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Bad Faith in Cyberspace: Grounding Domain Name Theory in Trademark, Property, and Restitution

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Bad Faith in Cyberspace: Grounding Domain Name Theory in Trademark, Property and Restitution

Jacqueline D. Lipton *

Abstract

The year 2009 marks the tenth anniversary of domain name regulation under the Anti-Cybersquatting Consumer Protection Act (ACPA) and the Uniform Domain Name Dispute Resolution Policy (UDRP). Adopted to combat cybersquatting, these rules left a confused picture of domain name theory in their wake. Early cybersquatters registered Internet domain names corresponding with other's trademarks to sell them for a profit. However, this practice was quickly and easily contained. New practices arose in domain name markets, not initially contemplated by the drafters of the ACPA and the UDRP. One example is clickfarming – using domain names to generate revenues from click-on advertisements. To avoid trademark liability, most clickfarmers and cybersquatters utilize personal names, geographic and cultural indicators, and generic terms as domain names. The application of current regulations to these practices is unclear, largely because of the lack of a coherent policy basis for domain name regulation. This article develops a new model for domain name regulation. It incorporates trademark policy within a broader theoretical framework incorporating aspects of restitution and property theory. The author suggests that a broader theoretical approach to domain name regulation would facilitate the development of more coherent domain name rules in the future. This discussion is particularly timely in light of the forthcoming implementation of a new generic Top Level Domain (gTLD) application process.

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I. INTRODUCTION

Think back, if you can, to the early days of the new frontier - not the Western frontier, but the virtual frontier. Like the Western frontier, the early Internet was largely barren space awaiting cultivation. Virtual prospectors never knew if they would strike it rich or die trying. However, some clever prospectors managed to secure something that their real world counterparts never imagined possible – a guarantee of striking gold if they moved fast. Enter the cybersquatter...

In the early to mid 1990s, a handful of tech-savvy virtual prospectors realized the value of trademarks in the domain space long before many mark-holders did. These prospectors registered multiple domain names corresponding with trademarks very inexpensively.¹ They offered to sell them back to the trademark holders for a handsome profit.² Today, this practice is old news, and infrequent in practice. Quick to react to the cyberquatting threat, judges held early cybersquatters liable for trademark infringement and dilution.³ The United States Congress soon followed with the Anti-Cybersquatting Consumer Protection Act (ACPA),⁴ while the Internet Corporation for Assigned Names and Numbers (ICANN)⁵ adopted the Uniform Domain Name Dispute Resolution Policy (UDRP).⁶ These measures more than met the challenges posed by cybersquatting.

However, the application of these rules left a confused pastiche of domain name policy in their wake. As the rules were narrowly targeted to protect trademarks against

¹ See, for example, <http://www.toeppen.com/>, last viewed on August 10, 2009 (describing the early cybersquatting of famous cybersquatter, Dennis Toeppen); Cybersquatters: Invading Big Names’ Domains, CNN.com Technology, September 25, 2000, available at <http://archives.cnn.com/2000/TECH/computing/09/06/internet.domains/index.html>, last viewed on August 10, 2009.

² DAVID KESMODEL, THE DOMAIN GAME: HOW PEOPLE GET RICH FROM INTERNET DOMAIN NAMES, 20 (2008) (“Hundreds of early speculators registered domains associated with trademarks – names or symbols used to identify a company’s goods and to distinguish them from those sold by others. The classic tactic was to register a domain, do nothing with it (create no Web site), wait to hear from the trademark holder, and then offer to sell it for a high price. This practice came to be known as cybersquatting.”)

³ *Panavision v Toeppen*, 141 F 3d 1316 (9th Cir, 1998) (cybersquatter liable for trademark dilution); *Planned Parenthood Federation of America v Bucci*, 42 U.S.P.Q. 1430 (S.D.N.Y. 1997) (infringement and dilution liability of registrant found, although this is not a typical cybersquatting case because there was no sale motive on the part of the registrant).

⁴ 15 U.S.C. § 1125(d).

⁵ MILTON MUELLER, RULING THE ROOT: INTERNET GOVERNANCE AND THE TAMING OF CYBERSPACE, 3 (2004) (describing the development of ICANN as the body to administer the domain name system); Christine Haight Farley, *Convergence and Incongruence: Trademark Law and ICANN’s Introduction of New Generic Top-Level Domains*, 25 JOURNAL OF COMPUTER & INFORMATION LAW 625, 626 (2008) (“The Internet Corporation for Assigned Names and Numbers or ICANN, is the body that governs the Internet’s infrastructure.”); see also www.icann.org, last viewed on August 10, 2009.

⁶ Full text of the policy available at: <http://www.icann.org/en/udrp/udrp-policy-24oct99.htm,last> viewed on August 10, 2009.

cybersquatting, they did not provide a coherent theoretical basis for domain name regulation that might apply more generally. Part of the reason for the narrowness in focus relates to the question as to who, if anyone, has constitutional power to make general policy for the domain space. While ICANN administers the technical side of the domain name system, its by-laws limit its policy making role to “policy development reasonably and appropriately related to [its] technical functions.”⁷ Domestic legislatures and courts can only reach disputes within their jurisdictional competence.

In the absence of a central policy-making body, each entity dealing with domain name conflicts can only address a small piece of a much larger puzzle. This results in a domain name market that is regulated inconsistently, often leading to wasteful uses of potentially valuable online assets. The domain space becomes clogged with registrations of multiple domain names by speculators who, more often than not, will park websites under the names and fail to use them for any particularly useful purpose, in the hope that someday they may sell the names for a profit.⁸ In the meantime, they may derive revenue from click-on advertising.⁹ Domain name speculators now typically rely on registrations of personal names, geographical and cultural indicators, and generic words and phrases in the domain space.¹⁰

Thus, the practice of domain name speculating has moved away from trademark policy, while the regulatory system has not. This creates an inconsistency between the robust regulation of trademarks in the domain space and the lack of regulation over any other conduct. There is a glaring need to develop a coherent theory of domain name regulation. Domain name conflicts are not likely to subside any time soon.¹¹ Additionally, the development of a more robust domain name theory may facilitate policy developments in the emerging area of search engine law.¹² Domain name regulation will be an important aspect of search engine law because of the pivotal role played by domain names in search engine algorithms.¹³ Rules about balancing competing rights and

⁷ Bylaws for Internet Corporation for Assigned Names and Numbers, Art I, Section 1(3). Full text available at: <http://www.icann.org/en/general/bylaws.htm>, last viewed on August 10, 2009.

⁸ KESMODEL, *supra* note ____, at 136-138 (2008) (describing the practice of domain name “parking”).

⁹ *id.*, at 68-73 (describing the development of pay-per-click advertising systems).

¹⁰ *id.*, at 24-33 (noting use of generic and other terms in the domain space by domain name speculators).

¹¹ See, WIPO, Record Number of Cybersquatting Cases in 2008, WIPO Proposes Paperless UDRP, March 16, 2009 (available at http://www.wipo.int/pressroom/en/articles/2009/article_0005.html, last viewed on August 10, 2009).

¹² See Viva Moffat, *Regulating Search*, 22 HARVARD JOURNAL OF LAW AND TECHNOLOGY 475 (2009); Greg Lastowka, *Google’s Law*, 73 BROOKLYN L REV 1327 (2008); Oren Bracha and Frank Pasquale, *Federal Search Commission? Access, Fairness and Accountability in the Law of Search*, 93 CORNELL L REV 1129 (2008); James Grimmelman, *The Structure of Search Engine Law*, 93 IOWA L REV 1 (2007); Urs Gasser, *Regulating Search Engines: Taking Stock and Looking Ahead*, 8 YALE J L & TECH 201 (2006); Eric Goldman, *Search Engine Bias and The Rise of Search Engine Utopianism*, 8 YALE J L & TECH 188 (2006); *Playboy v Netscape*, 354 F.3d 1020 (2004); *Rescuecom Corp., Plaintiff-Appellant, v. Google Inc., Defendant-Appellee*, 2009 U.S. App LEXIS 7160 (2nd Cir, 2009); *Perfect 10 v Google*, 508 F 3d 1146 (9th Cir, 2007).

¹³ In fact, Microsoft’s new search engine, Bing, has been criticized for giving too much weight to domain names in its search algorithm. See *Is Bing’s Algorithm Domain Name Heavy*, blogpost at Search

interests in the domain space will impact on search engine results. Domain name theory may also assist search engines in developing policies about their own uses of trademarks, personal names, cultural and geographic indicators, and generic words in search engine algorithms and keyword advertising programs.

The creation of a coherent theory for domain name regulation may also play an important role in the new generic Top Level Domain (gTLD) application process soon to be rolled out by ICANN.¹⁴ The identification of coherent theoretical principles governing the domain space will be imperative for the release of new gTLDs.¹⁵ The fact that ICANN may not have the constitutional power to implement all relevant policies itself - and that implementation may ultimately fall to a combination of domestic courts, legislators, and private arbitrators - means that relatively quick work is needed to create the theoretical groundwork. If multiple bodies need to work together to create a workable regulatory matrix, then the earlier appropriate policies can be identified, the better.

Part II extrapolates three theoretical justifications for domain name regulation: property theory; trademark policy; and, restitution or unjust enrichment. These three justifications may have to be developed simultaneously to create a useful framework for future domain name regulation. Part III moves from the general to the specific in identifying regulatory inconsistencies in the domain space based on the current limited theoretical focus. It considers particular instances of regulatory gaps including inconsistencies relating to the registration of domain names corresponding with trademarks, personal names, political words and phrases, cultural and geographic indicators, and generic words and phrases. It suggests ways in which the theoretical models identified in Part II may assist in the development of more robust and consistent policy determinations going forwards. Part IV considers the position of domain name registries in terms of potential liability for bad faith activities of their registrants. Part V concludes by making suggestions for future directions in domain name regulation.

II. THREE THEORIES OF DOMAIN NAME REGULATION

A. EXTRAPOLATING THEORY FROM PRACTICE

This Part extrapolates from past practice the implicit theoretical impulses that appear to have guided courts, legislatures, and ICANN in regulating the domain space to date. Courts in early cybersquatting cases tended to focus squarely on existing trademark policy to regulate the domain space. They found that cybersquatting constituted either trademark infringement or dilution, depending on the circumstances.¹⁶ Infringement

Engine Roundtable, July 13, 2009, available at <http://www.seroundtable.com/archives/020382.html>, last viewed on August 10, 2009.

¹⁴ Farley, *supra* note ____, at 625 (gTLDs are “generic top-level domains”), 626 (noting that ICANN has accredited 15 gTLDs to date including .com, .net, and .edu), 626 (noting that ICANN is now considering a new system to approve new gTLDs in the hundreds or thousands).

¹⁵ *id.*, describing the mis-match between trademark policy and domain name regulation and the implications of the current inconsistencies for the proposed new gTLD process.

