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ICANN'T USE MY DOMAIN NAME? THE REAL WORLD APPLICATION OF ICANN'S UNIFORM DOMAIN-NAME DISPUTE RESOLUTION POLICY

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A trademark does not confer a right to prohibit the use of the word or words. ... A trademark only gives the right to prohibit the use of it so far as to protect the owner's goodwill against the sale of another's product as his.¹

INTRODUCTION

In December of 1995, Panavision International, L.P. (Panavision) wanted to expand its business by establishing an Internet website.² Panavision is a Delaware limited partnership with its principal place of business in Los Angeles, California, which manufactures and sells theatrical motion picture and television cameras as well as other photographic equipment.³ Panavision owns several federally registered trademarks,⁴ including PANAVISION and PANAFLEX.⁵ When attempting to register

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². See Panavision Int'l v. Toeppen, 945 F. Supp. 1296, 1300 (C.D. Cal. 1996), aff'd 141 F.3d 1316 (9th Cir. 1998) (noting that Panavision wanted to create a presence on the Internet).

³. Id. at 1298; Panavision Panastore, at http://www.panavision.com (last visited Oct. 1, 2000).

⁴. See U.S. Trademark Search System, at http://www.uspto.gov (last visited Oct. 8, 2000) (finding that Panavision is the owner of sixty-one federally registered trademarks for various classes of goods and services ranging from photographic equipment such as cameras and lenses to anamorphosers for use in projecting motion pictures).

⁵. See id. (providing that registration Nos. 627,362, 834,705, 973,378, 1,160,790, and 1,972,238 are for PANAVISION and 976,767 is PANAFLEX).
<panavision.com>, Panavision discovered that someone had already registered its trademark as a domain name.\(^6\) When Panavision contacted the individual listed as the registrant, Dennis Toeppen, about the domain name, Toeppen demanded $13,000 to transfer the domain to Panavision.\(^7\) On May 7, 1996, Panavision brought an action against Toeppen alleging: 1) federal dilution of trademark; 2) state dilution of trademark; 3) federal trademark infringement; 4) federal unfair competition; 5) unfair competition; 6) intentional interference with prospective economic advantage; 7) negligent interference with prospective economic advantage; and 8) breach of contract.\(^8\) In response, Toeppen registered another trademark, PANAFLEX, as a domain name for which Panavision also holds a federal registration.\(^9\) Finally, on April 17, 1998, after two trials and an appeal that consumed almost two years, Panavision received the domain name which reflects its federally registered trademark, <panavision.com>.\(^10\)

In the world of the Internet, where technology is ever changing, a prolonged court battle creates a huge loss of opportunity for entities developing their websites.\(^11\) In addition to being time consuming, trademark litigation is also very costly, which can hamper companies' attempts to create a presence on the Internet in situa-

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6. See Panavision, 945 F. Supp. at 1300 (noting that Toeppen registered <panavision.com> and displayed aerial photos of Pana, Illinois on the site, but had not used the website in connection with any goods or services).

7. See id. (reporting that Toeppen's business appeared to involve registering well known trade or service marks in order to exact payment from the owners of the mark).

8. See id. (noting that Panavision also brought an action against the registrar of the domain name, Network Solutions, Inc. (NSI)). The court examined NSI's registration procedure and concluded that its acceptance of a domain name for registration was not a commercial use within the meaning of the Trademark Dilution Act. Id. at 1299-1300. Thus, the court dismissed the contributory infringement charge against NSI). Id.

9. See id. (providing that, in addition to <panaflex.com>, Toeppen is also the "registered owner of several other domain names that are similar to trademarked names, including: aircanada.com; anaheimstadium.com; arriflex.com (Arriflex is Panavision's main competitor); australiaopen.com; camdenyards.com; deltaairlines.com; eddiebauer.com; flydelta.com; frencopen.com; lufthansa.com; neiman-marcus.com; northwestairlines.com; and yankeestadium.com"). The court noted that the web page corresponding to the <panaflex.com> domain displayed nothing but the message: "hello." Id.

10. See generally Panavision Int'l v. Toeppen, 141 F.3d 1316 (9th Cir. 1998). Panavision decided to create a presence on the Internet by establishing a web page that corresponds to its company name and trademark in December of 1995. Panavision, 945 F. Supp. at 1300. After all the litigation and appeals were completed, the domain names <panavision.com> and <panaflex.com> were transferred to Panavision in April of 1998. Id. at 1324. Thus, resolution of the dispute through the federal courts consumed nearly twenty-nine months.

tions where the company name and trademark have already been registered as a domain name.\textsuperscript{12}

In recognition of these problems, the Internet Corporation for Assigned Names and Numbers (ICANN) developed the Uniform Dispute Resolution Process (UDRP).\textsuperscript{13} The UDRP is a dispute resolution procedure that allows trademark holders to submit to arbitration disputes involving domain names that are identical or confusingly similar to trademarks for which they hold federal registrations or common law rights.\textsuperscript{14} In order to prevail in the proceeding, the complainant must demonstrate three elements: (1) that the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; (2) that the domain name holder has no rights or legitimate interest in the domain name; and (3) that the domain name was registered and is being used in bad faith.\textsuperscript{15}

ICANN's arbitration process provides two primary benefits. First, the arbitration process can be completed in a matter of weeks,\textsuperscript{16} compared to months or even years with a court proceed-

\textsuperscript{12} Id. Federal trademark actions can take anywhere from three months in a "rocket docket" jurisdiction to up to three years to resolve. Id. In addition, litigation fees begin at about $12,000 and range upward from there. Id.

\textsuperscript{13} See Management of Internet Names and Addresses, 63 Fed. Reg. 31,741, 31,742 (1998) [hereinafter White Paper] ("Conflicts between trademark holders and domain name holders are becoming more common. Mechanisms for resolving these conflicts are expensive and cumbersome."). See also Memorandum of Understanding Between the U.S. Department of Commerce and Internet Corporation for Assigned Names and Numbers, at http://www.ntia.doc.gov/ntiahome/domainname/icann-memorandum.htm (last visited Oct. 1, 2000) (setting out five management functions that ICANN and the Department of Commerce will jointly design, test, and develop). These functions are: a) establishment of policy for and direction of the allocation of IP number blocks; b) oversight of the operation of the root server system; c) oversight of the policy for determining the circumstances under which new top level domains would be added to the root system; d) coordination of the assignment of other Internet technical parameters as needed to maintain universal connectivity on the Internet; and e) other activities necessary to coordinate the specified DNS management functions, as agreed by the parties. Id.


