can be no trademark. On the Internet, currently there are no trade and

geographic identifiers. By legal definition then, a domain address cannot be considered to be a

trademark under any circumstances and, in fact, currently a trademark cannot exist on the

Internet.

B. What is a Domain Address?

An Internet domain name is a physical address on a network of computers. An example for a

domain name is Stanford.edu, in which Stanford is second level domain and <.edu> is the top

level domain (TLD). However, unlike the street-version of its address equivalent, an Internet

domain name is much more than just an address. First, it is an absolute and unique address that

the network recognizes as something belonging to a particular computer on a particular service

provider's network and is, invisibly to us, made up of a bunch of numbers. The series that these

numbers form must be unique. Since each number, or sequence of numbers, is associated with a

unique letter, only one particular name can be associated with the identity of the ensuing string

of numbers.

Information is transferred from one computer to the next via packets, each containing a small

fragment of the message. Every packet is tagged with instruction about to whom the data is being

sent and the order in which the packets are needed to be reassembled. Packets may take many

different routes to reach their destination, hopping from computer to computer on the network,

based on an algorithm that directs them through the least traffic-congested routes. Mechanisms

collect all message-packets sent to the particular address and reassemble them for the computer-user to read in the form of emails or web pages.

While such packet-hopping might seem strange, package-hopping can be demonstrated by watching the route that packages take in the hands of UPS or FedEx, by using their online-tracking service and following the activity. For example, a few months ago I placed an order in Oakland, CA, to be shipped to Orange County, CA, which is just across the Central Valley, less than 500 miles away. My package touched ground in several states and upon landing at the Los Angeles International Airport (its assumed final destination), it went first to Hawaii before arriving at my doorstep the next day. It is entirely possible that a computer message you send to your next door neighbor travels around the world touching computers in several countries before arriving to the computer that is located five feet from you. Thus a domain address has really only one function: to answer the proverbial question of "are we there yet?" to each packet as they search for their final destination.

On the Internet, a domain name commences with http://www, in which "http" signals the type of code being used and "www" is a network router to the World Wide Web. There are other networks as well. For example http://stanfordbookstore.stanford.edu has no www attached to it; it is on a private network, called intranet that is connected to the Internet. https:// is a private secure network that is also connected to the Internet. A domain name has many levels; most important for us are secondary and top level domains. The secondary domain is considered to be unique to the owner of the domain, such as Stanford is in Stanford.edu. The TLD level is the

<.edu>, which is not unique. Stanford.edu, Berkeley.edu, and many other <.edu's> are possible.

Technically the correct TLD is Stanford.edu.us, where the <.us> stands for the country of US but

it is not listed and is assumed to be a US domain if it does not state it otherwise. <.fr> would

represent France, for instance.

Secondary and TLD designations have unique relations with one another. While secondary-level

domain names are unique, they are unique only within their respective TLDs. While there can

only be one Stanford within the <.edu> domain, Stanford.edu.uk, Stanford.com, Stanford.cc,

etc., are all acceptable domains. Stanford.edu, however, is not the trademark of Stanford

University, although Stanford.edu is reserved and is associated with the trademark of Stanford

University.

i. Trade and Geography Basis of Domain Address

As described in great detail supra, currently the Internet is not set up to recognize any geographic

boundary within the United States. There are exceptions to this. There are several domain

addresses that are reserved and cannot be purchased; currently these are: <.gov>, <.mil>, <.edu>,

<.aero>, <.coop>, <.jobs>, and <.museum>. All of these are trade identified but the <.gov> TLD

is more unique than any of the others; it may contain state identifiers as well—actually instead of

<.gov>. For example, the Los Angeles Unified School District's domain address is

lausd.k12.ca.us,[29] in which the "ca" represents California and ".us" is the US country identifier.

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[29] *See* the home page of the Los Angeles Unified School District at http://www.lausd.k12.ca.us/welcome.html. At the time this note was written, LAUSD could be accessed also by its new domain address, to which it is transitioning: http://www.lausd.net (Last accessed January 21, 2006.)