¹⁶ KESMODEL, *supra* note ____, at 23-24 (noting how early trademark law dealt effectively with cybersquatters).

requires the mark holder to establish a likelihood of consumer confusion as to the source of products or services.¹⁷ Dilution has no consumer confusion requirement and is limited to the protection of *famous marks*.¹⁸ The dilution action comes in two forms – blurring and tarnishment. Blurring relates to the creation of noise around a mark that interferes with its capacity to operate as a mark.¹⁹ Tarnishment relates to the creation of unsavory associations with a mark.²⁰

Despite the early focus on trademark policy, the basis for applying traditional trademark doctrines to cybersquatting was a little confused, suggesting that a pure trademark-based policy model was insufficient for the domain space. For example, the Ninth Circuit struggled to explain why a cybersquatter who conducted no commercial activities on his website was acting *in commerce* as required by the Lanham Act.²¹ A trial judge in the Southern District of New York likewise struggled to explain why a domain name registrant who was not conducting any significant commercial activities on his website was nevertheless potentially confusing consumers in commerce as required for a successful infringement action.²² While traditional trademark policy had its uses, the awkwardness of applying existing trademark doctrines to cybersquatting soon prompted action by the United States Congress and ICANN. They adopted the ACPA and the UDRP respectively.

While still expressly based on trademark policy, the new regulations were focused narrowly on specific domain name conduct: cybersquatting. Each set of rules prohibits the registration of a domain name corresponding with someone else’s trademark²³ with a bad faith profit motive.²⁴ Both contain non-exhaustive lists of bad faith factors to guide courts and arbitrators.²⁵ Both contain defenses for a person who has registered a domain name for a legitimate purpose.²⁶ Neither specifically contemplates conflicts in the domain space outside of cybersquatting on other people’s trademarks. The ACPA is a little broader in scope than the UDRP in that it contains an additional *sui generis* protection for personal names regardless of their trademark status.²⁷ The fact that the ACPA extends protections to non-trademarked personal names suggests a broader regulatory impulse than that stemming solely from trademark policy. While trademark policy obviously has a significant role to play in the ACPA, there must be other regulatory justifications at least in relation to the protection of non-trademarked personal names. The statutory concern with bad faith intent to profit suggests an unjust enrichment – or restitutionary – rationale as an alternative policy basis for the legislation.

¹⁷ 15 U.S.C. §§ 1114(1)(a); 1125(a)(1).

¹⁸ 15 U.S.C. §§ 1125(c)(1); 1125(c)(2)(A).

¹⁹ 15 U.S.C. § 1125(c)(2)(B).

²⁰ 15 U.S.C. § 1125(c)(2)(C).

²¹ *Panavision v Toepen*, 141 F 3d 1316, 1324-1326, (9th Cir, 1998).

²² *Planned Parenthood Federation of America v Bucci*, 42 U.S.P.Q. 1430 (S.D.N.Y. 1997), pp 13-15 (LEXIS PAGE REFS).

²³ Note that neither set of rules expressly requires the mark to be registered; thus each will protect unregistered marks.

²⁴ 15 U.S.C. § 1125(d)(1)(A)(i); UDRP, para 4(a)(iii).

²⁵ 15 U.S.C. § 1125(d)(1)(B)(i); UDRP, para 4(b).

²⁶ 15 U.S.C. § 1125(d)(1)(B)(ii); UDRP, para 4(c).

²⁷ 15 U.S.C. § 1129(1)(A).

It should be noted that despite concerns about the scope of their underlying theoretical justifications, the ACPA and the UDRP have been effective in practice in the context of traditional cybersquatting on trademarks. The UDRP, in particular, is inexpensive, accessible, and efficient,²⁸ and does not raise the jurisdictional concerns inherent in litigation.²⁹ The UDRP is incorporated by reference into registration agreements for all domain names utilizing gTLDs such as “.com”, “.org”, and “.net”.³⁰ The major limitation of the UDRP today is that most modern disputes today do not involve traditional trademark cybersquatting. The more recent conflicts raise issues not so neatly resolved by a trademark policy rationale. Thus, there is a need to find other theoretical explanations for domain name policy that could work alongside the existing, but limited, trademark policy justification. As suggested in the previous paragraph, existing practice suggests at least two distinct, but sometimes overlapping, policy justifications for domain name regulation: trademark policy, and restitution or unjust enrichment. To this, we might add a property rights justification for regulation in some more unusual circumstances involving bad faith conduct in the domain space.³¹

B. A TRIPARTITE THEORETICAL MODEL: PROPERTY THEORY, RESTITUTION, AND TRADEMARK POLICY

Of the three theoretical justifications for domain name regulation, a property rights justification may at first glance appear to be the most intuitively appealing. This is because the domain name market involves routine trading of domain name assets.³² Since the early days of the commercial Internet, domain names have been equated with property rights in a variety of contexts.³³ Real world property analogies can be easily made with domain names, although each analogy has limitations. It is easy to think about bad faith conduct involving domain names in terms of trespass or conversion. One might describe cybersquatting as a form of trespassing – or squatting - on someone else’s virtual property. Generally, a property holder in the real world can remove a trespasser if the trespasser has not used the property for long enough to raise a plausible adverse possession argument.³⁴

²⁸ Jacqueline Lipton, *Celebrity in Cyberspace*, 65 WASHINGTON AND LEE LAW REVIEW 1445, 1448-9 (2008) (“The advantages of the UDRP over litigation are that it is inexpensive and fast compared to litigation, and its reach is effectively global because relevant parties are bound to it by contract wherever they may physically reside. Thus, it has been the avenue of choice for most domain name complainants.”) [hereinafter, *Celebrity in Cyberspace*]

²⁹ *id.*, at 1474 (“The actor Kevin Spacey ... failed to establish personal jurisdiction over a defendant in litigation for control of the domain name <kevinspacey.com>. He then went on to successfully obtain control of the name in a UDRP proceeding.”)

³⁰ See <http://www.icann.org/en/udrp/udrp-policy-24oct99.htm>, at Note 2, last viewed on August 10, 2009.

³¹ See discussion in Part II.B *infra*.

³² For a general discussion of modern domain name markets, see KESMODEL, *supra* note ____.

³³ See, for example, *Kremen v Cohen*, 337 F 3d 1024 (9th Cir 2003) (finding domain name to be property for the purposes of the Californian statutory tort of conversion).

³⁴ Walter Quentin Impert, *Whose Land is it Anyway? It's Time to Reconsider Sovereign Immunity from Adverse Possession*, 49 U.C.L.A. LAW REV 447, 448 (2001) (“People are often surprised to learn that a trespasser may take title to land from a true owner under certain conditions and that such theft is authorized by the government under laws of adverse possession.”)

Trespass is not the only property analogy that can be made with cybersquatting. Early cybersquatters did not regard themselves as trespassers. Some thought of themselves as being more like property speculators.³⁵ They took a gamble that certain pieces of virtual property – domain names corresponding with other people’s trademarks – would be more valuable to the mark holders than to anyone else. Thus, a cybersquatter who could beat a markholder to registration could make a handsome profit. In the real world, there is nothing wrong with this entrepreneurial impulse. If I buy property adjacent to your land in the hope of selling it to you for a profit because I have speculated that you may want to expand your business onto the land, I am within my rights to charge whatever price I want for the sale.

The problem is that neither of these real property analogies is a perfect fit for the virtual world. The speculating analogy ultimately falls short because a trademark holder does have some rights in a domain name corresponding with her trademark as a matter of trademark policy.³⁶ A real property holder, on the other hand, has no pre-existing rights in adjacent land. The trespass analogy is also problematic because it is only possible in the real world to trespass on land that another person legally owns. Even though a trademark holder may have some interest in a domain name corresponding with her mark, she does not *own* the domain name unless she has registered it.

Under current regulations like the ACPA and the UDRP, we might infer that there is an implicit assumption that a trademark holder has property rights in corresponding domain names. However, the full extent of those rights is unclear. Some judges and arbitrators have suggested that those rights might extend to “trademark.com” domain names, but not necessarily to other iterations of the trademark in the domain space.³⁷ Nevertheless, this view is not universally accepted.³⁸ Thus, while a property rights rationale for domain name regulation is useful, what is currently missing is guidance as to the nature and scope of any property rights that may be protected in the domain space. This question becomes even more complex when one departs from the more familiar trademark territory and turns to consideration of property rights in personal names, geographic and cultural indicators, and generic terms in the domain space. Applying the

³⁵ See www.toeppen.com, last viewed on August 10, 2009 (“In 1995, I registered about 200 domain names. Some were generic English words, like hydrogen.com. Others corresponded with trademarks that were shared by more than one company, like americanstandard.com. And some corresponded with trademarked coined words, like panavision.com.

It was clear to me at the time that domain names were valuable, undeveloped virtual real estate. There was absolutely no statutory or case law regarding trademarks in the context of Internet domain names at the time. It seemed to be an excellent opportunity to do the virtual equivalent of buying up property around a factory -- eventually the factory owner would realize that he needed the scarce resource which I possessed.”)

³⁶ This is evidenced by the availability of trademark infringement and dilution actions in early cybersquatting cases: KESMODEL, *supra* note ____, at 23-24.

³⁷ See, for example, discussion in Jacqueline Lipton, *Commerce versus Commentary: Gripe Sites, Parody, and the First Amendment in Cyberspace*, 84 WASHINGTON UNIVERSITY L REV 1327, 1359-1361 (2006) [hereinafter, *Commerce versus Commentary*].

³⁸ For example, the majority panelists in *Bruce Springsteen v Jeff Burgar*, WIPO Arbitration and Mediation Center Case No D2000-1532 (Jan 2001) where prepared to allow an unauthorized use of the “bruce springsteen.com” domain name by a fan who had registered it, on the basis that Bruce Springsteen had his own web presence under “bruce springsteen.net”. The majority panelists accepted a trademark in Springsteen’s name with some reservations, but decided the case on other grounds.

property rights rationale, we might argue that a person has property rights in her name that could be protected against those seeking to profit from the name in the domain space. However, many commentators reject property rights in a personal name.³⁹

The property rights rationale may nevertheless be useful in some admittedly limited circumstances involving generic domain names. There have been a few cases where a domain name “thief” has fraudulently secured a transfer of a generic domain name initially registered to another person.⁴⁰ The obtaining of the fraudulent transfer by the wrongdoer has been likened by some commentators to theft or conversion of physical property in the real world.⁴¹ The willingness to attach a property label to the virtual property in these cases has enabled at least one court to attach secondary liability to a domain name registry where the fraudulent transferee could not be located.⁴² Thus, the property rights rationale for domain name regulation may have a place in a broader theoretical justification for domain name law. However, its usefulness may be limited to fairly unusual cases.

The trademark policy rationale, on the other hand, now has a more pronounced place in the regulatory matrix. It has been very useful in the regulation of cybersquatting. While the UDRP in particular has become the most popular avenue for cybersquatting disputes, trademark infringement and dilution actions, and some ACPA cases still filter

³⁹ Mark McKenna, *The Right of Publicity and Autonomous Self-Definition*, 67 U PITT L REV 225, 247 (2005) (“It might be true that identity is sufficiently similar to other objects the law regards as property and therefore deserves at least some of the sticks in the traditional bundle of property rights. But far too few courts and commentators have offered a theory as to why any of the traditional property justifications lead to that conclusion. Such approaches are reflective of the general imprecision that has plagued the right of publicity.”).

⁴⁰ *Kremen v Cohen*, 337 F 3d 1024 (9th Cir 2003) (involving “sex.com”). See also Purva Patel, *Not Masters of Their (Web) Domains After All: Stolen Internet Names Difficult to Track*, Houston Chronicle, August 5, 2009, available at <http://www.chron.com/disp/story.mpl/tech/news/6560302.html>, last viewed on August 10, 2009 (involving “p2p.com” domain name).