\textsuperscript{15} ICANN, Uniform Domain Name Dispute Resolution Policy, at http://www.icann.org/udrp/udrp-policy-24oct99.htm (last visited Oct. 9, 2000) [hereinafter UDRP]. The UDRP provides that the domain name holder can illustrate rights or a legitimate interest with respect to the domain name by: (1) use of the domain name in connection with a bona fide offering of goods and services before any notice of the dispute; (2) the domain name registrant has been commonly known by the domain name; or (3) use of the domain name is a legitimate noncommercial or fair use without intent to misleadingly divert customers or to tarnish the trademark at issue. Id. For a discussion of the identical or confusingly similar requirement, see infra Part II-C. For a discussion of the bad faith requirement, see infra Part II-A.

Second, the process is significantly less expensive than an extensive court battle.18

This Comment discusses the UDRP's bad faith requirement in relation to both the strength of the trademark at issue and an offer to sell the domain name. Part I-A explores the history of the formation of the Internet and Part I-B discusses the evolution of the Domain Name System (DNS). Part I-C then examines why trademark law conflicts with the DNS. Part II-A examines the bad faith requirement of the ICANN process and discusses how the first decision under the UDRP shaped this element in subsequent decisions. Part II-B analyzes findings of bad faith from offers to sell the domain name. Part II-C examines the effect that the strength and distinctiveness of the mark at issue have on the trademark protection available. Part III proposes an amendment to the UDRP that recognizes that some trademarks are entitled to greater protection than others. Part III also proposes an amendment that the offer of a domain name for sale as found in the first decision under the UDRP be qualified. Part III then demonstrates how the two proposed changes to the UDRP interact and concludes that the proposals serve to meet the purpose and scope of the UDRP.

I. THE INTERNET, THE DNS, AND THE RESULTING TRADEMARK CONFLICTS

A. The Development of the Internet

The Internet, as it is known today, had its beginnings in a 1969 U.S. Department of Defense Advanced Research Project
Agency (DARPA) experimental project to develop a super-network. The network, known as the ARPANET, linked military, defense contractor, and university laboratory computers that were conducting defense-related research. One of the goals of the network project was to enable vital communications to continue even if portions of the network were damaged or inoperable. To meet this goal, multiple links to and from each computer on the network were created to allow several paths by which a communication could be transmitted.

As the ARPANET developed, similar networks were created to link businesses, universities, and other entities throughout the world. Eventually, these various networks were connected, creating the series of linked networks that we know as the Internet.

The ARPANET evolved to being referred to as the “DARPA Internet” and finally just the “Internet.”

B. The Domain Name System

The protocols that allow the linked networks to communicate are known as Internet protocols (IP). Each location on the Internet is assigned a unique numeric address or IP address that consists of a string of four sets of numbers separated by periods. In order to communicate with each location on the Internet, a list of

21. Id. at 831. To provide the redundancy that would allow vital research and communication to continue in the event of war or other hazard, the network was designed to automatically re-route communications without direct human involvement. Id. Thus, the network was “designed to be a decentralized, self-maintaining series of redundant links between computers and computer networks.” Id.
22. Id. Communications between computers on the Internet are sometimes disassembled and travel separately to their destination computer where the message is reassembled. Id. This disassembly and reassembly is accomplished through a “packet switching” protocol that allows the “packets” to be divided and recombined. Id. at 832. In this manner, messages can travel by many different paths to reach the destination to ensure the integrity of the network in the event of damage to any portion of the network. Id.
23. See id. (reporting that other networks, many of which already overlapped, included NSFNET, BITNET, CSNET, FIDONET, and USENET).
24. Id. at 832. The series of linked networks allowed users of any computers connected to any of the networks to use common data transfer protocols to transmit communications to any other computer similarly connected to a network. Id.
27. Id.
IP addresses was tabulated and updated on each host computer on the Internet. For example, the IP address "208.49.185.30" is the home page of the John Marshall Law School. Before the current system was in place, a person who wanted to locate the web page of the John Marshall Law School had to either know the IP address or have a list of locations and the corresponding IP address on their computer. By the mid-1980s, as the use of the Internet expanded, it became clear that the current IP system had become cumbersome, as the time and resources required to update the IP address files on each computer was substantial.

In response, the Internet community developed the DNS that is used today. The DNS is a hierarchal system for mapping host names onto IP addresses. Instead of recognizing an Internet host or location as a numeric IP address, a string of alphanumeric names separated by periods, such as <www.jmls.edu>, is used. The top-level domain (TLD) is the alphanumeric field to the far right, in this case <.edu>. The TLDs are then divided into second-level domains (SLDs), in this case, <jmls>. The TLDs identify the host computer or website and the SLDs and other domains identify the host or website under each TLD.

28. White Paper, 63 Fed. Reg. at 31,742. Development work for the ARPANET was contracted to the University of California at Los Angeles (UCLA). Id. The late Dr. John Postel, then a graduate student at UCLA, maintained a list of host names and addresses. Id. Later, Dr. Postel moved to the Information Sciences Institute (ISI) at the University of Southern California (USC) and continued, under a contract with DARPA, to maintain the list of assigned names and numbers. Id. Dr. Postel also promulgated a list of technical specifications and protocols that became the Internet Assigned Numbers Authority (IANA). Id.


31. Name.space, 202 F.3d at 577.


33. Name.space, 202 F.3d at 574.

34. Id. at 577. Currently, there are two different types of TLDs, generic and country code. Id. The <.com>, <.net>, <.edu>, <.gov>, <.int>, and <.mil> TLDs are the seven generic TLDs (gTLDs) available. Id. There are also approximately 240 country code TLDs (ccTLDs) such as <.uk>, <.jp>, and <.kr> that are administered by their respective countries. Id. ICANN has approved seven new TLDs that are expected to be operational sometime after the second quarter of 2001. New TLD Program, at http://www.icann.org/tlds (last visited Jan. 8, 2001). The new TLDs and their intended purpose are: <.aero> (air transport industry), <.biz> (business), <.coop> (non-profit cooperatives), <.info> (unrestricted), <.museum> (museums), <.name> (individuals), and <.pro> (accountants, lawyers, and physicians). Id.