Inside the US, for most general and consumer TLDs, there are neither geographic nor trade identifiers.

Because domain addresses currently do not contain enough information to provide basis for trademark recognition, trademarks are not defined. It is clear that both geographic and trade identifiers are necessary to establish trademark base. It is also established that it is technologically possible to add definition to domain names to represent both geography and trade suitably enough for trademark identification. Therefore, we must conclude that trademarks are not able to be equivalent to domain names with the exception of <.gov> or government agencies such as the LA Unified School District, which humors the notion of trademark. The Internet contains insufficient information to set restrictions for trademark protection based on our current institutions. We can thus conclude that a domain address does not form sufficient basis for recognizing a trademark and, therefore, cannot be treated as a trademark.

C. What is a Street Address?

Street address does not need much introduction so let us discuss only one important point that is easy to overlook. While most companies and residents have identifiers on the street that they are located at, either on the mailboxes or as signs on the buildings, the street addresses themselves are not generally representative of the people or companies that live or work there and what they produce. As a result, a street address is only a geographic identifier; it identifies the location of the source only. We would need to have much more information to tell something about the

trade of the source located there. An address on the Internet—domain name—shares some

similarities in its property to street addresses but not all because a domain name is also

informative of the product and the source of the product. Domain names represent the location

where a firm or a person maybe found (similar to street address) but are different in that they

typically represent the source of the product as well (similar to trademark).

i. Trade and Geography Basis of Street Address

From the definition of a street address, we can see that knowing the street address in not

sufficient, although necessary, information to establish the basis of a trademark. The basis of a

domain name suggests that domain names overlap with what a street address is, as well as what a

trademark is, but the overlap is incomplete. We can thus conclude that a street address alone

does not provide enough basis for establishing a trademark and, therefore, cannot be a trademark

either.

V. Trademark v. Domain Address v. Street Address

A. Why are they so Different?

A domain name is a very special address. A brick-and-mortar street address of a company can

change without closing down the company; that is the company can sell its property and move to

a different location, but selling a used domain address means that the company is for sale or

bankrupt. This is a major cause for confusion. For example, purchasing the domain name

kodak.com.com by Coca-Cola ® is equivalent to Coca-Cola Company moving to "Kodak

Avenue." And this would not raise an eyebrow. In fact, Coca-Cola Company located on "Kodak

Avenue" could have the Coca-Cola ® logo on its building without any trademark infringement

or complications. But in cyberspace the kodak.com address would be meaningless to a company

that is not associated with the products of the Eastman Kodak Company. In cyberspace, an

Internet domain address is associative with the products and the source of the mark without

being considered as a trademark.

Intuitively, if a person wants to see Coca-Cola ® products or company information on the

Internet, she will not think of visiting kodak.com. By typing coca-cola.com into the address

toolbar (also known as URL, or Uniform Record Locator), she would expect Coca-Cola ®

products to show up on the screen and not Kodak ® products. A domain address is associative

with its owner and represents a person or a company similarly to how a trademark might

associate a product with its source in the brick-and-mortar world. Since on *terra firma* it would

be meaningless to protect the Eastman Kodak Company from having Coca-Cola Company move

to Kodak Avenue in Los Angeles, there is no applicable case experience to evaluate what such

address confusion would mean in cyberspace.

By the association I just introduced, we can deduce that a domain address is a trademark of some

sort after all, even if it does not meet the necessary conditions of an official trademark, as shown

earlier.

B. Domain Addresses as Copyrighted Trademark Expressions and

Freedom of Speech

A domain address can also be used for the purpose of advertisement, positive or negative—by negative we mean "sucks" sites that are located on a derogatory domain address, like <trademarksucks.TLD>. The Internet presentation of a trademark as a domain address or a defamation of a trademark by sucks domain addresses is a copyrightable artistic expression of electronic signals that are sent in the form of packages to be captured into a tangible medium of the monitor of the viewer and into a printed document if so desired. Hence, domain addresses have more dimensions than physical addresses, trademarks, or free speech on the corner. On the one hand they can lead to commercial value; on the other they can break constitutional laws. The most important fact about domain addresses is that they are published and broadcast to the public around the world and they can be meaningful.