⁴¹ *Kremen v Cohen*, 337 F 3d 1024 (9th Cir 2003) (holding fraudulently obtained transfer of “sex.com” domain name to be conversion under Californian tort statute).

⁴² *id.*, at 1030 (“Property is a broad concept that includes “every intangible benefit and prerogative susceptible of possession or disposition.” We apply a three-part test to determine whether a property right exists: “First, there must be an interest capable of precise definition; second, it must be capable of exclusive possession or control; and third, the putative owner must have established a legitimate claim to exclusivity.” Domain names satisfy each criterion. Like a share of corporate stock or a plot of land, a domain name is a well-defined interest. Someone who registers a domain name decides where on the Internet those who invoke that particular name -- whether by typing it into their web browsers, by following a hyperlink, or by other means -- are sent. Ownership is exclusive in that the registrant alone makes that decision. Moreover, like other forms of property, domain names are valued, bought and sold, often for millions of dollars,...., and they are now even subject to in rem jurisdiction Finally, registrants have a legitimate claim to exclusivity. Registering a domain name is like staking a claim to a plot of land at the title office. It informs others that the domain name is the registrant's and no one else's. Many registrants also invest substantial time and money to develop and promote websites that depend on their domain names. Ensuring that they reap the benefits of their investments reduces uncertainty and thus encourages investment in the first place, promoting the growth of the Internet overall.... Kremen therefore had an intangible property right in his domain name, and a jury could find that Network Solutions “wrongfully disposed of” that right to his detriment by handing the domain name over to Cohen.”)

through domestic courts to protect trademark rights in the domain space.⁴³ The trademark policy rationale breaks down into at least two, and possibly three, distinct elements. The two most obvious sub-sets of trademark policy relate to the protection of trademark holders against infringement and dilution respectively. The ACPA may ground a third trademark-policy rationale for domain name regulation, if “bad faith cybersquatting on trademarks” is regarded as a separate head of trademark policy distinct from the infringement and dilution impulses.⁴⁴ The UDRP can be justified on the basis of trademark policy because of its focus on trademark-protection, and the tracking of trademark doctrine in its drafting.⁴⁵ However, recent UDRP arbitrations evidence some straying from this theoretical underpinning to the extent that arbitrators are prepared to grant protection for less obviously trademarked terms like personal names.⁴⁶

A third policy rationale for domain name regulation that may explain the bleeding of UDRP policy outside of clear trademark doctrine into some other areas not so easily justified under traditional trademark theory may be found in restitution – or unjust enrichment - theory. Restitution is less well developed in the United States than in some other countries.⁴⁷ Nevertheless, the basic premise is that a defendant has been unjustly enriched at the expense of a complainant, and the plaintiff is entitled to a remedy.⁴⁸ The advantage of restitution theory is that it does not require a property right in the hands of the complainant.⁴⁹ Thus, it might explain domain name conflicts where a domain name registrant has taken advantage of the goodwill a complainant has built up in a word or phrase regardless of whether the complainant has a property, or trademark, right in that word or phrase.

This might occur in the case of personal names that have not acquired trademark status, or in the context of geographical terms where, say, a local tourist board has built up some goodwill in the name of a city, but not in a trademark sense.⁵⁰ To support an unjust enrichment justification, the domain name registrant must have been *enriched at*

⁴³ See, for example, *Bosley v Kremer*, 403 F.3d 672 (2005); *People for the Ethical Treatment of Animals v Doughney*, 263 F.3d 359 (2001).

⁴⁴ 15 U.S.C. § 1125(d)(1).

⁴⁵ UDRP, paras 4(a), 4(b) and 4(c).

⁴⁶ Lipton, *Celebrity in Cyberspace*, *supra* note ____, at 1527 (“The continued development of personal domain name jurisprudence based on trademark principles threatens to warp the boundaries of trademark law and to unjustifiably extend trademark practice online into areas where the alleged trademarks are mere fictions.... In any event, the application of the trademark-based UDRP to personal domain name disputes is clearly creating inconsistent results.”)

⁴⁷ The American law on restitution is currently stated in the Restatement of the Law, Restitution (1937).

⁴⁸ *id.*, at § 1 (“A person who has been unjustly enriched at the expense of another is required to make restitution to the other.”)

⁴⁹ *id.*, at Comment b (“A person confers a benefit upon another if he gives to the other possession of or some other interest in money, land, chattels, or choses in action, performs services beneficial to or at the request of the other, satisfies a debt or a duty of the other, or in any way adds to the other's security or advantage. He confers a benefit not only where he adds to the property of another, but also where he saves the other from expense or loss. The word "benefit," therefore, denotes any form of advantage.”)

⁵⁰ GILSON ON TRADEMARKS, § 2.03[4][d] (“Just as with descriptive terms, a trademark or trade name that consists of a personal name (first name, surname, or both) is entitled to legal protection only if it attains secondary meaning.”).

the expense of the plaintiff. Thus, a restitutionary rationale for domain name regulation will be limited to situations where a registrant has profited unjustly from a domain name in which the complainant has legitimate, although potentially non-proprietary or non-trademark, interests. An example might be where the defendant operates a clickfarm from a domain name in which the plaintiff has some legitimate interests. The identification of these three distinct, albeit sometimes overlapping, theoretical justifications might assist in resolving some of the current gaps and inconsistencies inherent in domain name regulation.

III. EXISTING REGULATORY INCONSISTENCIES

A. GENERAL REGULATORY INCONSISTENCIES

The current state of domain name regulation might be summarized as set out in Table 1. This table matches the various motivations for domain name registration against the most obvious categories of words and phrases that are commonly registered as domain names. The individual cells within the table identify the extent to which each pairing of market motivations with word type is regulated under existing rules. The results evidence an inconsistent and unpredictable pastiche of regulations. There is not a clear and consistent underlying theoretical basis for domain name regulation.

Table 1: Relationship Between Registrants’ Motivations and Categories of Domain Name Registered

	Sale Motive	Clickfarming Motive	Expressive Use	Legitimate Commercial Use
Trademarks	Traditional cybersquatting	Potentially cybersquatting	Usually legitimate, particularly if the registrant does not use the “.com” version of the name ⁵¹	Competing TM interests – first come, first served
Personal Names	Traditional cybersquatting (if name is trademarked) <i>and</i> 15 U.S.C. § 1129(1)(A) liability (regardless of trademark)	Potentially cybersquatting (if name is trademarked); little recourse if no trademark	Usually legitimate use, particularly if registrant does not use “.com” version of trademarked personal name	Competing personal names – first come first served.
Cultural and geographic indicators	No regulation unless name is trademarked	No regulation unless term is trademarked	Presumptively legitimate use	Presumptively legitimate use
Generic words & phrases	Presumptively legitimate use	Presumptively legitimate use	Presumptively legitimate use	Presumptively legitimate use
Deliberate misspellings of trademarks	Cybersquatting	Potentially cybersquatting	Unclear – potentially legitimate use	No legitimate use
Deliberate misspellings of personal names	Cybersquatting (if name is trademarked); little recourse if no trademark	Potentially cybersquatting (if name is trademarked); little recourse if no trademark	Unclear – potentially legitimate use	No legitimate use
“trademarksucks” names	Unclear	Unclear – potentially trademark infringement, dilution or cybersquatting	Generally legitimate use	No legitimate use

The only conduct that is clearly sanctioned under current regulations is traditional cybersquatting – represented in the first and fifth rows of Column 1. The regulation of other conduct is largely unclear. It is possible to discern some general principles about domain name regulation from this table, but at a fairly high level of abstraction. For example, purely expressive uses of domain names are for the most part regarded as being legitimate, regardless of the type of word or phrase registered – see Column 3. Even expressive uses of trademarks (Column 3, Row 1) and of deliberate misspellings of

⁵¹ Lipton, *Commerce versus Commentary*, *supra* note ____, at 1359-1361.

trademarks (Column 3, Row 5) may be legitimate uses if the associated website is used for commentary, rather than commercial purposes.

Another general principle that may be derived from Table 1 is that registration of a deliberate misspelling of another person’s trademark is presumptively illegitimate, at least if undertaken for a commercial purpose. In fact, it is difficult to conceive of a situation where someone registers a deliberate misspelling of another person’s trademark for a purely expressive purpose, although it is possible that the operator of a purely expressive gripe site or parody site may want to engage in this conduct. In any event, the fifth and six rows of Column 4 are shaded out because it is difficult, if not impossible, to conceive of any legitimate *commercial* purpose for registering a deliberate misspelling of another’s mark or name.

Table 1 also illustrates the confusion inherent with respect to “sucks”-type domain names.⁵² These are names that use a trademark with a pejorative word or phrase attached: for example “nikesucks.com”. Typically, these domains are used for gripe sites – websites that include critical commentary about a trademark holder.⁵³ However, these kinds of names are sometimes used for commercial purposes such as cybersquatting or clickfarming.⁵⁴ Where pejorative domain names are used for commercial purposes, they are sometimes referred to as “sham speech” domain names.⁵⁵ There is currently no clear regulatory approach to “sucks”-type domain names.⁵⁶ While most commercial uses of such names are colorably illegitimate as they take advantage of the goodwill in a trademark to draw custom for a non-related commercial purpose,⁵⁷ some uses are legitimately expressive and others combine expressive and commercial elements. The development of a more coherent theoretical framework for domain name regulation might assist in ascertaining what kinds of conduct concerning “sucks”-type domain names should be proscribed, and on what basis. A theoretical framework based on both trademark policy and unjust enrichment may be useful here to separate legitimate expressive uses of “sucks”-type domain names from bad faith commercial uses.

Another notable feature of Table 1 is that it highlights the position of clickfarming in the context of current domain name regulations. Most clickfarming involving trademarks or deliberate misspellings of trademarks is potentially regulated as a form of cybersquatting. This is because clickfarms that utilize other people’s trademarks essentially use the marks for bad faith commercial profit motives. The commercial profit motive in clickfarming is different from traditional cybersquatting. For clickfarmers, the profit is not derived from a sale of the name, but rather from using the name to generate revenue from click-through advertisements.⁵⁸ Nevertheless, most cybersquatting regulations are broad enough to encompass this kind of conduct. In the ACPA, for

⁵² DAVID LINDSAY, INTERNATIONAL DOMAIN NAME LAW: ICANN AND THE UDRP, 262 (2007).

⁵³ *id.*

⁵⁴ *id.*

⁵⁵ *id.*

⁵⁶ *id.*

⁵⁷ This is why the last cell at the bottom of Column 4 in Table 1 is shaded out.