35. Id.

36. Luke A. Walker, ICANN's Uniform Domain Name Dispute Resolution Policy, 15 BERKELEY TECH. L.J. 289, 292 (2000). As a practical matter, when a user types in a domain name to search for a web page, the user's computer sends a request to a domain name root server. Id. The root server holds the
An Internet user can search for a particular Internet location or website in two primary ways. The first method is a search engine, which is a computer program that searches the Internet by using “key words” selected by the user. The search engine compiles a list of websites that contain the particular string of key words. The list returned by the search engine frequently contains several hundred “matches,” or web pages that contain the key words. The amount of time and difficulty in locating the web page of interest is dependent on the user’s ability to deduce correct key words. Thus, the second, and more direct method is to enter the domain name of the web page of interest if the user knows it.

Due to the limitations of the search engine and the ease with which a user can locate a web page if the user knows the domain name, companies that do business on the Internet desire to have an “intuitive” domain name like <companyname.com>. Another root directory of all computers that hold TLD directories and searches for the IP address in a hierarchal manner. Consider the example <redwood.jmls.edu>. First, the user’s computer will query the root server to find the IP address for the computer holding the <.edu> TLD. After receiving this address, it will then query the <.edu> server for the IP address of the computer holding the directory for the <jmls> SLD. Finally, it will query the <jmls> server for the IP address of the computer holding the directory for the <redwood> sub-domain, which it will query for the IP address of the machine named www. This IP address will then be returned to the user’s computer.

38. See Brookfield Communications, Inc. v. West Coast Entm’t Corp., 174 F.3d 1036, 1045 (9th Cir. 1999) (noting that some widely used Internet search engines are Yahoo, Altavista, and Lycos).
39. Id. at 1045. Search engines look for keywords in the domain name, as text on the page, and as keywords embedded in the page. Keywords are Hyper Text Markup Language (HTML) code that is intended to describe the contents of the page. The keywords are not visible on the page, but are embedded in the HTML code.
40. Id. at 1045. Search engines use an algorithm to arrange websites in an order corresponding to the strength of the correlation between the keywords entered by the user and the keywords that appear on or are embedded in the web page. These matches, commonly known as “hits,” are then listed on the search engine’s web page along with a Hyperlink that, when selected or “clicked” with the mouse, will transfer the user directly to the web page associated with that match.
41. See id. (explaining that because each search engine uses a proprietary algorithm, the list of web pages that results from a particular set of keywords may vary according to the search engine used).
42. See id. (“Web users often assume, as a rule of thumb, that the domain name of a particular company will be the company name followed by ‘.com’.”).
43. See Lockheed Martin Corp. v. Network Solutions, Inc., 985 F. Supp. 949, 952 (C.D. Cal. 1997) (finding that businesses prefer to use a corporate name, service mark or trademark so that customers can simply locate their website directly). See also MTV Networks, Inc. v. Curry, 867 F. Supp. 202, 204 (S.D.N.Y. 1994) (“A domain name mirroring a corporate name may be a
reason companies want to have an easily deducible domain name is the fact that a directory of websites or domain names does not exist, as of yet. The majority of companies that have a presence on the Internet prefer the <.com> TLD because it was established for commercial use. Thus, the <.com> TLD, coupled with an SLD reflecting the company's corporate name or trademark, is the most desirable domain name for companies using the Internet.

C. Trademark Conflicts

Under trademark law, the degree of protection afforded a particular mark is determined by the distinctiveness or strength of the mark. The distinctiveness of marks is evaluated on a sliding scale. The categories of marks, in ascending order of distinctiveness are (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; and (5) fanciful or coined. Terms that are suggestive, fanciful or arbitrary are inherently distinctive and entitled to strong trademark protection. However, descriptive and generic terms are not inherently distinctive; that is, such terms do not satisfy the initial requirement that a mark identify the source of the goods and services as one seller. Generic terms can never be trademarks. Descriptive terms, however, can obtain distinctiveness and trademark protection if the terms acquired a secondary meaning. Sec-
Secondary meaning is recognition that the mark has become distinctive of a single source of goods or services in commerce.55

The notions of trademarks and domain names collide because, in trademark law, two companies may share a mark if they operate in different territories or markets or provide different goods and services.56 Conversely, with the DNS there can only be one <trademark.com>.57 This type of dispute, where each company has rights in the name, is one of the three types of disputes that arise in the Internet domain name context.58

The second type of Internet domain name dispute arises when the domain name at issue is viewed as damaging to the good will associated with the mark.60 This situation occurs where someone registers a domain that embodies the trademark followed with a moniker such as “sucks” as in, <trademarksucks.com>.61 This instance also occurs where the website at issue contains pornographic material.62

applicant's goods in commerce.”).

55. Abercrombie, 537 F.2d at 9. The two primary methods of proving secondary meaning are consumer surveys and the advertising of the mark to a wide range of prospective customers. McCARTHY, supra note 45, §15:29 at 15-46. Consumer surveys are “direct evidence” of secondary meaning and advertising efforts are “circumstantial evidence” that a mark has acquired secondary meaning. Id.

56. 15 U.S.C. § 1052(d) (1997). See McCARTHY, supra note 45, § 25-73, at 25-149 (stating that “[u]nder §2(d) of the Lanham Act, more than one registrant may obtain registration of the same or similar mark, but for different parts of the nation [provided] that such concurrent registration cannot be likely to cause confusion of buyers or others.”).

57. See Internatic Corp. v. Toeppen, 947 F. Supp. 1227, 1232 (N.D. Ill. 1996) (stating that “[a] given domain name, the exact alphanumeric combination in the same network and using the same suffix, can only be registered to one entity.”).


59. See MCCARTHY supra note 45 §2:15, at 2-33 (4th ed. 1999) (noting that “[g]ood will of a business and its symbol, a trademark, are inseparable.”).

60. See Lucent Techs., Inc. v. Lucentsucks.com, 95 F. Supp. 2d 528, 529 (E.D. Va. 2000) (alleging that the website at issue contained pornographic materials that diluted plaintiff's trademark). See also Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161, 1162 (C.D. Cal. 1998) (noting that the defendant has registered the domain name <ballysucks.com> and used the site to log complaints about the plaintiff's service).

61. Bally Total Fitness, 29 F. Supp. 2d at 1162. The registration of a domain name that includes a company name followed by the word “sucks” is part of “an Internet phenomenon known as ‘cybergriping.’” Lucent, 95 F. Supp. 2d at 536 (quoting Greg Farrell, From Sour Grapes to Online Whine, USA TODAY, Apr. 6, 2000).