C. Dimensions

While trademarks on *terra firma* are one-dimensional because they only exist as intangible, they can appear in multiplicity because they are bound by geographic or trade limitations. Unlimited identical trademarks are allowed within those boundaries. It is for this very reason that there could be over 100 ACME trademark listings in a local phonebook.[30] If by fate the Internet had been invented before we formulated our trademark laws, only one ACME would have been

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[30] *Id* Litman at 4.

granted trademark registration in the entire world. How we regulate trademark today is based on

a time-differential (or historical) view. Rather than modifying the Internet we are trying to

modify our trademark laws. It is the obvious impossibility of predicting many years ago that

identical trademarks – held by hundreds of companies at the same time – will become a problem

in the future that is causing much of the confusion on the Internet today. For a couple of decades,

we have been stuck with our dynamic and evolving business world trying to be stuffed into this

old system-design unsuccessfully. We have been trying to stuff the multiplicity of trademarks

into the singularity of a unique domain address without much progress. Although on the Internet

every domain address must be singularly unique, the Internet itself is a multi-dimensional space

that can place a company in any and all states and countries at the same time. As discussed

earlier, at the moment there is no state, city, or trade identifier TLDs designed into the domain

address architecture, thus trademark registrations are not transferable to the Internet.

Can we take a one-dimensional object that is found in multiplicity (trademark) and place it

successfully in a multi-dimensional environment with singularity requirements (domain address)

and assume that it will fit without any adjustment? This conflict has a striking resemblance to the

discussion over the Fourth Amendment's scope and degree translation.[31] While the applicability

of laws to issues that are not specifically spelled out in the Constitution provides for lively

discussions, the laws can stretch or shrink its bounds without constraints. The Internet is tangible

with technological limits of its architecture and code, both of which are continually updated. To

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[31] *See* Lawrence Lessig Code and Other Laws of Cyberspace Basic (1999), chapter 9, titled *Translation* with a discussion on the debate between the translation versus textural application of the Constitution.

argue for a modified application of trademark laws to the Internet is not practical if solutions can easily be found by updating the Internet with improved technology. The application of this is detailed in a later section.

Our society is dynamic. The evolution of our culture is influenced by the development of new technologies that we choose to use. These changes are not just changes on the surface; they require adjustments in our fundamental social structure.[32] Law and Order are defined as core within our foundation and as the nation changes so should our foundation. As it is today, the definition of the Internet and the changes and adaptations that its successful use requires are missing from our basic structure. As it is today, there is no such as trademark or copyright on the Internet; most of our laws and regulations don't make sense or apply to the Internet. "…legal concepts of property, expression, identity, movement, and context do not apply to [the Internet]. They are all based on matter, and there is no matter here."[33]

VI. *Scope v. Degree* of a Trademark

The Fourth Amendment is a favorite example for discussions of the differences between scope and degree in law classes. Scope and degree may be applied to trademarks and domain addresses for analysis. The scope of trademark could be defined as knowledge of the source, the physical existence, of a product of a specific corporation. This simply means that if I see a Coca-Cola ® bottle, I know that what is in it was manufactured by the Coca-Cola Company. If I see a

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[32] N. Postman, Technopoly: The Surrender of Culture to Technology. New York: Vintage Books. 1993
[33]   J.P Barlow, *A Declaration of the Independence of Cyberspace*. 1996.
        http://www.eff.org/~barlow/Declaration-Final.html

differently shaped bottle with the name Coca-Cola ® logo on it, I might consider it to be a trick.

Hence, it is the scope (physical association) of the trademark that gives me the trust in the brand

name.