⁵⁸ Jacqueline Lipton, *Clickfarming: The New Cybersquatting?*, 12 Journal of Internet Law 1,1 (2008) [hereinafter, *Clickfarming*].

example, the notion of a bad faith intent to profit from a mark is not inextricably linked to a sale motive.⁵⁹ The bad faith factors in the UDRP are likewise not limited to a sale motive. The intention to sell the domain name is only one of four non-exclusive bad faith factors in the UDRP.⁶⁰

Clickfarming involving words and phrases other than trademarks has a less clear regulatory rationale. Personal names, and cultural and geographic terms that operate as registered or unregistered marks will likely be protected from clickfarming in the same way as other trademarks.⁶¹ However, non-trademarked names, words and phrases are more troublesome. While various individuals and entities may have legitimate interests in these terms, in the absence of a trademark, they have little recourse against clickfarmers. Even the *sui generis* personal name protections in the Lanham Act will not cover clickfarming because those provisions are limited to prohibiting registrations of personal names as domain names with a sale motive.⁶²

There is nothing necessarily wrong with this state of affairs if the regulatory policy is that clickfarming is problematic only in trademark cases, on the basis that the registrant is making unfair commercial profits from a valuable mark. The rationale for distinguishing non-trademarked personal names, cultural and geographic indicators and generic terms here would be that the people and entities with interests in those terms have not necessarily put the same resources into developing goodwill in relevant words as the trademark holder. However, this rationale may not bear close scrutiny.

Even an individual with no trademark interest in her personal name may have spent time and resources into building up a public persona. Politicians, for example, may not have commercial trademark interests in their names, but may nevertheless have spent much time, effort and resources building up their professional reputations. The ability of a clickfarmer to take unfair advantage of that reputation should arguably be sanctioned on the same basis as the regulation of clickfarming that utilizes trademarks. Likewise, local city councils may spend significant time and effort building up a reputation for their city to attract tourism or business. It is not clear why those entities should be denied protection against clickfarmers trading on their geographical reputations while trademark holders are protected.

The failure to develop any regulations that prevent the monopolization of different classes of words and phrases by clickfarmers creates a situation in which the Internet potentially becomes clogged with clickfarms. Words and phrases that could be used for more useful expressive or commercial purposes are effectively monopolized or held to ransom by domain name speculators. The way in which one responds to this state of affairs depends on the view one has of the domain name market more generally. Free

⁵⁹ 15 U.S.C. § 1125(d)(1)(A)(i).

⁶⁰ UDRP, para 4(b)(i).

⁶¹ GILSON ON TRADEMARKS, § 2.03[4][d] (“Just as with descriptive terms, a trademark or trade name that consists of a personal name (first name, surname, or both) is entitled to legal protection only if it attains secondary meaning.”).

⁶² 15 U.S.C. § 1129(1)(A).

market advocates may well support domain name speculators who run clickfarms. Others may be disappointed that the Internet will likely be unable to reach its full potential as a global communications medium if more and more of its online addresses are taken up by poorly maintained clickfarms advertising products that few people want.⁶³

Nevertheless, even those who support regulation to preserve the potential of the Internet by reining in clickfarming face the problem of identifying: (a) a theoretical rationale for regulation; (b) an entity with constitutional competence to regulate; and, (c) a party or group with sufficient standing to enforce any regulations that may be developed. These are extremely difficult questions, and this article focuses predominantly on the first. The idea is that without a clear theoretical basis for regulating, the following questions are moot. With no clear theoretical idea of the basis for regulations, it does not matter who theoretically *might* regulate or how those regulations might be enforced.⁶⁴

B. SPECIFIC INCONSISTENCIES AND POSSIBLE SOLUTIONS

1. Personal Names

This sub-Part addresses specific instances of the regulatory inconsistencies identified in the previous section. It focuses on particular kinds of words and phrases commonly registered in modern domain name markets. Trademarks are no longer the coin of the realm in these markets as the most intuitively trademark-focused domain names are now in the hands of trademark holders. Current battles revolve around other words and phrases. One obvious example is personal names. Personal names have come to the forefront of many modern domain name battles because of their obvious commercial value and their uncertain trademark status.⁶⁵ Many famous people cannot necessarily assert trademarks in their personal names.⁶⁶ This is especially true of famous

⁶³ KESMODEL, *supra* note ___, at 138 (“Although domain parking clearly has been good for investors and networks, the level of value the sites offer to consumers has been hotly debated. Some critics say the proliferation of the bare-bones [clickfarms] has sullied the Internet. Some liken the millions of ad-bloated sites to an endless stream of billboards along a highway, distracting drivers and ruining the scenery.”)

⁶⁴ This is a bit of an oversimplification, because in reality the three regulatory questions overlap to some extent. One might argue that in the absence of a competent regulating entity, the idea of formulating theory is arguably moot because no body could meaningfully implement relevant policies. Even if there is a competent entity – or entities – that might implement policy in new regulations, the regulations will be meaningless if aggrieved persons either do not have standing or do not have sufficient access to dispute resolution forums to enforce them. Nevertheless, there is some value in focusing on theory of regulation as an initial matter. There are currently bodies who implement regulations, albeit in a piecemeal way. They include ICANN, UDRP arbitrators, and domestic courts. The increasing pace of UDRP arbitrations over the year also suggests that there is a significant body of complainants with sufficient standing to enforce existing regulations – even if they are currently obliged to frame their complaints in trademark terms.

⁶⁵ GILSON ON TRADEMARKS, § 2.03[4][d] (“Just as with descriptive terms, a trademark or trade name that consists of a personal name (first name, surname, or both) is entitled to legal protection only if it attains secondary meaning.”).

⁶⁶ *id.*

people who do not use their names in commerce: for example, politicians and some other public figures.⁶⁷

Domain name speculators often register personal names as domain names with the aim of defending against any subsequent complaints on the basis of either a lack of a trademark interest in the hands of the complainant, or possibly a lack of bad faith conduct on the part of the registrant.⁶⁸ It is usually relatively easy for domain name speculators to beat famous people to registration of their names because many famous individuals, unlike trademark holders, do not have, plan for, or even desire, an Internet presence.⁶⁹ Thus, many valuable personal names are not initially registered by the people to whom the names relate. The failure by those individuals to register the names leaves ample opportunity for cybersquatters, clickfarmers and others to profit from the names. The failure to register is also understandable because a name is supposed to be used once it is registered. A registrant has to do something with the associated website. Many famous people do not want to use the names at all. They simply do not want other people to register them.⁷⁰

Personal name conflicts in the domain space have involved all kinds of people: actors,⁷¹ singers,⁷² sports stars,⁷³ politicians,⁷⁴ prominent business people,⁷⁵ and other

⁶⁷ Lipton, *Celebrity in Cyberspace*, *supra* note ____, at 1462-1468 (describing mismatch between trademark law and the status of the personal names of politicians and public figures). See also Jacqueline Lipton, *Who Owns 'hillary.com'? Political Speech and the First Amendment in Cyberspace*, 49 BOSTON COLLEGE LAW REVIEW 55 (2008).

⁶⁸ *William J Clinton v Web of Deception*, Claim Number: FA0904001256123, National Arbitration Forum, full text available at <http://domains.adrforum.com/domains/decisions/1256123.htm>, last viewed on August 10, 2009. Registrant of <williamclinton.com>, <williamjclinton.com> and <presidentbillclinton.com>, argued that the complainant had no trademark rights in his personal name, and that the registrant had not registered and was not using the names in bad faith. Although the former President established trademark rights in his personal name, the registrant's bad faith argument was successful and the arbitrator did not order transfer of the names to the former President.

⁶⁹ See discussion of the dispute involving the name "juliaroberts.com" in Jacqueline Lipton, *Beyond Cybersquatting: Taking Domain Name Disputes Past Trademark Policy*, 40 WAKE FOREST LAW REVIEW 1361, 1414-1415 (2005) [hereinafter, *Beyond Cybersquatting*].

⁷⁰ *id.*

⁷¹ *Julia Fiona Roberts v Russell Boyd*, WIPO Case No. D2000-0210, 30 May, 2000 (available at <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0210.html>) (involving juliaroberts.com domain name); *Tom Cruise v Alberta Hot Rods*, WIPO Case No D2006-0560, 5 July, 2006 (available at <http://www.wipo.int/amc/en/domains/decisions/html/2006/d2006-0560.html>) (involving tomcruise.com domain name); *Kevin Spacey v Alberta Hot Rods*, National Arbitration Forum Claim No 114437, August 1, 2002 (available at <http://www.arb-forum.com/domains/decisions/114437.htm>) (involving the domain name kevinspacey.com).

⁷² See, for example, *Bruce Springsteen v Jeff Burgar and Bruce Springsteen Club*, WIPO Case No. D2000-1532, Jan. 25, 2001 (available at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-1532.html>) (involving bruce.springsteen.com domain name); *Madonna Ciccone v Dan Parisi*, WIPO Case No. D2000-0847, Oct. 12, 2000 (available at <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0847.html>) (involving Madonna.com domain name); *Experience Hendrix LLC v Denny Hammerton*, WIPO Case. No. D2000-0364, August 2, 2000, *aff'd* August 15, 2000 (available at <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0364.html>) (involving jimihendrix.com domain name).

⁷³ See, for example *Bjorn Borg v Miguel Garcia*, WIPO Case No. D2007-0591, June 21, 2007 (available at: <http://www.wipo.int/amc/en/domains/decisions/html/2007/d2007-0591.html>) (involving the domain name bjornborg.com).

public figures.⁷⁶ Additionally, some disputes have involved the names of private individuals, although these are less common because non-famous names are less valuable to domain name speculators.⁷⁷ The recorded conflicts evidence a variety of motivations for registration, including commercial and expressive purposes, and combinations of both. For example, a private individual registered the domain name “bruce springsteen.com” for an unauthorized fan site about the popular singer, Bruce Springsteen.⁷⁸ This is by and large an expressive purpose, although it is also possible for fan site operators to make commercial profits by charging fees to join a fan club or subscribe to a newsletter, or by operating a clickfarm on the website.⁷⁹

As this article is focused on the extent to which a better theory of domain name regulation could help with current domain name problems, a question arises as to whether such a theory would help with personal names. While existing regulations have been premised on trademark policy, the regulations have been skewed towards protection of trademarks.⁸⁰ Trademark policy does not always provide the best protection for personal names. A pure trademark focus, for example, fails to explain the regulatory impulse behind § 1129(1)(A) of the Lanham Act – the *sui generis* personal name protections against cybersquatting. Clearly, the legislature saw a need to protect personal names. However, Congress’s actions cannot be explained solely with respect to trademark policy. There must be some other theoretical justification.

The unjust enrichment model might help with personal names. Unjust enrichment theory does not require a trademark or even a generic property right to ground a claim for relief. Table 2 contains examples of five hypothetical scenarios involving personal domain names. The subsequent discussion illustrates how the adoption of a clearer policy basis for the domain space – potentially based on unjust enrichment - might help to resolve the conflicts arising in these scenarios.

⁷⁴ *William J Clinton v Web of Deception*, Claim Number: FA0904001256123, National Arbitration Forum, full text available at <http://domains.adrforum.com/domains/decisions/1256123.htm>, last viewed on August 10, 2009; *Hillary Rodham Clinton v Michele Dinoia*, National Arbitration Forum Claim No FA0502000414641, March 18, 2005 (full text available at <http://www.arb-forum.com/domains/decisions/414641.htm>); *Kathleen Kennedy Townsend v Birt*, WIPO Case No D2002-0030, April 11, 2002 (available at <http://www.wipo.int/amc/en/domains/decisions/html/2002/d2002-0030.html>).

⁷⁵ *Trudeau v Lanoue*, 2006 U.S. Dist. LEXIS 7956 (2006); *Stephan Schmidheiny v Steven Weber*, 285 F. Supp. 2d 613 (2003).