62. See Hasbro, Inc. v. Internet Entm't Group, Ltd., 40 U.S.P.Q.2d 1479 (W.D. Wa. 1996) (holding that the CANDYLAND trademark for a children's board game was diluted by use of <candyland.com> for an adult site). See also Toys “R” Us, Inc. v. Mohamad Ahmad Akkaoui, 40 U.S.P.Q.2d 1836, 1839 (N.D. Cal. 1996) (holding that the “R Us” marks were tarnished by the domain
The third type of dispute occurs when a person with no rights in the trade or service mark registers the mark as the SLD of a domain name. In this situation, known as "cybersquatting," the person registers the domain name with the intent to profit by demanding a sum of money to transfer the domain name to the trademark holder. Often, the cybersquatter will register a collection of domain names that correspond to trademarks and then "warehouse" the domains with the intent to sell them. It is in response to this type of conflict that the Internet community developed the UDRP.

II. PROBLEMS WITH OFFERS TO SELL THE DOMAIN NAME AS BAD FAITH AND THE STRENGTH OF THE MARK AT ISSUE

A. The Bad Faith Requirement

To prevail in a dispute brought under the UDRP and have the domain name transferred to them, the complainants must demonstrate, according to paragraph 4(a), that (i) the domain name is identical or confusingly similar to their trademark; (ii) that the respondent has no rights in the domain name; and (iii) that the domain name has been registered and is being used in bad faith.

Paragraph 4(b) of the UDRP provides a list of circumstances that

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66. White Paper, 63 Fed. Reg. at 31,745. See also Memorandum of Understanding Between the U.S. Department of Commerce and Internet Corporation for Assigned Names and Numbers, at http://ntia.doc.gov/ntiahome/domainname/icann-memorandum.htm (last visited Oct. 1, 2000) (discussing the scope of the authority given to ICANN). Prior to the UDRP, the only recourse for a trademark holder whose mark was being used as a domain name was to file an action for trademark dilution and/or trademark infringement. See generally Matt Railo, Entertaining New Options in the Fight Against Cybersquatters: Choosing Between Internet Administrative Proceedings and Federal Court Lawsuits, 22 No. 1 ENT. L. REP. 4. (June 2000).

67. UDRP, supra note 15, at ¶ 4(a).
evince registration and use in bad faith, namely:

(i) circumstances indicating that one has registered or one has acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of the documented out-of-pocket costs directly related to the domain name; or

(ii) one has registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that one has engaged in a pattern of such conduct; or

(iii) one has registered the domain name primarily for the purpose of disrupting the business of a competitor; or

68. See id. at ¶ 4(b) (noting that evidence of bad faith is not limited to the enumerated circumstances). Several decisions have found bad faith by conduct that does not fall within the non-exhaustive illustrations in paragraph 4(b). See Chernow Communications, Inc. v. Kimball, ICANN Case No. D2000-0119, at http://www.arbiter.wipo.int/domains/decisions/html/d2000-0119.html (May 18, 2000) (holding that although respondent's conduct does not bring it within any of the illustrations of bad faith . . . set out in Paragraph 4(b), . . . all of the facts, when taken together, are evidence of bad faith registration and use.”). See also Telstra Corp. Ltd. v. Nuclear Marshmallows, ICANN Case No. D2000-0003, at http://www.arbiter.wipo.int/domains/decisions/html/d2000-0003.html (Feb. 18, 2000) (finding inaction as bad faith based on the complainant's “strong mark” in conjunction with the “circumstances of the case” which indicate that the respondent continues to act in bad faith).

69. URDP, supra note 15, at ¶ 4(b)(i). For a discussion of a finding of bad faith by an offer to sell the domain name, see infra Part II-B.

70. URDP, supra note 15, at ¶ 4(b)(ii). A typical fact pattern supporting a finding of bad faith by a pattern of preclusion is illustrated in the <adobeacrobat.com> dispute. Adobe Sys. Inc. v. Domain OZ, ICANN Case No. D2000-0057, at http://www.arbiter.wipo.int/domains/decisions/html/d2000-0057.html (Mar. 22, 2000). There, the arbitrator noted that the respondent's registration of two domain names identical to complainant's marks precluded the complainant from registering the marks as domain names. Id. at ¶ 6. The arbitrator held that, absent a contrary showing, it was fair to infer that the “[r]espondent intended the logical consequences of its acts,” which was to prevent complainant from using its trademarks in corresponding domain names. Id. In addition, the complainant in the dispute produced evidence that the respondent had registered a large number of domain names that were confusingly similar, if not identical, to marks held by third parties. Id.

71. URDP, supra note 15, at ¶ 4(b)(iii). A finding of bad faith by registering the domain name to disrupt the business of a competitor is illustrated in the <georgiagulf.com> dispute. Georgia Gulf Corp. v. The Ross Group, ICANN Case No. D2000-0218, at http://arbiter.wipo.int/domains/decisions/html/d2000-0218.html (June 14, 2000). There, the respondent's principal and administrative contact was an officer of a competitor of the complainant. Id. at ¶ 3. The evidence indicated that the respondent used the domain name that reflected their competitor's mark to obtain business leads. Id. See also Diageo Plc. v. Zuccarini, ICANN Case No. D2000-0996, at
(iv) by using the domain name, one has intentionally attempted to 
attract, for commercial gain, Internet users to the website or other 
on-line location, by creating a likelihood of confusion with the com-
plainant's mark as to the source, sponsorship, affiliation, or en-
dorsement of the website or location or of a product or service on the 
website or location.

The UDRP went into effect on December 1, 1999. The first 
action, involving the domain name <worldwrestlingfederation.com>, was filed the next day. The dispute arose when Mi-
ichael Bosman, a twenty-five year old stockbroker from California 
registered the domain that reflects the federally registered trade 
and service mark held by the World Wrestling Federation (WWF). Three days after registering the domain name, Bosman 
contacted the WWF and offered to sell the domain name for 
$1,000.

In response, the WWF filed a complaint with the World Intel-
lectual Property Organization (WIPO), the first provider ap-
http://www.arbiter.wipo.int/domains/decisions/html/d2000-0996.html (Oct. 22, 
2000) (finding bad faith in a dispute involving <guinness-really-sucks.com> 
where the arbitrator found that if the respondent were allowed to establish a 
site at the domain, it is likely that such use would disrupt the complainant's 
legitimate business and divert Internet users from complainant's website).