By contrast, the degree might be my awareness of the form of existence of the product of that

specific corporation, not a physical but rather a chemical, touchy-feely, or envisioned

experience. For example, if I see a bottle of Coca-Cola ®, I know what taste to expect and I can

even feel its bubbles in my mouth just by looking at it. I have a personal and particular

expectation about what I associate with or know about what is in the bottle that is shaped like a

Coca-Cola ® bottle. So the degree of a trademark is everything that is associated with feelings

about the product that is connected to a company, wherever that company might physically be

located. So by degree, if I see a Coca-Cola ® shaped bottle with the Coca-Cola ® logo on it with

blue liquid inside, I might taste it. The degree of Coca-Cola ® will not exclude blue liquid but

the scope of Coca-Cola ® might.

Trademarks thus have scope and degree representations wherever the consumers are and

wherever the company's products are known; it is a broad existence. While the scope of the

product belongs to the company, the degree is in the eye (or taste or memory) of the beholder. So

by scope and degree, trademark is a multi-dimensional experience.

And herein lays yet one more conflict between trademark and domain address. One exists as

knowledge and feeling, a true intangible that can be lost over time; the other as a fixed

expression that one needs to type into a URL and which is limited to and defined by the laws of software coding on the Internet.

VII. Case Study Example

A. Domain Names Confuse Source of the Mark

Assume that I own a company called Mourrish Co., located in California. Also assume that I have registered my trademark in the state of California and I manufacture paper cups. On the Internet I also own the mourrish.com domain. Currently my domain address, which is similar to my trademark, can have lots of variations: mourrish.net, mourrish.org, mourrish.cc, mourrish.com.uk, not to mention mourrishsucks.com, etc. If I want to ensure that my trademark will be uniquely identified on the Internet all over the world, I have to purchase all domain names with resemblance to my trademark in all TLDs. At the time this paper was written, the available TLDs for purchase for a company or an individual were: <.us>, <.com>, <.org>, <.net>, <.tv>, <.cc>, <.name>, <.biz>, <.info>, plus all the country TLDs.

As noted earlier, a trademark must be able to identify and distinguish a company's goods, from those manufactured or sold by others, and to indicate the source of the goods. If a company registers its trademark in one state, another company, bearing the same name and providing the same product or service, may use the same trademark in a geographically distinct location. This multiplicity is a major problem on the Internet, which does not use geographic or trade identifiers. Could a trademark that is registered in California as "Mourrish" manufacturing paper

cups and an unrelated but identical trademark of "Mourrish," also manufacturing paper cups but registered and located in the state of New York, be observed as unique trademarks without confusion if only Mourrish in California had a domain address associated with it?

Assume that I registered my Mourrish trademark in California on May 1st, 2000. The other Mourrish also registered its Mourrish trademark in New York on the same day. On the next day, May 2nd, 2000, we each get on the Internet and apply for the domain address mourrish.com at once. Who is to get the domain address? Because neither of us owns a federally registered trademark but we both have regional registrations that we submitted at the same time, in the eye of the Patent and Trademark Office and ICANN there is no distinction between us. Because state trademarks are geographic while domain registrations in the <.com> TLD are first-come first-served, if all else is the same, the domain address will be awarded to the first requester. Currently on the Internet only one person can own mourrish.com.

Assume that I got the domain name by luck; my online order was received a split second earlier then Mourrish's in New York. I create my website selling paper cups. A busy mother in New York is shopping for paper cups for a large birthday party and learns that Mourrish (in New York) has paper cups on sale. She wants to buy from Mourrish in New York; visits mourrish.com domain address and she gets to my site in California. She places her order for paper cups from me.

Did the domain name, used as an associative to the trademark for Mourrish in CA or in NY, identify the source of the product? Did it not confuse the consumer? My company in California

took the business intended for Mourrish in New York without any intention to act as a pirate. In litigation, this transaction would be labeled as piracy without actually being one. Neither could we consider this as dilution or misuse since both companies held legitimate trademarks in their respective states without referring to or against each other or each other's products and services. Note also that while mourrish.com is not a trademark, the shopper made the assumption that if Mourrish Co., exists on the Internet, its domain address would be mourrish.com. Therefore, she used the domain address as the trademark itself.