⁷⁶ *Anna Nicole Smith v DNS Research Inc*, Claim No. FA0312000220007, National Arbitration Forum, Feb 21, 2004 (available at: <http://www.adrforum.com/domains/decisions/220007.htm>) (involving annanicolesmith.com domain name); *The Hebrew University of Jerusalem v Alberta Hot Rods*, WIPO Case No. D2002-0616, October 7, 2002, (available at <http://www.wipo.int/amc/en/domains/decisions/html/2002/d2002-0616.html>) (involving a complaint with respect to the domain name <alberteinstein.com>).

⁷⁷ *Paul Wright v Domain Source Inc.*, 2002 U.S. Dist. LEXIS 16024 (2002).

⁷⁸ *Bruce Springsteen v Jeff Burgar and Bruce Springsteen Club*, WIPO Case No. D2000-1532, Jan. 25, 2001 (available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1532.html>).

⁷⁹ Lipton, *Clickfarming*, *supra* note ____, at 16 (describing practice of clickfarming on personal names).

⁸⁰ Lipton, *Beyond Cybersquatting*, *supra* note ____, at 1363 (“current dispute resolution mechanisms are focused on the protection of commercial trademark interests, often to the detriment of other socially important interests that may inhere in a given domain name.”)

Table 2: Hypothetical Scenarios Involving Personal Names in the Domain Space

Scenario 1. An individual registers a domain name corresponding with the name of an internationally famous Democrat ex-president with a view to illuminating the lack of regulation for cybersquatting on personal names. Ultimately, he directs the domain name to a website containing information posted by the Republican National Committee. He makes no attempt to sell the name to the ex-president or to anyone else.⁸¹

Scenario 2. An individual registers a domain name corresponding with the name of a minor celebrity known mainly for her reality TV show. She rose to fame as a model with a weight problem who married a wealthy millionaire, but does not use her name to sell any particular products or services. The registrant would be prepared to sell the name to her for an acceptable fee.⁸²

Scenario 3. An individual registers a domain name corresponding with the name of a famous movie star for an unauthorized fan site containing click-on advertisements. It is clear from the content of the website that it is not the “official” fan site for the movie star. The click-through advertisements on the website are unrelated to any of the movie star’s professional activities. The registrant makes no attempt to sell the name, although, she would be prepared to consider an offer if it was forthcoming.⁸³

Scenario 4. An individual registers a domain name corresponding with the name of a famous movie star. She puts minimal content on the associated website – a two paragraph plain text description of the actor’s movies. She conducts no commercial activities from the website and makes no offer to sell the name.

Scenario 5. A young, little known junior senator from the midwest makes a speech at the Democratic National Convention. It is a major hit with the people. The next day the national newspapers are abuzz with speculation that the senator is going to be the next major star of the Democratic Party and may even run for president in a subsequent election. A domain name entrepreneur registers the senator’s name as a domain name, thinking that it may be valuable one day.

It is difficult to apply existing domain name regulations to these scenarios. The first hurdle in all five scenarios is that the complainant needs a trademark in his or her personal name for the most affordable avenue of recourse - a UDRP arbitration.⁸⁴ This

⁸¹ This hypothetical is based on: *William J Clinton v Web of Deception*, Claim Number: FA0904001256123, National Arbitration Forum, full text available at <http://domains.adrforum.com/domains/decisions/1256123.htm>, last viewed on August 10, 2009.

⁸² This hypothetical is based on: *Anna Nicole Smith v DNS Research Inc*, Claim No. FA0312000220007, National Arbitration Forum, Feb 21, 2004 (available at: <http://www.adrforum.com/domains/decisions/220007.htm>) (involving annanicolesmith.com domain name).

⁸³ This hypothetical is based on: *Tom Cruise v Alberta Hot Rods*, WIPO Case No D2006-0560, 5 July, 2006 (available at <http://www.wipo.int/amc/en/domains/decisions/html/2006/d2006-0560.html>) (involving tomcruise.com domain name).

⁸⁴ UDRP, para 4(a)(i).

may be difficult to establish even in the case of famous names.⁸⁵ With respect to Scenario 5, for example, an unknown politician would not likely be successful. However, an unknown politician who later became famous and used his name in commerce – for example, by selling campaign merchandise relating to his name – might later succeed in a UDRP arbitration. In this scenario, he would need to establish that the registrant was using the name in bad faith and not for any legitimate purpose.⁸⁶ An attempt to sell the name for a profit in the course of a subsequent presidential election may satisfy this requirement.

This seems theoretically unsatisfying. There is no clear principle to guide registrants on what conduct is legitimate here. The reliance on the trademark policy rationale underlying the UDRP creates significant uncertainty in relation to its application to personal name disputes. Unjust enrichment theory, on the other hand, might support rules to ensure return of a domain name to a rightful owner – or at least cancellation of the registration - in cases where a registrant had taken unfair commercial advantage of the name. This approach would not interfere with free speech as it would be based on unjust *commercial* enrichments – not on use of another’s name for expressive purposes.

Applying an unjust enrichment approach to Scenario 1 in Table 2, for example, we might find that a registrant who has used a politician’s name for purely expressive and non-commercial purposes should not be subject to a transfer or cancellation order. While at least one UDRP decision supports this result, the underlying theoretical rationale for the decision is trademark policy. In other words, applying the UDRP as written, an arbitrator found that, although former President William J Clinton did have a trademark in his personal name, the registrant was not acting in bad faith in registering the name for an expressive purpose.⁸⁷ It would make more sense as a matter of theory and practice for such disputes to be decided not on the grounds of trademark policy, but on the grounds of unjust enrichment. An unjust enrichment rationale would support the development of new regulations that do not require individuals to rely on trademarks in their personal names in order to seek relief.

The ACPA personal name action provides an example of a regulation that arguably evidences an unjust enrichment rationale, even though it is incorporated into

⁸⁵ *Bruce Springsteen v Jeff Burgar and Bruce Springsteen Club*, WIPO Case No. D2000-1532, Jan. 25, 2001, ¶6 (available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1532.html>) (“It appears to be an established principle from cases such as Jeanette Winterson, Julia Roberts, and Sade that in the case of very well known celebrities, their names can acquire a distinctive secondary meaning giving rise to rights equating to unregistered trade marks, notwithstanding the non-registerability of the name itself. It should be noted that no evidence has been given of the name "Bruce Springsteen" having acquired a secondary meaning; in other words a recognition that the name should be associated with activities beyond the primary activities of Mr. Springsteen as a composer, performer and recorder of popular music. In the view of this Panel, it is by no means clear from the UDRP that it was intended to protect proper names of this nature. As it is possible to decide the case on other grounds, however, the Panel will proceed on the assumption that the name Bruce Springsteen is protected under the policy; it then follows that the domain name at issue is identical to that name.”)

⁸⁶ UDRP, paras 4(b) and (c).

⁸⁷ *William J Clinton v Web of Deception*, Claim Number: FA0904001256123, National Arbitration Forum, full text available at <http://domains.adrforum.com/domains/decisions/1256123.htm> , last viewed on August 10, 2009.

trademark legislation.⁸⁸ The provision does not require a complainant to establish a trademark in her name in order to bring an action against a cybersquatter. The provision is limited in operation in that the cybersquatter must have a clear sale motive. Thus, the operation of a clickfarm under another person's name will not run afoul of its terms. This provision would thus be irrelevant to Scenario 3 in Table 2 for example. This scenario involves an unauthorized fan website including a commercial clickfarm. However, the provision would likely apply to Scenario 2. This scenario is more of a straightforward cybersquatting case.

These results on personal name disputes are unsatisfying and piecemeal. Some commercial activities are proscribed by legislation while others are not. The *sui generis* ACPA provision is also limited because it is stand-alone legislation in the United States with no analogs in other jurisdictions. Unless a complainant can establish a nexus with the United States, and can assert personal jurisdiction over a defendant, the provision will be useless. In any event, the costs of litigation may be prohibitive for many personal name complainants.

The use of an unjust enrichment rationale to support the development of more accessible personal domain name regulations may be useful for future practice in the domain space. This approach would support the drafting of simple dispute resolution procedures like the UDRP, but more broadly based on preventing unjust commercial profits relating to the use of another person's name in the domain space.⁸⁹ A restitutionary approach still leaves ample room to protect purely expressive uses of personal names. In other words, the conduct of the registrants in Scenarios 1 and 4 in Table 2 would likely be protected as they relate predominantly to speech and do not implicate commerce. Scenario 3 is more problematic – the unauthorized fan website that contains a clickfarm – because it combines commercial profits with expression. Nevertheless, a restitutionary policy rationale for regulation would assist in developing the appropriate contours for dealing with these kinds of situations in practice.

2. Culturally and Geographically Significant Words and Phrases

The regulatory matrix is more complex in the area of culturally and geographically significant words and phrases such as ubuntu, ularu, and amazon. These kinds of words only attain trademark status if they have sufficient secondary meaning in association with the offering of goods or services.⁹⁰ It is important for these terms to be available for legitimate expressive uses in the domain space.⁹¹ For example, traders from a particular region will often want to use a geographic term to indicate the geographical source of the goods, as opposed to the manufacturing source.⁹² Any regulation that

⁸⁸ 15 U.S.C. § 1129(1)(A).

⁸⁹ See, for example, Lipton, *Celebrity in Cyberspace*, *supra* note ____, at 1512-1526 (crafting a new personal domain name dispute resolution policy along similar lines).

⁹⁰ LINDSAY, *supra* note ____, at 225.

⁹¹ *id.*, at 225-226.

⁹² *id.*, at 225 (“The inclusion of a geographical term in a registered trade mark always gives rise to particular difficulties. The difficulties arise because, although it may be desirable to use a geographical term to indicate the source of goods or services, registration would prevent the legitimate use of the geographical term in a descriptive sense by other traders.”)

inhibits the use of a geographical or cultural term in the domain space must take into account the delicate balance of uses to which such a term may be put in practice. The lack of a principled theoretical basis for domain name regulation has hindered the development of effective regulations in the context of cultural and geographic indicators.⁹³ Consider the hypothetical scenarios in Table 3.

Table 3: Hypothetical Scenarios Involving Cultural and Geographic Indicators in the Domain Space

Scenario 1. A popular online bookstore registers a domain name that corresponds with the name of a famous landmark. A group of manufacturers located near the landmark that uses its name in marketing their products and services wish to use the name in the domain space.⁹⁴

Scenario 2. The official tourist bureau for a popular skiing region utilizes the name of the region in its domain name. A trademark holder with registered trademark interests in the relevant term seeks transfer of the domain name.⁹⁵

Scenario 3. A domain name speculator registers a group of domain names corresponding with well-known geographical terms in the hopes of making money from clickfarms on associated websites. Her aim is to target Internet users who might be seeking information about the geographic locations. The click-through advertisements are not specifically associated with any of the geographic locations.

Scenario 4. The President of the United States happens to have a last name that corresponds with the name of a city in Japan. The “.com” domain name relating to the name is registered to the city offices for the Japanese city. The President wants to use the name for his new online open government initiative.