72. URDP, supra note 15, at ¶ 4(b)(iv). A typical fact pattern supporting a 
showing of bad faith by using the domain name to attempt to attract Internet 
users “by creating a likelihood of confusion with the complainant's mark” is 
demonstrated by the <info-space.com> dispute. InfoSpace, Inc. v. 
Tenenbaum Ofer, ICANN Case No. D2000-0075, at 
http://www.arbiter.wipo.int/domains/decisions/html/d2000-0075.html (Apr. 27, 
2000). There, the complainant's affiliate network included four of the top five 
most trafficked sites on the Internet and the respondent registered the domain 
name after the complainant had registered a domain name reflecting its 
trademark, <infospace.com>. Id. The arbitrator noted that the respondent 
had offered no evidence of legitimate interest in the domain name. Id. 
Further, an Internet user attempting to reach the complainant's site by using 
a search engine would likely be given a link to respondent’s site, which gave 
rise to the inference that it was more likely than not that the respondent was 
attempting to profit by deliberately creating a likelihood of confusion with the 
complainant's mark. Id.

73. Timeline for the Formation and Implementation of the Uniform 
Domain-Name Dispute-Resolution Policy, at http://www.icann.org/udrp/udrp-
schedule.htm (last visited Nov. 7, 2000).

74. World Wrestling Fed’n Entm’t, Inc. v. Bosman, ICANN Case No. D99-
(Jan. 14, 2000).

75. Id. See also Jeri Clausing, Wrestling Group Wins Back Use of Its Name 

76. See World Wrestling Fed’n, ICANN Case No. D99-0001 at ¶ 4. Respon-
dent contacted the complainant by e-mail and stated, inter alia, “cybersquat-
ting cases typically accomplish very little and end up costing the companies 
thousands of dollars in legal fees, wasted time and energy.” Id.

77. Approved Providers for Uniform Domain Name Dispute Policy, at 
http://www.icann.org/udrp/approved-providers.htm (last visited Nov. 7, 2000).
proved to resolve disputes brought under the UDRP. The WIPO arbitrator noted that the domain name at issue is identical to the WWF's trademark and that Bosman had demonstrated no rights in the domain name, thus establishing the first two elements of the cause of action under the UDRP. The arbitrator found that Bosman's attempt to sell the domain name three days after registering it evinced bad faith registration. Bad faith use, however, proved to be problematic because Bosman had never "used" the domain name in the strict sense because he had never established a website corresponding to the domain name.

The arbitrator noted that the goal of the UDRP is to control cybersquatters who "often register names in bulk, but do not use them, yet without use the streamlined dispute-resolution procedure is not available." The arbitrator concluded that Bosman's offer to sell the domain name to the WWF fit the conduct illustrated in paragraph 4(b)(i) of the UDRP, as evidence of both registration and use in bad faith.

B. Offers to Sell as Bad Faith

The WWF dispute thus held that an offer to sell the domain name to the complainant was sufficient to meet both the bad faith registration and use element under paragraph 4(b)(i) of the

Currently, there are four approved resolution providers. Id. In addition to WIPO, the approved providers are the CPR Institute for Dispute Resolution, eResolution, and the National Arbitration Forum. Id. For a discussion of forum selection and the UDRP, see Christopher S. Lee, The Development of Arbitration in the Resolution of Internet Domain Name Disputes, 7 RICH. J.L. & TECH. 2 (Fall 2000), available at http://www.Richmond.edu/jolt/v6i3/article2.html.

79. See UDRP, supra note 15, at ¶ 4(c) (providing that a respondent may demonstrate rights or an interest in the domain name by (i) use or demonstrable preparations to use the domain name in connection with a bona fide offering of goods and services before any notice of the dispute; or (ii) having been commonly known, as an individual or company, by the domain name, even if having acquired no trademark rights; or (iii) making fair use of the domain name without intent for commercial gain to misleadingly divert consumers or tarnish the complainant's mark).
80. See World Wrestling Fed'n, ICANN Case No. D99-0001 at ¶ 4 (noting that the complainant, f/k/a Titan Sports, had a federal registration for WORLD WRESTLING FEDERATION as a service mark since 1985 and as a trademark since 1989).
81. Id.
82. Id. (querying whether it can be said that the domain name was "used" when the domain name did not resolve to a web page).
83. See id. at ¶ 6 (recognizing that the legislative intent of ICANN would be violated by not requiring both bad faith registration and bad faith use).
84. See id. ("Because respondent offered to sell the domain name to complainant 'for valuable consideration in excess of' any out of pocket costs directly related to the domain name, respondent has 'used' the domain name in bad faith as defined in the Policy.").
Since that decision, any offer to sell a domain name has typically been found to be bad faith, and the WWF dispute is often erroneously cited for that proposition. The problem is that according to the language of the UDRP, the respondent's offer to sell the domain name must be "to the complainant who is the owner of the trademark . . . or to a competitor of that complainant." For example, in the <esquire.com> dispute, the respondent registered the domain name and subsequently listed it for sale on the Internet. The respondent eventually sold the domain name to a business that offered vanity e-mail services corresponding to occupations such as <doctor.com> and <engineer.com>. In opining that the respondent's actions evince the very thing the UDRP was designed to protect, the arbitrator held that the act of offering the domain name for sale constituted bad faith.

The dissenting arbitrator in the <esquire.com> dispute noted that a cybersquatter, whose conduct the UDRP was enacted to eliminate, does not trade on the value of a domain name in the open market, as the respondent here. Rather, a cybersquatter trades on the value of a trademark by registering it as a domain name and then holding the domain name for ransom from the

87. UDRP, supra note 15, at ¶ 4(b)(i). The requirement of sale to the complainant is aptly illustrated in the <18004KOHLER.com> dispute. Kohler Co. v. THEGERARDGROUP.com, ICANN Case No. FA-0094835, at http://www.arbforum.com/domains/decisions/94835.htm (May 22, 2000). There, several months after registering the domain, the respondent wrote a letter to the president of the company which holds the trademark, noting that the domain name corresponded exactly with the company's existing marketing program and offering to sell the domain for any figure above $12,000. Id.
88. See Hearst Communications, Inc. v. Spencer, ICANN Case No. FA-0093763, at http://www.arbforum.com/domains/decisions/93763.htm (Apr. 13, 2000) (stating that the respondent is a web page development company which lists domain names on its website that are being offered for sale).
89. See id. (noting that Spencer Associates originally registered the domain name and sold it to Mail.com who agreed to be bound by the arbitrator's decision).
90. Id. The arbitrator noted that, although Mail.com supplied evidence of plans to use the domain as a vanity e-mail address dated three years prior to this dispute, to hold that "a subsequent permissible use could override the respondent's bad faith act" would counteract the UDRP. Id. The arbitrator also noted that Mail.com did not allege protection as a bona fide purchaser without notice. Id.
91. See id. (opining that by offering the domain name for sale to the general public on its web page, the original registrant, Spencer Associates, was not attempting to capitalize on the trademark rights of the complainant).
Thus, an offer to sell the domain name to the public, or, as in this dispute, a sale to someone other than the trademark holder, should not fit within the purview of paragraph 4(b)(i) of the URDP, without other evidence of attempting to profit from the trademark.