Because the consumer believed Mourrish to be in the state where one Mourrish Company had its trademark registered but ended up on the cyber-site of the same trademark in another state, the confusion created is many-fold. The application of the trademark by the consumer to the use of the Internet misled the consumer about the source of the product.

VIII. Real Property Speculation

Let us look at how domain addresses are bought and sold so we may establish a well rounded definition of what they actually are. GreatDomains[34] demonstrates one such definition: domain addresses are real estates. Their webpage contains the following advertisement: "Premium Names. Excellent Service. Escrow Made Simple."[35] Hence, domain addresses are traded by escrow companies just like real properties, similarly to a home or office building. In doing so, this activity shows that a domain address is, indeed, a physical address equivalent.

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[34] http://www.greatdomains.com/ (last accessed January 21, 2006)

[35] *Id* (last accessed January 21, 2006)

Thus there is a second layer of companies attached to the act of selling domain addresses: the escrow companies. In land-based real estate transactions, the escrow company does not own the property it sells. On the Internet, escrow companies own many of the domain addresses they sell. Since most domain address escrow companies are official registrants to ICANN, they own many domain addresses they sell; those they do not own, they contract to sell and post for a certain length of time. The ones they own, they reserve for future speculative sales with high prices. There are two important activities associated with this type of speculative-purchase action: (1) delayed trademarking and (2) time-shifted squatting.

(1) Delayed trademarking is generated by forming domain addresses of currently non-trademarkable words. If a company purchasing a domain address takes on that domain address as the company name, the domain address may become a trademark. In other words, "message" can never be trademarked but "message.com" may become a trademark if the name of the company that owns this domain address is Message.com. For example, amazon.com is the domain address of Amazon.com Company and amazon.com is the trademark. On the Internet, every domain name looks and sounds like a trademark.

The following is a partial list of words that are reserved and sold at greatdomains.com as trademark-speculated domain addresses with asking prices next to each domain address:

message.com $750,000, circus.com $350,000, hikers.com $65,000, information.net $400,000, exercise.net $250,000, telephone.net $150,000, religion.net $75,000, movie.tv $250,000, watching.tv $100,000, pokershow.tv $30,000.

(2) Squatting is defined as the act of purchasing a domain name that is associated with a registered trademark of someone else in speculation for future sale at inflated price at the expense of a registered trademark holder.[36] Although the above domain addresses are not associated with currently existing registered trademarks, they are speculative in that these names will become trademarks once purchased. What else would the intention of a person be to purchase hikers.com if not for the name of the Hikers.com Company with future trademark potential? In other words, these are prices of future trademarks sold today as futures. This is a new form of squatting with intent to squat before it becomes illegal; the outcome is the same as squatting—ransom is demanded, only up front.

This begs two questions: (1) what is so special about domain addresses that they can be sold for high prices like these? If they have no trademark-associated high commerce values, they cannot be sold and there is no point of asking such high prices; if they do sell for these high prices, they must have had a trademark-associated high commerce value and are, by definition, squatted, which is illegal. There must be something new going on. What actually is going on involves a clever trick. If I don't buy message.com for $750,000, could I start Message.com Company and register it as a federal trademark a year later? No, actually I cannot! The trick is that GreatDomains ® registered and copyrighted "message.com" so I cannot have it unless I buy it from them! And this is cyber-squatting big time, albeit with a time shift. (2) What is so special about the rights of trademark holders and their domain addresses if their domain addresses are

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[36] *See* Ira S. Nathenson, *Showdown At The Domain Name Corral: Property Rights And Personal Jurisdiction Over Squatters, Poachers And Other Parasites.* 58 U. Pɪᴛᴛ. L. Rᴇᴠ. 911 (1997)

not considered to be trademarks? In other words, if a domain name is not considered to be a trademark, why is it reserved for a trademark holder?