As was the case with the personal name scenarios in Table 2, the available domain name regulations focus on trademark policy. A complainant who cannot establish a trademark in a geographic or cultural term will have little meaningful recourse against a registrant. In some cases, the registrant itself may hold a valid trademark in the name – such as the amazon.com domain name in Scenario 1 in Table 3. Thus, the regulations would protect that registrant against challenges from those with other interests in the domain name.⁹⁶ It is an open question whether this is an appropriate result

⁹³ *id.*, at 224-225 (noting that the World Intellectual Property Organization has, to date, declined to develop specific protections for geographical terms because of the lack of clear international principles on which such protections might be based).

⁹⁴ *id.*, at 229 (describing the example of the amazon.com trademark).

⁹⁵ This hypothetical is loosely based on: *Kur- und Verkehrsverein St Moritz v StMoritz.com*, WIPO Case No D2000-0617 (17 August, 2000).

⁹⁶ For a more detailed discussion of the issue of multiple competing interests in a domain name, see discussion in Jacqueline Lipton, *A Winning Solution for YouTube and Utube? Corresponding Trademarks and Domain Name Sharing*, 21 HARVARD JOURNAL OF LAW AND TECHNOLOGY 509 (2008) [hereinafter, *YouTube and Utube*]

as a matter of policy. In other words, the regulatory approach has been taken by default that trademark rights take precedence over other legitimate interests.⁹⁷ Questions relating to the balance of competing legitimate interests in the domain space are beyond the scope of this discussion, although the author has addressed them elsewhere.⁹⁸ The focus of this article is on creating a more coherent theoretical framework to regulate unfair or unjust conduct in the domain space.

Existing regulations generally protect purely expressive uses of a domain name as legitimate uses, even against trademark holders. Thus, the trademark holder in Scenario 2 will likely be out of luck provided that the tourist bureau is using the name for expressive, rather than commercial, purposes.⁹⁹ The lines between expressive and commercial uses may become blurred if the registrant has a dual purpose in registering the name. Not all commercial purposes are in bad faith, although courts and arbitrators may be more protective of purely expressive uses than of other uses. While a number of adjudicators have been sympathetic to those with expressive purposes, it is worth pointing out that free speech is not expressly identified as a legitimate use in either the ACPA or the UDRP.¹⁰⁰ It is not impossible that a registrant whose primary motivation is expressive could be found to be acting in bad faith.

Scenarios 3 and 4 in Table 3 raise complex issues that are not particularly well dealt with under current regulations. While some of the domain names in Scenario 3 may correspond with trademarks, they are also general terms that might attract Internet users to the registrant's clickfarm irrespective of any association with a particular mark. While it is possible that the registrant had a sale motive in the back of her mind when she registered the names, it is not clear that her actions are in bad faith in the traditional cybersquatting sense. The registration of multiple domain names corresponding with other people's trademarks is an express bad faith factor under both the ACPA and the UDRP.¹⁰¹ However, the registration of domain names corresponding with cultural and geographic terms that *may* correspond in some cases with trademarks is not the same as the intentional registration of trademarks in the domain space. The motivations for the conduct are different. Unlike traditional cybersquatting, the former scenario relies on happenstance. If it happens that a domain name relates to someone's trademark, the registrant might serendipitously profit from clickfarm custom by Internet users seeking the trademark holder's official website.

The trademark-focused provisions of the UDRP and other domain name regulations are confusing in application in situations like Scenario 3. As the policy

⁹⁷ Lipton, *Beyond Cybersquatting*, *supra* note ____, at 1363 ("current dispute resolution mechanisms are focused on the protection of commercial trademark interests, often to the detriment of other socially important interests that may inhere in a given domain name.")

⁹⁸ See discussion in Lipton, *YouTube and Utube*, *supra* note ____,; Lipton, *Commerce versus Commentary*, *supra* note ____.

⁹⁹ See *Kur- und Verkehrsverein St Moritz v StMoritz.com*, WIPO Case No D2000-0617 (17 August, 2000).

¹⁰⁰ In October, of 2006, however, under the Trademark Dilution Revision Act, criticism and commentary has been inserted into the Lanham Act as a defense for trademark dilution: 15 U.S.C. § 1125(c)(3)(A)(ii).

¹⁰¹ 15 U.S.C. § 1125(d)(1)(B)(i)(VIII); UDRP, para 4(b)(ii).

underpinnings for the regulations lie in trademark protection, there is no guidance to arbitrators and judges as to the correct approach to disputes involving these kinds of names. Presumably, in many situations like Scenario 3, arbitrators and judges will find the registrant's use of relevant terms to be legitimate. If there was no motive to profit from someone else's trademark, the application of rules based largely on trademark policy are not very helpful. This is evidenced in Row 3 of Table 1, *supra*, suggesting that most uses of cultural and geographic words that are not trademarked are legitimate.

Current trademark-focused policy has nothing to say about whether this is in fact the right result in the domain space as a matter of more general theory. It is not clear whether we need specific regulations to protect cultural and geographic indicators that are not trademarked. If so, such regulations might usefully be based on unjust enrichment. Irrespective of trademark interests, it may be worthwhile to develop rules that prevent, say, clickfarmers from making commercial profits that capitalize on words and phrases that have particular significance to one or more cultural groups, even if that significance is not manifested in a trademark or other property right. In some cases, the words and phrases may have a proprietary connection with a particular cultural group, but more likely than not, an unjust enrichment rationale will be the best fit. Under this rationale, it would be possible to develop rules based on the notion that a registrant should not be unjustly enriched at the expense of a group of people with a legitimate interest in a particular word or phrase.

Scenario 4 in Table 3 is another problematic situation. It does not involve any trademarks at all, unless the Japanese city officials have trademarked the city's name or the President has established sufficient secondary meaning in his name to support a trademark.¹⁰² In the absence of trademark rights, current regulations give little guidance as to who has a better right to the domain name. It is an open question whether any set of rules should be developed for rare scenarios like this. It may be preferable to deal with them on a case by case basis. In any event, the adoption of a theoretical basis for domain name regulation based on unjust enrichment may be helpful in delineating the kinds of conduct that should *not* be regulated at all. A regulatory approach premised on unjust enrichment at the expense of another would militate against regulating situations like Scenario 4 in Table 3. The adoption of a clear theoretical basis for domain name regulation that is broader than mere trademark policy may better delineate which situations require regulation and which simply involve a balance of competing legitimate interests in the domain space. Scenario 4 is likely an example of the latter.

¹⁰² High-level politicians have had some success in establishing trademarks in their personal names: *William J Clinton v Web of Deception*, Claim Number: FA0904001256123, National Arbitration Forum, full text available at <http://domains.adrforum.com/domains/decisions/1256123.htm>, last viewed on August 10, 2009 ("Reluctantly, the Panelist concludes that President Clinton has established a common law mark in his name. A mark is a secondary identifier of the source of goods and services. President Clinton's best-selling books are probably enough to qualify his personal name as a common law mark."); *Hillary Rodham Clinton v Michele Dinoia*, National Arbitration Forum Claim No FA0502000414641, March 18, 2005 (full text available at <http://www.arb-forum.com/domains/decisions/414641.htm>) ("The Panel finds that Complainant's uncontested allegations establish common law rights in the HILLARY CLINTON mark sufficient to grant standing under the UDRP. Complainant alleges that the HILLARY CLINTON mark has become distinctive through Complainant's use and exposure of the mark in the marketplace and through use of the mark in connection with Complainant's political activities, including a successful Senate campaign.")

3. Generic Terms

Generic terms raise another set of regulatory and policy issues to those discussed above. Generic terms are broader than other classes of words and phrases in the domain space. They include words like love, joy, business, and hope, not to mention sex, the subject of one of the most intriguing domain name battles fought outside the bounds of trademark law.¹⁰³ More recently, P2P.com has been the subject of controversy in the domain space.¹⁰⁴ Generic terms are generally neither trademarked nor trademarkable, subject to some relatively rare exceptions.¹⁰⁵ Nevertheless, they are often valuable cyber-realty. A survey of the top twenty-five reported domain name sales at the end of 2007 illustrates that generic terms generally raised the largest sales revenues of any domain names.¹⁰⁶ “Porn.com” raised almost ten million dollars, while “business.com” and “diamond.com” tied at seven and a half million apiece.¹⁰⁷ Even names like “fish.com” raised just over a million dollars, while “if.com” and “rock.com” tied at a million.¹⁰⁸

Again, current trademark-focused rules are a poor fit for conflicts that arise in relation to generic domain names. A registrant of multiple generic terms in the domain space may have a variety of commercial and expressive motives, none of which likely have anything to do with interfering with a trademark holder’s rights. There is a healthy and active market in generic domain names that has developed outside the realm of existing trademark-focused regulations.¹⁰⁹ This raises a number of issues for regulators, including the foundational question as to whether there is ever a valid theoretical justification for regulating generic domain names. The answer to this question depends on how much of a free market approach one is prepared to take with respect to the domain space.

To the extent that regulations have been found wanting in the context of generic terms, the underlying theoretical quandary has related to the categorization of generic names as intangible property. In other words a property rights rationale for domain name regulation potentially comes into play here. For example, the “sex.com” domain name was the subject of a conversion action under Californian tort law.¹¹⁰ This dispute arose in circumstances where the name was, in effect, converted for the purposes of the

¹⁰³ *Kremen v Cohen*, 337 F 3d 1024 (9th Cir 2003) (finding domain name to be property for the purposes of the Californian statutory tort of conversion).

¹⁰⁴ Purva Patel, *Not Masters of Their (Web) Domains After All: Stolen Internet Names Difficult to Track*, Houston Chronicle, August 5, 2009, available at <http://www.chron.com/disp/story.mpl/tech/news/6560302.html>, last viewed on August 10, 2009 (involving “p2p.com” domain name).

¹⁰⁵ LINDSAY, *supra* note ____, at 352 (“A generic term is a name of a product or service itself. Given that, by definition, a generic term cannot operate to distinguish the source of goods or services, it might be thought that anyone should be free to register a generic term as a domain name. What is generic in one part of the world may, however, be distinctive in another part of the world. Moreover, a term that is descriptive rather than generic may become distinctive and acquire trade mark rights.”)

¹⁰⁶ KESMODEL, *supra* note ____, at 193.

¹⁰⁷ *id.*

¹⁰⁸ *id.*

¹⁰⁹ *id.*, at 24, 30.

¹¹⁰ *Kremen v Cohen*, 337 F 3d 1024 (9th Cir 2003).

Californian statute by a fraudulent request to the registering authority to transfer the name to a party who had no legal entitlement to the name. A similar situation arose more recently in the case of the “P2P.com” domain name. Registrants of generic names that are “stolen” in this way have very little guidance as to their rights. The regulatory impulse to date has been to gravitate towards property theory and explain the conflict in terms of the misappropriation of another’s property.

However, as noted in Part II.B, property analogies can be problematic in the domain space because they never apply perfectly to the virtual world. The attraction of the property theory is that it fits the way people routinely think about domain names. Markets for trading in domain names have developed over the years, and people treat the domain names as proprietary assets.¹¹¹ Despite the market approach, the judicial verdict has been less clear. While some judges have accepted domain names as intangible property, others have not.¹¹² This might be a good time in the development of domain name jurisprudence to make a clear decision one way or the other. In other words, regulators could make a policy decision to accept domain names as a form of property, and thus accept a property rights rationale for their regulation. This would include allowing more ready access to trespass and conversion actions in cases involving generic domain names. Alternatively, regulators could make the opposite decision and deny domain names proprietary status. Any subsequent regulations might then have to be based on an unjust enrichment rationale.