Often arbitrators extend the inference of bad faith under paragraph 4(b)(i), which requires a showing that the domain was acquired primarily to extort a sum in excess of costs from the trademark holder, to its logical limit. In the <cellularonechina.com> dispute, the arbitrator held that non-use, although not ordinarily indicative of a party’s intent to sell, was evidence of bad faith under the facts of the case. Noting that the domain name at issue contained the complainant’s “coined registered trademark,” the arbitrator found that it would be “difficult, perhaps impossible,” for the respondent to use the domain name as the name of any commercially useful business, product or service without violating complainant’s trademark rights. The arbitrator found that without any evidence that the respondent had intent to use otherwise, a permissible inference was that that domain name was registered “primarily for the purpose of selling . . . the domain name . . . to the complainant.”

The inference of bad faith from an offer to sell is proper in circumstances where the arbitrator finds that the respondent is attempting to capitalize on the goodwill associated with the trademark. However, it must be recognized that, in such cases, the arbitrator is effectively taking judicial notice of the strength and

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92. See id. (noting that there is a growing precedent within the UDRP that resale of domain names is not evidence of actionable bad faith per se).


94. See Hearst Communications, Inc. v. Spencer, ICANN Case No. FA-0093763, at http://www.arbforum.com/domains/decisions/93763.htm (Apr. 13, 2000) (Mueller, dissenting) (“Objectively, the sale of the domain name to another party with a legitimate proposed use is a strong factor undermining [the complainant’s] claim of bad faith.”).


96. Id. at ¶ 6.

97. See id. (finding that paragraph 4(b)(i) is applicable to the facts of the case).

98. Id. In one case, the respondent listed the domain name for sale, although not specifically targeting the complainant. America On Line, ICANN Case No. FA-0092016. Bad faith was inferred based on the scope of protection afforded the AOL mark in question. Id.
thus scope of protection afforded the trademark reflected in the domain names.\textsuperscript{99}

\section*{C. Strength of the Trademark at Issue}

The reason that arbitrators are forced to take judicial notice of the strength of the trademark reflected in the domain name is that under paragraph 4(a)(i) of the UDRP, the only issue is whether the domain name is “identical or confusingly similar” to the complainant’s mark.\textsuperscript{100} Once the arbitrator determines that this test is met, coined marks and generic terms effectively receive identical protection.\textsuperscript{101} As noted above, some arbitrators do take judicial notice of the strength of the trademark; however, others find that such an evaluation is beyond the scope of the UDRP.\textsuperscript{102} As a result, arbitrators deciding disputes under the UDRP often afford trademark protection that would not otherwise be available based on the strength of the mark.\textsuperscript{103}

For instance, in the <crew.com> dispute, the complainant contacted the respondent and invited the respondent to join the complainant’s affiliate network.\textsuperscript{104} Under the affiliate arrangement, the respondent would display a banner advertisement on the website and receive commissions from sales made to customers that had used that link.\textsuperscript{105} Shortly after agreeing to the program, an agent of the complainant contacted the respondent and offered to purchase the domain name.\textsuperscript{106} After the respondent refused an

\begin{itemize}
  \item \textsuperscript{100} UDRP, supra note 15, at ¶ 4(a)(i).
  \item \textsuperscript{101} See Hearst Communications, Inc. v. Spencer, ICANN Case No. FA-0093763, at http://www.arbforum.com/domains/decisions/93763.htm (Apr. 13, 2000) (Mueller, dissenting) (noting that “esquire” is generic). See also Cellular One Group, ICANN Case No. D2000-28 (finding that the domain name included the complainant’s “coined” trademark).
  \item \textsuperscript{102} See 402 Shoes, Inc. v. Weinstock & Whispers Lingerie, ICANN Case No. D2000-1223, at http://arbiter.wipo.int/domains/decisions/html/d2000-1223.html (Jan. 2, 2001) (finding that “such defenses” as strength of the complainant’s mark are beyond the role of the panel).
  \item \textsuperscript{103} See Hearst, ICANN Case No. FA-0093763.
  \item \textsuperscript{105} See id. (providing that there was no content displayed on the respondent’s web page except the banner ad linked to the complainant’s website).
  \item \textsuperscript{106} See id. (noting that the complainant’s attorney contacted the respondent’s attorney to inquire whether the domain name was for sale).
\end{itemize}
offer for a nominal sum, the complainant reneged on the affiliate arrangement and instituted an action under the UDRP.\textsuperscript{107}

The panel found that the respondent, an entity that registers various domain names in the hopes that others will seek to buy or license domain names from it, had engaged in a pattern of speculative registration of domain names that prevented trademark owners from reflecting their marks in a domain name.\textsuperscript{108} The panel thus found that this pattern of preclusion satisfied the bad faith requirement under paragraph 4(b)(ii).\textsuperscript{109}

The dissenting arbitrator, however, noted that the CREW trademark is generic.\textsuperscript{110} According to the dissenting panelist, a finding that a trademark is generic “permeates any analysis for trademark purposes.”\textsuperscript{111} The dissenter went on to note that a trademark owner is not entitled to all domain names incorporating their trademark, particularly when the mark is “generic and a common term.”\textsuperscript{112}

The <americanvintage.com> dispute also involved a non-inherently distinctive mark given strong protection. There, the arbitrator noted that “American Vintage’ is an apt descriptive or suggestive term for antiques,” which was the apparent business of the respondent.\textsuperscript{113} The arbitrator inferred bad faith from the respondent’s failure to “make good faith use” of the domain name for two years.\textsuperscript{114} Thus, the arbitrator held that the complainant was entitled to the descriptive domain name even though it appeared that the respondent may have rights in the mark as well.\textsuperscript{115}

\begin{itemize}
\item [107.] See id. (relating that the domain name at issue was actually placed on “hold” pursuant to Network Solutions’ domain name dispute policy that was the predecessor to ICANN’s UDRP).
\item [108.] See id. at ¶ 6 (opining that speculation in domain names “increases costs to the operators of websites and limits the availability of domain names.”).
\item [110.] Id. (Davis, dissenting).
\item [111.] Id. For a discussion of the relative strength of marks, see infra Part I-C, and MCCARTHY, supra note 45, at ch. 11.
\item [112.] See id. (“In short, [c]omplainant does not own all rights to the generic word CREW by virtue of its trademark registration.”).
\item [114.] See id. (surmising that “[w]hile inconclusive, it is possible to infer from [the respondent’s] failure of use that the domain name was registered without a bona fide intent to make a good faith use.”).
\item [115.] See id. (noting that the respondent appears to be in the business of antiques, based on the business name).
\end{itemize}
III. CONFINING THE UDRP TO CYBERSQUATTING AND ENSURING THAT WEAK MARKS ARE NOT GIVEN STRONG PROTECTION