A. Let's Buy a Domain Name

One of the biggest problems with registering new domain names is that there is no control and restrictions over who can purchase a domain address and on what TLD. For example, a pornography-content publisher may purchase a domain address at any of the available domains, even <.org>, yet clearly a pornographic company is not an organization of the sort who should be listed there. In the physical world, listing a for profit company as non-profit would bring serious legal consequences! To mislead on the Internet should not be any less of a crime than an equivalent action in the real world.

Should we not be able to tell where we visit just by the TLD? Should we not attach a particular TLD to those businesses that practice the type of business the TLD implies? At NetworkSolutions[37] ® website, it is easy to buy domain names with all available TLDs. I designed the domain name "AngelasLawPaper" and window-shopped for all possible TLD. The following is the list of TLDs that were available for my purchase at the time, without any questions asked:

<div style="text-align:center">

angelaslawpaper.at $99.99
angelaslawpaper.be $29.99

</div>

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[37]*See*
http://www.networksolutions.com/home.jhtml;jsessionid=IH12L3B2HWGVOCWKEAPSFEQ?layoutIdIndex=4&_requestid=557246

angelaslawpaper.biz	$11.99
angelaslawpaper.bz	$34.99
angelaslawpaper.cc	$34.99
angelaslawpaper.co.nz	$74.99
angelaslawpaper.co.uk	$19.98
angelaslawpaper.com	$11.99
angelaslawpaper.de	$14.99
angelaslawpaper.info	$11.99
angelaslawpaper.name	$34.99
angelaslawpaper.net	$11.99
angelaslawpaper.org	$11.99
angelaslawpaper.tv	$39.99
angelaslawpaper.us	$11.99

The ease with which the purchase is done is fascinating. What is even more fascinating is that I clearly am neither associated with a television or media industry, nor with a non-profit organization; I noted that I wanted to purchase domain names as an "individual." I should have no business buying a <.tv> or <.org> domain. Such opportunity may lead to confusion and fraud. Shouldn't there be a mechanism to ensure that <.tv> is only purchased by companies of media products and services and <.org> by non-profit organizations? Also, why should I be able to purchase a New Zealand site? That would imply that I am located and conduct business in New Zealand and not in the US.

B. Summary Table of Trademarks v. Domain Addresses

Domain Address	Trademark
Equivalent, belonging, or closely tied to a trademark; represents a trademark; can become a trademark	Absolute mark
Tangible	Intangible
Not defined geographically within a country	Geographically defined

but it is defined outside of the country	
Commodity	Fame
It is present in every country all the time	Not necessarily
Visible for every person who has access to the Internet wherever they might be, 24/7	Not necessarily ever visible
A varying-priced piece of real-estate	Fixed cost + varying cost of maintenance
A copyrightable dynamic artistic expression of electronic signals sent in the form of packages that are reassembled into a tangible-medium by the monitor of the viewer.	Static and intangible; its tangible presentation is copyright protected
No maintenance is required	Can be lost if not maintained and it becomes associated with the use of the product or it becomes a word in the dictionary
Can be sold	Cannot be sold
Singular – Only One in the world	Multiple with geographic and trade limitations

IX. Technical Solution to a Technical Problem

a. Can Trademarks Exist on the Internet?

Based on the previous analyses of the necessary and sufficient conditions for the establishment of trademarks, we can conclude with confidence that trademarks cannot exist on the Internet. If domain names cannot be trademarks but behave as addresses, what exactly is the connection between trademarks, domain addresses, and the Internet? Domain addresses are often reserved for trademark holders. This means that if, in the future, a new TLD is released, say <.softdrink>, those companies that have famous-enough trademarked names, such as Coca-Cola ®, Pepsi ®, and alike will have first right to pick coca-cola.softdrink and pepsi.softdrink. The reader will intuitively think that this makes sense; what use would coca-cola.softdrink be for an unrelated company, say the Eastman Kodak Company, for example?