This article suggests that the property model may be preferable for several reasons. It best accords with the way market participants relate to domain names. Even though a domain name is a form of contractual license from a registering authority to a registrant,¹¹³ it results in a valuable asset that is freely traded on the open market, and that is occasionally stolen by a bad faith actor. Even though a transfer of a domain name is, in reality, a de-registration to the original registrant and re-registration to the new registrant, it is now treated routinely as a seamless transfer as if the name was being handed directly from the original registrant to the new registrant. Further, the acceptance of a property rights rationale for regulating generic domain names could take advantage of existing property based laws such as theft and conversion and simply extend them judicially to virtual property. An non-proprietary unjust enrichment rationale, on the other hand,

¹¹¹ *id.*, at 1030 (“like other forms of property, domain names are valued, bought and sold, often for millions of dollars”).

¹¹² *Kremen v Cohen*, 337 F 3d 1024 (9th Cir 2003) (accepting domain names as property for the purposes of Californian statutory conversion action); *Network Solutions v Umbro International*, 529 S.E. 2d 9- (Va. 2000) (court not prepared to accept domain names as property for the purposes of a garnishment action); Purva Patel, *Not Masters of Their (Web) Domains After All: Stolen Internet Names Difficult to Track*, Houston Chronicle, August 5, 2009, available at <http://www.chron.com/disp/story.mpl/tech/news/6560302.html>, last viewed on August 10, 2009 (“domain names aren't physical property, but a right to contract ... because owners pay for the right to use the name”, citing Mr Jeff Becker, an intellectual property attorney from Dallas).

¹¹³ Purva Patel, *Not Masters of Their (Web) Domains After All: Stolen Internet Names Difficult to Track*, Houston Chronicle, August 5, 2009, available at <http://www.chron.com/disp/story.mpl/tech/news/6560302.html>, last viewed on August 10, 2009 (“domain names aren't physical property, but a right to contract ... because owners pay for the right to use the name”, citing Mr Jeff Becker, an intellectual property attorney from Dallas).

would necessitate going back to the drawing board in terms of drafting appropriate regulations.

4. Typosquatting

Typosquatting has been defined as: “taking advantage of common misspellings made by Internet users who are looking for a particular site of a particular provider of goods or services, in order to obtain some benefit therefrom.”¹¹⁴ This definition covers typosquatting in relation to trademarks, but theoretically one could just as easily squat on other words and phrases. One might register common misspellings of generic words, personal names, and cultural or geographic indicators in the hope of attracting Internet custom. For example, a domain name speculator who could not afford to bargain for “porn.com”¹¹⁵ might just as easily register “pron.com” in the hope of attracting customers.¹¹⁶ Such conduct is unlikely to amount to bad faith or to be regulated in any way under existing domain name rules because it does not implicate any trademark interests. The most common forms of typosquatting involve trademarks and, to some extent, personal names.¹¹⁷

Typosquatting that involves misspelling of a trademark is currently regulated by the ACPA and the UDRP. Each of these rules covers situations where the domain name is identical *or confusingly similar* to a trademark.¹¹⁸ However, where a domain name corresponds with a person’s name, the complainant will be out of luck unless she can establish a trademark in her name. The *sui generis* prohibitions on personal name cybersquatting in the Lanham act do not cover registrations of domain names that are confusingly similar to a person’s name.¹¹⁹ They only cover registration of the person’s actual name in the domain space. Misspellings of generic, cultural, and geographic terms that do not correspond with trademarks do not currently raise the specter of regulation. There is perhaps no reason why they should, but again it is a question that has not received any meaningful regulatory attention.

Typosquatting, particularly with respect to trademarks and some personal names, should be an easy issue in the regulatory context. The fact that someone has gone to the trouble of registering a deliberate misspelling of someone else’s mark or name suggests a bad faith motive in and of itself. It may therefore raise an initial presumption of bad faith commercial conduct that should be regulated as a matter of policy. The question then arises as to the basis on which such conduct should be regulated as a policy matter. Typosquatting, at least as it relates to trademarks, can be, and currently is, regulated under the trademark policy rationale.

Under this approach, commercially profitable uses of a misspelling of another’s mark in the domain space attract sanctions, while purely expressive uses do not. We

¹¹⁴ LINDSAY, *supra* note ____, at 259, citing *Shields v Zuccarini*, 254 F 3d 476, 483 (3d Cir, 2001).

¹¹⁵ The actual “porn.com” domain name most recently sold for USD\$9,500,000: KESMODEL, *supra* note ____, at 193.

¹¹⁶ At the time of writing, the domain name “pron.com” was in fact registered for this purpose.

¹¹⁷ See Table 1, *supra*, rows 5 and 6.

¹¹⁸ 15 U.S.C. § 1125(d)(1)(A)(ii)(I) & (II); UDRP, para 4(a)(i).

¹¹⁹ 15 U.S.C. § 1129(1)(A).

might therefore expect the regulation of typosquatting on trademarks to mirror the regulation of “sucks”-type domain names relating to trademarks. While speech should be protected, unfair commercial advantage-taking should not. A brief look back at Table 1 suggests that there are potentially some differences in the application of current regulations to typosquatting as compared with “sucks”-type domain names. It appears that typosquatting more readily attracts sanctions than the registration of “sucks”-type domain names. This is unsurprising given that the deliberate misspelling of a mark is more likely to be undertaken for a commercial purpose than the registration of a “sucks”-type domain name. The latter tend more often to be used for commentary and criticism while the former tend to be used more for unfair commercial advantage.

Over time, savvy domain name speculators have come to use “sucks”-type domains for commercial purposes, hiding behind the pejorative term to clothe their conduct in the guise of speech. As observed by David Lindsay, the use of “sucks”-type domain names in this way has come to be termed “sham speech”.¹²⁰ While still amenable to regulation under a trademark policy rationale, arbitrators and judges approaching sham speech websites must be careful to apply the trademark-protecting laws as robustly as they would in the case of typosquatting.

This discussion has not yet touched on typosquatting on personal names. Many personal names are commercially valuable in spite of the potential lack of trademark protection. This is one reason why Congress adopted specific anti-cybersquatting rules relating to personal names.¹²¹ In the case of typosquatting on a non-trademarked personal name, a trademark policy rationale cannot be the basis for regulation. Presumably, a property rights rationale is likewise not a particularly good fit in the absence of clearly accepted property rights in personal names.¹²² So again, the only viable theoretical justification here would be unjust enrichment. Drawing on unjust enrichment theory, one could develop accessible rules for individuals aggrieved by typosquatting on their names in the domain space for unfair commercial profit motives. This would be similar to the approach that could be taken to better streamline regulations relating to the use of personal names in the domain space more generally.¹²³

IV. THE ROLE OF THE REGISTRY

One piece of the puzzle missing from the preceding discussion relates to the role of domain name registries. A significant advantage of creating a clearer theoretical basis for domain name regulation would, in fact, be increased clarity as to the role and potential liability of domain name registries in domain name disputes. Existing law and policy has been unclear about the extent to which a domain name registry should ever be

¹²⁰ LINDSAY, *supra* note ____, at 262.

¹²¹ 15 U.S.C. §1129(1)(A).

¹²² Mark McKenna, *The Right of Publicity and Autonomous Self-Definition*, 67 U PITT L REV 225, 247 (2005) (“It might be true that identity is sufficiently similar to other objects the law regards as property and therefore deserves at least some of the sticks in the traditional bundle of property rights. But far too few courts and commentators have offered a theory as to why any of the traditional property justifications lead to that conclusion. Such approaches are reflective of the general imprecision that has plagued the right of publicity.”).

¹²³ See discussion in Part III.B.1, *supra*.

liable for bad faith conduct by domain name registrants. There are arguments both for and against the imposition of such liability. In early trademark-focused cases, registries were routinely added as litigants in trademark infringement and dilution actions.¹²⁴ This was an obvious strategy for plaintiffs. The registry was often much easier to locate than the registrant. The registry may also be less impecunious than the registrant. The registry also maintained the necessary contact information about the registrant. Moreover, in early domain name cases, the registry was typically Network Solutions situated in Reston, Virginia.¹²⁵ This made the assertion of jurisdiction under the Lanham Act an easy matter for potential plaintiffs.

The registry was obviously complicit in the registration in that it had taken the registrant's money and handed out a domain name that corresponded with the plaintiff's mark. Thus, it was fairly easy to argue at least contributory trademark infringement or dilution. Because Network Solutions was not particularly well financed and was simply implementing what was initially thought to be a purely technical process, its officers were not trained to detect and prevent trademark infringement.¹²⁶ It was possible to argue that once a registry had knowledge – in the form of a complaint by a trademark holder – that a domain name registration potentially infringed the mark, it should take action to cancel the registration.¹²⁷ While this view has some merit, it potentially puts the registry in the role of having to adjudicate between two competing claims if the registrant itself has asserted a legitimate interest in the domain name. Again, most domain name registries are ill-equipped to determine the appropriate outcome of disputes involving competing claims in a domain name.

Other Internet intermediaries have faced analogous situations. Many Internet service providers have been asked to remove material contributed by their users on the basis that it infringes a copyright,¹²⁸ infringes a trademark,¹²⁹ or is defamatory.¹³⁰ Internet intermediaries are often not in a position to ascertain the validity of these claims

¹²⁴ See, for example, *Lockheed Martin Corp v Network Solutions Inc*, 194 F 3d 980 (9th Cir 1999); Philip Zadeik, *Domain Name Disputes: The United States Experience*, available at <http://library.findlaw.com/1999/Jan/1/129411.html#footnote9>, last viewed on August 10, 2009 (“NSI become concerned when companies who could not work out any resolution started suing NSI.”).

¹²⁵ Early domain name registration over gTLDs was handled by Network Solutions, based in Reston, Virginia: MUELLER, *supra* note ____, at 1-2 (“Reston, Virginia, was ... ground zero of the commercial Internet explosion of the mid-1990s. The region was home to Network Solutions, Inc. (NSI), the government contractor that had turned domain name registration into a multimillion dollar business and that was the site of the critical A root server, the central source of data for coordinating the world's Internet names.”)

¹²⁶ Zadeik, *supra* note ____ (describing early attempts by Network Solutions to avoid having to take on significant costs associated with ascertaining true trademark ownership associated with domain names).

¹²⁷ This was argued unsuccessfully in *Lockheed Martin Corp v Network Solutions Inc*, 194 F 3d 980 (9th Cir 1999).

¹²⁸ *A&M Recording v Napster*, 239 F 3d 1004 (9th Cir 2001) (alleged copyright infringement by operators of popular peer-to-peer file sharing service).

¹²⁹ *Playboy v Netscape*, 354 F 3d 1020 (9th Cir 2004) (alleged trademark infringement by search engine operators).