A. Limiting the UDRP to Cybersquatting Cases

The legislative history of the UDRP indicates that the policy was intended to be narrow in scope.\(^\text{116}\) The UDRP only intended to provide administrative resolution for a "small, special class" of disputes involving abusive registrations or cybersquatting.\(^\text{117}\) In fact, in the staff report on implementing the procedure, this narrow application was lauded as "a feature of the policy, not a flaw."\(^\text{118}\)

The problem with this goal is that by inferring bad faith from offers to sell the domain name to someone other than the trademark holder, arbitrators are extending the UDRP to cases that did not involve cybersquatting.\(^\text{119}\) As one panelist noted, "selling a domain name is not per se prohibited" by the UDRP, "nor is it illegal or even, in a capitalist system, ethically reprehensible."\(^\text{120}\) The result is that arbitrators transfer the domain name to the complainant when no evidence exists that the respondent was a cybersquatter who registered the domain name with the "intent to profit commercially from others' trademarks."\(^\text{121}\)

Consequently, the first proposal this Comment makes is to amend paragraph 4(b)(i) of the UDRP to include a clarification that the offer for sale of a domain name is not per se bad faith unless it is made to "the trademark holder or a competitor."\(^\text{122}\) This clarification will serve to constrain the line of decisions that find every offer to sell a domain name or names as bad faith. In doing so, the clarification will ensure that the UDRP is limited to cases that actually involve cybersquatting.


\(^{117}\) Id.

\(^{118}\) Id.

\(^{119}\) See Hearst Communications, Inc. v. Spencer, ICANN Case No. FA-0093763, at http://www.arbforum.com/domains/decisions/93763.htm (Apr. 13, 2000) (transferring the domain name where the sale was to someone other than the trademark owner). See also J. Crew Int'l, ICANN Case No. D2000-0054 (transferring the domain name where there was no evidence that the holder had registered the domain name to profit from the goodwill associated with the mark).

\(^{120}\) See Manchester Airport PLC and Club Club Ltd., ICANN Case No. D2000-0638, at http://arbiter.wipo.int/domains/decisions/html/d2000-0638.html (Aug. 22, 2000) (noting that the selling of domain names is prohibited under the UDRP only if the two other elements "namely trademark infringement and lack of legitimate interest" are also violated).

\(^{121}\) Second Staff Report, supra note 116, at ¶ 4.1(c).

\(^{122}\) UDRP, supra note 15, at ¶ 4(b)(i).
B. Ensuring That Weak Marks Are Not Given Strong Protection

Another problem with the application of the UDRP involves decisions where the domain name embodies a trademark that is non-inherently distinctive, yet the complainant is awarded the domain name without the arbitrator considering the strength of the trademark. The UDRP effectively treats all trademarks as being entitled to equal protection, in contradiction of established trademark precedent that provides that the protection afforded a particular mark, is a function of its distinctiveness. Therefore, this Comment proposes an addendum to paragraph 4(a)(i) of the UDRP requiring that the arbitrator evaluate the strength of the trade or service mark. The addition of an inspection of the strength of the trademark will force arbitrators to recognize that strong marks are entitled to strong protection while generic marks are not entitled to protection at all.

When arbitrators fail to take into account the strength of the trademark reflected in the domain name and extend the UDRP to cases that do not involve cybersquatting, they effectively make an assignment of the domain name from which the respondent can never recover. For example, if a panel proceeds on the assumption that the complainant has rights in the trademark even though it is a generic term, it automatically establishes the first element. If the panel then finds the other two elements, the domain name is transferred to the complainant. To reacquire the

125. Id.
127. Id. at ¶ 6. The panel concluded that the domain name was identical to the complainant's TRASHY LINGERIE trademark, which was federally registered. Id. The panel also noted that the respondent was not a licensee of the complainant and could show no legitimate interest in the domain name. Id. The panel noted that none of the examples of bad faith listed in paragraph 4(b) applied to the facts. Id. However, the panel inferred registration and use in bad faith from the respondent's failure to use the domain name, finding the respondent's contention that it was trying to "reorganize" insufficient. Id. The majority of the panel found that an inspection of the strength of the trademark was beyond the scope of the UDRP while the concurring arbitrator would have reached the same result while taking strength into account. Id.
128. UDRP, supra note 15, at ¶ 4(a).
domain name, the respondent would have to file a complaint under the UDRP. The respondent would necessarily have to show trademark rights in the domain name, which he or she would be unable to do. “Thus, the [complainant] would have obtained rights to a domain name to which the [respondent] should have been rightfully entitled.”

C. Interaction of the Strength of the Mark and the Offer to Sell as Bad Faith

A correct application of the UDRP involves an interaction of the strength of the mark at issue and the bad faith offer to sell the domain name. In general, it is bad faith to register and sell a domain name that embodies an inherently distinctive trademark. However, where the domain name and trademark at issue are generic, the same conduct is not bad faith.

Many arbitrators correctly limit application of the UDRP to disputes involving cybersquatting and take into account the distinctiveness of the mark. For instance, in the <thyme.com> dispute, the arbitrator noted that the respondent had registered approximately fifty domain names, and found that most of the domains were relatively generic. Additionally, the respondent had used the domain name to divert Internet users to another site where it offered the domain name for sale. Although this offer to

129. See 402 Shoes, ICANN Case No. D2000-1223 (Donahay, concurring) (noting that the respondent could also file an administrative proceeding to cancel the mark).
130. UDRP, supra note 15, at ¶ 4(a)(i). See also 402 Shoes, ICANN Case No. D2000-1223 (Donahay, concurring) (noting that the proof is “that the domain name at issue is identical or confusingly similar to a trademark or service mark in which [a UDRP complainant] has rights.”).
131. See 402 Shoes, ICANN Case No. D2000-1223 (Donahay, concurring) (finding that this “potential injustice” necessitates that the panel consider whether a non-inherently distinctive mark has acquired secondary meaning).
132. UDRP, supra note 15, at ¶ 4(b)(i).
135. Shirmax, ICANN Case No. AF-0104, at ¶ 3.
136. Id. The website to which Internet users were directed provided that respondent developed and marketed “valuable Internet domain names.” Id. The site also invited Internet users to contact the company about particular domain names. Id.
sell the domain name coupled with an apparent pattern of conduct could evince bad faith, the arbitrator noted that the THYME mark was generic. The arbitrator found that the rights of the domain name holder are favored “where the domain name and trademark in question are generic.”