The real question is actually hidden here but that is the one we must answer: why are we

providing preferential treatment to some trademark holders but not all? It is technologically quite

possible to give the same treatment to all trademark holders. In other words, we have reached the

technological possibility of providing unique <.com> or <.anyTLD> to each and every twin by

simply treating the Internet as a directory with trade and geographic identifiers and we can do so

without anyone having to remember long addresses.

b. Not Implemented Suggestions

Most comments about trademark and domain address regulation on the Internet refer to

improvements of the laws but this is an inefficient solution. As we have witnessed with the

online music industry, creating laws that intend protect is one thing, being able to enforce that

protection is another. We could do better than follow the well-known struggles of the

entertainment industry. We could modify the technology in such a way that would prevent any

dilution of trademarks even if all identically named companies were given

<identicaltrademark.com> domain names. This solution would preclude the need for

enforcement and would bring litigation to an end.

There have been many suggestions, such as the use of IP numbers as TLDs after domain names,

like <trademark.025> for clothing companies and <trademark.012> for automakers or scrapping

domain names and TLDs altogether and operate on IP addresses alone[38] but this solution has not

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[38] Colby B. Springer, Comment, *Master of Domain (Name): A History of Domain Name Litigation and the Emergence of the Anticybersquatting Consumer Protection Act and Uniform Dispute Resolution Policy*. SANTA CLARE COMPUTER & HIGH TECH. L. J. 315, 360. MAY, 2001.

been welcomed because the implementation is not practical. The Internet user is asked to remember long domain addresses, or save them among the favorites, or look them up in a separate phone-book equivalent.

Other comments recommend that we ignore TLDs and domain names altogether and just type "apple" into a browser, and get a license plate showing all sites that have a name that corresponds to it.[39] The ultimate goal for a well-functioning system is similar to this idea, only the "license plate" of all the names that belong to the requested goods is impossible. Can you envision the number of items on that plate for the search word "apple"? I typed "apple" into goggle.com and received 113 million links in 0.19 seconds. I don't believe I have enough time in my life to read 113 million entries to find the one I am looking for.

It has also been suggested that adding more TLDs would make the system too complex and that it would stretch it to its limit by asking it to serve as a directory system.[40] But this is not a fair statement; there is no limit to the DNS system. It is all code and we may add or subtract as we see it fit. Another solution suggested would "scrap the present system of lettered TLDs and replace them with the 42 numeric International Classes used by the U.S. Patent and Trademark Office.... Thus 'acme.005' could serve as the domain name for a company selling ACME dietary supplements, while 'acme.009' simultaneously could serve as the domain name for ACME computer software, and 'acme.041' could serve as the domain name for ACME night

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[39] Ira S. Nathenson, *Showdown At The Domain Name Corral: Property Rights And Personal Jurisdiction Over Squatters, Poachers And Other Parasites.*.58, NO. REV. 911, 987. (1997)

[40] *Id* at 977

schools."[41] But this solution is also limited and does not contain geographic identifiers and so all the unique ACMEs could not be listed when they had the same trade; there could be more than one ACME computer software companies, thus acme.009 would only provide domain address to one of them.

c. A Workable Solution with Implementation

A far better system would be to type in "apple" for which a small questionnaire would pop up with pull-down menus asking where to look for and what type of apple. In what country is this apple? What state? What city? Or what zip code? What "apple" is looked for? A computer company? A fruit? A bookstore? A good Internet solution would not show the TLD because it would not matter where the search engine would find what was asked for. The complex search engines required would be easily developed in a competitive environment. I believe that this type of search engine is the next generation of search engines.

However, the most important element that is necessary for this system to work is to be able to register every single person and company on the Internet without trademark-type conflict. To ensure that each person called McDonald can coexists on the Internet together with the fast-food chain, we need to assign geographic and trade identifiers to each domain name user that is exact and very specific to each user, yet each may contain twins on the same TLD. For this we need to

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[41] *See* Lawrence J. Siskind's letter to Patrice Washington (August 19, 1997), which can be read at http://www.ntia.doc.gov/ntiahome/domainname/not-emailed/siskind.htm (Last accessed January 21, 2006.)

use complex geographic and trade identifiers for the purpose of registration that would be inconspicuous to the users.