¹³⁰ *Zeran v America Online*, 129 F 3d 327 (4th Cir 1997) (action against Internet service provider for liability for defamatory comments posted by user of the service).

against, say, a fair use defense asserted by an alleged copyright infringer.¹³¹ Ultimately, Congress has legislated in some of these areas in an attempt to clarify the responsibility of the intermediaries. Thus, § 230 of the Communications Decency Act provides a safe harbor for Internet intermediaries for liability for the speech of others.¹³² This applies significantly in the defamation context to prevent a chilling affect on Internet speech that might result if the gateway services enabling online speech faced legal liability for the speech of others.¹³³ In the copyright context, the Digital Millennium Copyright Act also provides a safe harbor from copyright infringement for Internet service providers that have acted expeditiously in removing infringing material on receipt of a notice by the copyright holder.¹³⁴

The role of domain name registrars in terms of their liability for the conduct of their users has been variously dealt with in the context of domain name regulation. Much of the rule-making here is contractual. Since being joined as defendants in early trademark cases, domain name registries quickly inserted into their registration policies clauses that disclaimed liability for trademark infringement. These clauses squarely placed the onus on registrants to ensure that they were not infringing other people's trademark rights or other legal interests.¹³⁵ The UDRP is a significant part of this contractual approach. It contractually binds registrants to submit to mandatory arbitrations if a trademark owner complains about the registration of the registrant's domain name.¹³⁶ Under the UDRP, the registry represents that it will abide by decisions of arbitrators and domestic courts on matters relating to rights in domain names.¹³⁷ These contractual measures take much of the early pressure off domain name registries by making it clear that they do not – and cannot be expected to – take initial responsibility for bad faith registrations in breach of trademark policy. However, they do not go much beyond trademark policy.

While UDRP arbitrators may squeeze disputes involving domain names of unclear trademark status within their jurisdiction, the expressed justification must always be finding a trademark interest in a word or phrase in the domain space. In other words, a UDRP arbitrator, seeking to be sympathetic to the holder of an interest in a personal name or geographic term, might order the transfer a domain name corresponding to such a term to the complainant. However, in these cases the arbitrator must find a trademark

¹³¹ 17 U.S.C. § 107 (fair use defense to copyright infringement).

¹³² 47 U.S.C.A. § 230(c)(1).

¹³³ Examples include *Zeran v America Online*, 129 F 3d 327 (4th Cir 1997), *Blumenthal v Drudge*, 992 F Supp 44 (D.D.C. 1998).

¹³⁴ 17 U.S.C. § 512(c).

¹³⁵ UDRP, para 2 (“By applying to register a domain name, or by asking us to maintain or renew a domain name registration, you hereby represent and warrant to us that (a) the statements that you made in your Registration Agreement are complete and accurate; (b) to your knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party; (c) you are not registering the domain name for an unlawful purpose; and (d) you will not knowingly use the domain name in violation of any applicable laws or regulations. It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights.”)

¹³⁶ UDRP, para 4(a).

¹³⁷ UDRP, para 3(b) & (c).

right in that name or term on which to base the transfer order. There is simply no action available under the UDRP without a trademark.¹³⁸

This fact may have caused some arbitrators to readily accept trademarks in words that have not unequivocally achieved this status.¹³⁹ The fact that the UDRP is the most accessible avenue of recourse for domain name complainants might motivate some arbitrators too readily to find trademarks in personal names, and cultural and geographic indicators. This in itself may be a sufficient argument for identifying and developing theoretical justifications for domain name regulation outside of trademark policy.

At this point in time, the adoption of regulations that are accessible to disputants, but that encompass broader policy aims, such as the prevention of unjust enrichment more generally, may be a useful development that will lead to more coherent regulations in the future. Such an approach may be instructive not only for domain name disputes *per se*, but also for disputes involving Internet search engines more generally. Also, the forthcoming extension of the domain space to incorporate new gTLDs would benefit from a clearer understanding of the kinds of policies that should be reflected in the resolution of disputes involving domain names.¹⁴⁰

The adoption of a broader and more coherent theoretical framework for domain name disputes would bring with it a need to clarify the extent to which domain name registries might be held liable for infringements of protected interests in domain names. In the trademark policy arena, a decision has already been made that registries are not generally required to take initial responsibility for the registration of trademarked terms, but are required to abide by remedies granted by arbitrators and courts.¹⁴¹ As a cost-benefits exercise, this makes sense, particularly given the easily accessible mechanism now available for trademark holders to protect their interests under the UDRP.

The question remains as to whether there are other areas of domain name policy that may require a different balance of interests in terms of the potential liability of registrars for conduct of registrants. The obvious example is the relatively rare situation involving conversion or theft of domain names, secured by a wrongdoer fraudulently approaching a registrar for transfer of a name originally registered to someone else. These situations raise a different cost-benefits analysis to the trademark policy issues addressed by the UDRP. In the case of fraudulent conversions of domain names involving generic terms the domain name registry is implicated in a different way to the way in which it is typically involved in a trademark-focused dispute. In the latter situation, the registry is simply performing its typical functions of processing often large

¹³⁸ UDRP, para 4(a)(i).

¹³⁹ With respect to personal names, see, for example, Lipton, *Celebrity in Cyberspace*, *supra* note ___, at 1527 (“The continued development of personal domain name jurisprudence based on trademark principles threatens to warp the boundaries of trademark law and to unjustifiably extend trademark practice online into areas where the alleged trademarks are mere fictions.... In any event, the application of the trademark-based UDRP to personal domain name disputes is clearly creating inconsistent results.”).

¹⁴⁰ Farley, *supra* note ___ (generally criticizing the proposal for new gTLDs for its unclear policy underpinnings that are overly focused on trademark principles).

¹⁴¹ UDRP, para 3(b) & (c).

volumes of applications for currently unregistered domain names. In contrast, the former situation involves a request to transfer a domain name from an existing registrant into the hands of a new registrant. In these cases, it is reasonable to expect the registry to be at least a little bit vigilant to ensure that the original registrant has indeed acquiesced to the transfer. In the case of any doubt, it is not difficult for the registrant to send an email to the original registrant to verify the transfer.

The Ninth Circuit court took this view in the “sex.com” case. Holding Network Solutions – the registry – liable for conversion under the Californian statute, the court noted that Network Solutions had made no effort to contact the original registrant of the domain name before giving the name away on the basis of a facially suspect letter from a third party who had subsequently left the jurisdiction.¹⁴² While accepting that the third party (Cohen) was the guilty party in the case, the court felt that there was nothing inappropriate about holding Network Solutions responsible for giving away the domain name when it could have taken simple precautions to ensure that the transfer request was not fraudulent.¹⁴³ With respect to the argument accepted in the District Court about the policy problems inherent in imposing liability on domain name registries, the Ninth Circuit noted:

“The district court was worried that “the threat of litigation threatens to stifle the registration system by requiring further regulations by [Network Solutions] and potential increases in fees.” Given that Network Solutions’s “regulations” evidently allowed it to hand over a registrant’s domain name on the basis of a facially suspect letter without even contacting him, “further regulations” don’t seem like such a bad idea. And the prospect of higher fees presents no issue here that it doesn’t in any other context. A bank could lower ATM fees if it didn’t have to pay security guards, but we doubt that most depositors would think that was a good idea.”¹⁴⁴

In fraudulent transfer situations there is a good argument for imposing liability on a domain name registry if the registry has not taken inexpensive and simple precautions to ensure the validity of a transfer request. The question remains as to what is the appropriate policy justification for the imposition of such liability. While the Ninth Circuit was prepared to rely on the property rights rationale underpinning the Californian conversion statute,¹⁴⁵ its holding is specific to its interpretation of that statute. A more widely accepted property rights rationale for these kinds of cases might lead to judicial interpretations of existing legislation in other states that would more readily accept property rights in generic domain names in support of these kinds of holdings. At the present time, a property rights approach to domain name disputes is not generally

¹⁴² *Kremen v Cohen*, 337 F 3d 1024,1035 (2003) (“Network Solutions made no effort to contact Kremen before giving away his domain name, despite receiving a facially suspect letter from a third party. A jury would be justified in finding it was unreasonably careless.”)

¹⁴³ *id.*

¹⁴⁴ *id.*, at 1035-1036.

¹⁴⁵ *id.*, at 1030.

accepted and some situations involving alleged conversion of others' generic domain names have proved difficult to resolve as a matter of law.¹⁴⁶

Alternatively, an unjust enrichment rationale would be a theoretical possibility for remedying fraudulent transfer situations. Where a fraudulent transferee is unjustly enriched at the expense of the original registrant, the domain name registry might be held liable for facilitating the unjust enrichment. Unlike the property rights approach, the unjust enrichment rationale probably calls for new regulations that are less focused on property than current conversion laws, and that more squarely deal with unjust enrichments outside of property rights. It may ultimately be possible to develop a new kind of UDRP that is more squarely based on the unjust enrichment concept and is not limited to trademark policy. This would effectively allow a cost-effective and accessible avenue of recourse for complainants and might also side-step the question of registry liability, because registries would presumably continue to be bound by private arbitral decisions involving domain names. Perhaps the system could work towards a general unjust enrichment model to capture unjust commercial conduct in the domain space involving any kind of word or phrase. In the meantime, registrants faced with fraudulent transfer situations may have to rely on a property rights rationale and pursue actions under existing theft and conversion laws.

V. CONCLUSIONS

The domain name system currently suffers from a lack of cohesive and coherent underlying theory. This is partly the result of a lack of focus on domain name issues outside trademark-oriented disputes. Importantly, there is no single entity that has global constitutional competence to create an overarching policy for domain name regulation. Nevertheless, the gaps and inconsistencies in current regulations are causing problems of application in practice. The domain name system requires the identification of an underlying theoretical framework that would support more workable and coherent regulations. In particular, trademark policy – although useful to counteract traditional cybersquatting – has significant limitations when applied to more general practices in global domain name markets.

An examination of existing domain name regulations, coupled with approaches by courts and arbitrators in applying them to novel situations, suggests the development of an underlying model that might draw from three distinct theoretical bases: trademark policy, restitution, and property theory. Developing a framework that draws on the synergies between these three areas theoretical bases would more effectively facilitate future developments in domain name regulation and practice that better address the needs of modern domain name markets.

¹⁴⁶ *Network Solutions v Umbro International*, 529 S.E. 2d 9- (Va. 2000) (court not prepared to accept domain names as property for the purposes of a garnishment action); Purva Patel, *Not Masters of Their (Web) Domains After All: Stolen Internet Names Difficult to Track*, Houston Chronicle, August 5, 2009, available at <http://www.chron.com/disp/story.mpl/tech/news/6560302.html>, last viewed on August 10, 2009 (“domain names aren't physical property, but a right to contract ... because owners pay for the right to use the name”, citing Mr Jeff Becker, an intellectual property attorney from Dallas).

Clearly, this article is a preliminary foray into largely unexplored territory. As such, it is somewhat tentative and general in its conclusions. Importantly, as acknowledged above,¹⁴⁷ there are three pressing, and often overlapping, challenges facing today's domain name regulation system, and this article focuses predominantly on only one of them. The challenges are to: (a) develop an appropriate theoretical framework for future regulation; (b) identify an entity, or set of entities, with sufficient constitutional competence to implement regulations based on that framework; and, (c) ensure that any regulations can be meaningfully enforced by private individuals or other institutions with sufficient standing or power to enforce them. These are all significant challenges that have so far received little attention in existing scholarship. Hopefully, this article will serve as a useful starting point for debates that cover all of these aspects of domain name governance, as well as the interplay between them.

¹⁴⁷ See discussion in Part III.A, *supra*.