The arbitrator reasoned that although the respondent’s business appeared to involve registering domain names and reselling them for a profit, there was no evidence that the respondent registered <thyme.com> with the intent of profiting from the complainant’s trademark. The arbitrator noted that this situation may demonstrate bad faith registration and use if the domain name at issue reflected a “coined trademark such as Panavision,” but not where the domain involves a generic term.

Several ICANN decisions have held that not only is resale of certain domain names not per se evidence of bad faith but in some cases, evinces a legitimate interest in the domain name. Recall that a finding that the respondent has a legitimate interest in the domain name precludes the complainant from prevailing since the second element of the UDRP requires the complainant to show that the respondent has “no rights or legitimate interests in respect of the domain name,” per paragraph 4(a)(ii).

In the <allocation.com> dispute, the arbitrator held that the practice of selling descriptive or generic domain names may constitute use of the domain name in connection with a bona fide offering of goods and services. However, the arbitrator went on to

137. See id. at ¶ 2 (“Given the generic nature of the domain name, [the respondent] has at least a tenable argument that its use on the web merely for the purpose of redirecting visitors to a different site constitutes a legitimate fair use, as long as this use is not misleadiing to consumers and does not tarnish a trademark.”).
138. Id.
139. Id. at ¶ 3. The arbitrator noted that there was no evidence that the respondent knew of complainant’s company name and trademark when registering the domain name. Id. Statutory constructive notice pursuant to 15 U.S.C. § 1072 has been used in UDRP disputes as evidence of bad faith. See Chernow, ICANN Case No. D2000-0119; see also J. Crew Int’l, ICANN Case No. D2000-0054.
141. See Allocation Network GmbH v. Gregory, ICANN Case No. D2000-0016, at http://arbiter.wipo.int/domains/decisions/html/d2000-0016.html (Mar. 24, 2000) (noting that the “registration and offering for sale of a domain name may constitute a legitimate interest unless it was shown that the domain was chosen with the intent to profit from or otherwise abuse [the] complaint’s trademark rights”). See also General Mach Prod. Co., Inc. v. Prime Domains (a/k/a Telepathy, Inc.), ICANN Case No. FA-0082531, at http://www.arbforum.com/domains/decisions/92531.html (Jan. 26, 2000).
142. UDRP, supra note 15, at ¶ 4(a)(ii).
143. Allocation Network, ICANN Case No. D2000-0016 at ¶ 7(b).
hold that this result would be different if it were shown that the respondent had chosen a particular name with the intent to profit from the complainant's trademark rights.144

Similarly, in the <craftwork.com> dispute, the arbitrator found that the respondent's offer to sell the "descriptive, non-source identifying" domain name does not make its interest illegitimate.145 In finding that the complainant was not entitled to transfer of the domain name, the arbitrator noted that it was the complainant that solicited purchase of the domain and not vice versa.146

In each of these cases, the respondent's offer to sell the domain name was to the public and not directed to the complainant.147 Cybersquatting exists only when the offer to sell the domain name is to the complainant or a competitor.148 Further, in each case, the arbitrator took the distinctiveness of the trademark into account.149 This recognition of the strength of the mark allows arbitrators to determine whether the inference of bad faith is proper, as in the <cellularonechina.com> dispute, where the domain name included a "coined" trademark.150

CONCLUSION

In its first year of existence, the UDRP resolved 4,635 domain name disputes.151 Admittedly, the bad faith inference from an offer to sell the domain name and the strength of the trademark problems discussed affected only a relatively small number of disputes.152 However, ICANN recently approved seven new TLDs that are expected to be operational sometime after the second quarter of 2001.153 This expansion of the DNS will multiply any

144. Id.
146. Id.
147. Id.; Allocation Network, ICANN Case No. D2000-0016.
148. UDRP, supra note 15, at ¶ 4 (b)(i).
149. See Gen. Mach., ICANN Case No. FA-0092531 at ¶ 3 (finding CRAFTWORK to be a descriptive mark). See also Allocation Network, ICANN Case No. D2000-0016 (finding ALLOCATION to be generic).
152. For a list of the domain names involved in disputes brought under the UDRP and the respective outcomes, see List of Proceedings Under Uniform Domain Name Dispute Resolution Policy, at http://www.icann.org/udrp/proceedings-list-name.htm (last visited Jan. 22, 2001).
153. See New TLD Program, at http://www.icann.org/tlds (last visited Jan. 8, 2001) (approving <.aero>, <.biz>, <.coop>, <.info>, <.museum>, <.name>, and
existing problems with the UDRP.

Accordingly, ICANN should amend the UDRP in two respects. First, paragraph 4(b)(i) should include a clarification that the offer for sale of a domain name is not *per se* bad faith unless it is made to the trademark holder or a competitor of the trademark holder. This clarification will ensure that the UDRP is limited to its goal of resolving only "clear-cut cases of cybersquatting."154

Second, paragraph 4(a)(i) should be amended to require the arbitrator to evaluate the strength of the trade or service mark at issue. This requirement will force arbitrators to recognize that, under trademark law, coined marks and generic terms are not entitled to the same protection.155 "The UDRP is intended to prevent trademark owners from being extorted by cybersquatters, but it is also intended to protect legitimate registrations from being threatened by overreaching trademark owners."156

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155. *See* *Hearst Communications, Inc. v. Spencer*, ICANN Case No. FA-0093763, at *http://www.arbforum.com/domains/decisions/93763.htm* (Apr. 13, 2000) (Mueller, dissenting) (noting that "esquire" is generic). *See also Cellular One Group*, ICANN Case No. D2000-28 (finding that the domain name included the complainant's "coined" trademark). In each case, the domain name was transferred to the complainant.

156. *See Hearst*, ICANN Case No. FA-0093763 (Mueller, dissenting) (providing that a correct application of the spirit and letter of the UDRP balances these competing concerns).