No user would ever have to remember a domain address like this: "http://www.Joes.departmentstore.US.CA.92865.Tustin.Street.21" but for the purpose of registration, such detail is necessary. This artificial domain address contains the second level domain "Joes," the TLD <.departmentstore>, country identifier "US," state identifier "CA," together with other levels of domains not yet in existence, such as zip code, street, and the number identifiers. If there is another Joes' department store elsewhere in competition with this Joes, even in the same city or state, there is no problem; the other Joes' domain address might look like this: "http://www.Joes.departmentstore.US.CA.94403.Lane.Street.315."

Note that both Joes can have their trademark names used as domain addresses without confusion and there is no need for trademark protection. Also note that while the address is certainly complicated to remember, if one types "Joes Department Store" into a search engine and the engine next provides pull-down menus for the selection of country, state, zip code or city, and specific street address, there can be no confusion, no need to memorize anything, and no license plate of millions of items. Furthermore, the problems associated with trademarking a domain name or reserving a domain name for a registered famous trademark holder will be gone and everyone in the world could truly have his or her own domain address without duplication and conflicts.

To implement such an aggressive new system, we first must re-evaluate the role of ICANN and

all of its affiliates. Will they be capable to reorganize their domain purchasing system to provide

this sort of directory service? Since there is never a duplication, there will be no need for

checking for trademark conflict, already registered names, etc. The job would become simple:

take orders.

As for the creation of all these new domain identifiers and their associated place on the network,

we need to remember that on the Internet everything is either network (carries the electrical

signals in the form of packets), or computers and hardware (they act as receiving gates) and code

(they tell the system what to do). It is relatively easy to change the Internet to make it function

well. The one problem we face is the changing of the domain names for those companies that

currently already own one. But then again, this solution is similar to the splitting of telephone

area codes; the old area code was all but forgotten in a very short time. And since there is no

reason to remember the domain address with the well-functioning search engines, changing a

company domain address from <company.com> to

<company.businesstype.country.state.cityzip.streetname.streetnumber> is invisible to the user

and so the change is painless. Those of us who type domain addresses are already familiar with

the messages we receive on those web pages that moved: "this web page has been moved, please

update your records… click this link… you should be transferred to the new website in 15

seconds." Piece of cake! A somewhat more complicated task is to remove all product-name

domain names, like <buycialis.com> and either divert it back to the store that sells it or create an

advertisement TLD section where products may be advertised, such as

<buycialis.advertisement>.

X. Conclusion

This note recommends the redesign of the Internet to prevent the confusions we now face and to

proactively prevent legal complications. The Internet with its current design causes more

problems than it solves. As its complexity is expected to increase over time, so will the costs

associated with litigation costs to companies and tax payers.

This comment recommends the redesign of the Internet domain address system into something

that is more like a directory system and uses the domain addresses for what they truly are:

addresses. While a domain address is certainly the entrance to the webpage that can conduct

commerce, a domain address itself is not commerce. The address of a company should not be

trademark associated and reserved for the trademark holder. It should be possible to have a

McDonalds.fastfood for the fast food eatery, McDonalds.hairsalon for a hair dresser, and even

hundreds of McDonalds.hairsalon domain addresses so that every single company whose name is

McDonald's Hair Salon Company could own a website with its own name.

Updated search engines will compete with better and faster search methods to sieve through

millions of identical names located at different parts of the world to lead the consumer to the one

entry wished for. Once the system is redesigned with the full addresses of each person and

company on the Internet, the Internet community will perform its own improvement. The cost of

these changes to the public is zero; the benefits immense. The benefit of these changes to

companies who today cannot own their trademark-associated domain address is priceless. The

cost to those who are already online with their trademark-associated domain addresses is

minimal; they merely have to suffer a somewhat similar pain to the splitting of a telephone area

code in their city. And for the argument that the current domain address holders will loose

business as a result of all companies getting on board, well, the Internet is a public market and

there should be no exclusive rights offered to any private company there. The public should have

the advantage of being able to shop from all the companies that would like to offer commerce

online with their recognized trademarks.